

To Our Shareholders

Nobuo Domae
President & Representative Director
Ryohin Keikaku Co., Ltd.
26-3, Higashi-Ikebukuro 4-chome,
Toshima-ku, Tokyo, Japan

Convocation Notice of the 43rd Ordinary General Meeting of Shareholders

We would like to take this opportunity to thank you, our shareholder, for the support you provide to Ryohin Keikaku Co., Ltd. (the “Company”).

We are pleased to announce that the 43rd Ordinary General Meeting of Shareholders of the Company will be held as described below.

However, from the standpoint of preventing the spread of the novel coronavirus disease (COVID-19), we request that shareholders carefully judge whether or not to attend the 43rd Ordinary General Meeting of Shareholders, taking consideration of your health condition, and if at all possible, instead exercise your voting rights in advance in writing or via the internet, etc. This year, shareholders who wish to attend in person must register to do so beforehand. Please review the attached Referential Documents for the General Meeting of Shareholders and exercise your voting rights by 6:00 P.M. on Thursday, November 25, 2021 following the instructions provided below.

Notes

1. Date and Time: 10:00 A.M. on Friday, November 26, 2021 (Reception starts at 9:15 A.M.)
2. Place: Belle Salle Takadanobaba
8-2, Okubo 3-chome, Shinjuku-ku, Tokyo

Please refer to the attachment regarding countermeasures to prevent the spread of COVID-19.

3. Purposes:

Matters to be reported:

1. The Business Report, the Consolidated Accounting Statements, and the Audit Reports for Consolidated Accounting Statements by the accounting auditor and the Board of Corporate Auditors, for the 43rd business year from September 1, 2020 through August 31, 2021
2. The Accounting Statements for the 43rd business year from September 1, 2020 through August 31, 2021

Matters to be resolved:

- Item 1 Disposal of surplus
- Item 2 Partial amendments to the Articles of Incorporation
- Item 3 Election of four (4) directors
- Item 4 Election of one (1) corporate auditor
- Item 5 Revision of amount of compensation for directors
- Item 6 Revision of amount of compensation for corporate auditors
- Item 7 Determination of compensation for granting restricted shares to directors (excluding outside directors)

4. Instructions for Exercising Voting Rights

- (1) Voting by mail
Please indicate on the enclosed voting card whether you approve or disapprove each item and return the completed card to us by mail. All such completed cards must be received by the Company by 6:00 P.M. on Thursday, November 25, 2021.
- (2) Voting via the internet
Please access the website designated by the Company for voting (<https://www.web54.net>), and exercise your voting rights by 6:00 P.M. on Thursday, November 25, 2021. For details, please see the following page.
- (3) Voting by attending the meeting
Please submit the enclosed voting card at the reception of the meeting. Shareholders wishing to attend the meeting in person must register to do so in advance. Please refer to the page after the next for instructions on how to register in advance.

When you exercise your voting rights both by written document and via the internet, etc., only the vote via the internet, etc. will be deemed valid. In addition, when you exercise your voting rights more than once via the internet, etc., or exercise your voting rights more than once via PC, and/or smartphone, only the last vote will be deemed valid.

If you attend the meeting in person, you do not need to follow the procedures for the exercise of voting rights in writing or via the internet, etc.

To Institutional Investors

Institutional investors may use “Voting Rights Electronic Exercise Platform” operated by ICJ Co., Ltd., when an application is made in advance, as a measure of exercising voting rights by electromagnetic method.

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- Notes: 1. If you could attend the General Meeting of Shareholders in person, please submit the enclosed voting card at the reception of the meeting and bring this Convocation Notice of the 43rd Ordinary General Meeting of Shareholders with you.
2. If any circumstances necessitating amendments to the contents of the Referential Documents for the General Meeting of Shareholders, Business Report, Accounting Statements and Consolidated Accounting Statements occur by the day immediately preceding the day of the General Meeting of Shareholders, notification of those amendments are provided by mailing documents or posting them on the Company’s home page (<https://ryohin-keikaku.jp/>).
3. Pursuant to the relevant laws and regulations, and Article 15 of the Company’s Articles of Incorporation, the following items, among the documents to be attached to this notice, are posted on the Company’s home page and are not attached to this notice. Accordingly, the attached documents to this notice should be considered as one part of the documents that were audited by the corporate auditors and the accounting auditor in preparing the Audit Reports.
- (1) Matters Concerning Share Acquisition Rights
 - (2) Basic Policy for Developing Internal Control Systems
 - (3) Consolidated Statements of Changes in Net Assets
 - (4) Notes to the Consolidated Accounting Statements
 - (5) Non-consolidated Statements of Changes in Net Assets
 - (6) Notes to the Accounting Statements

Instructions for Exercising Voting Rights via the Internet

When you exercise your voting rights for the General Meeting of Shareholders via the internet, please be aware of the following:

QR code method: “Smart Vote” method

You can simply log in to the voting website without entering your voting rights exercise code and password.

- (1) Please scan the QR code located on the lower right-hand side of the voting card.
- (2) Indicate your approval or disapproval by the following instructions on the screen.

* “QR code” is a registered trademark of DENSO WAVE INCORPORATED.

<p>Note that exercising voting rights by using “Smart Vote” method is available only once.</p>

<p>If you need to change your votes after exercising your voting rights, please use the conventional internet voting method and log in to the voting website for a PC by using your voting rights exercise code and password provided on the voting card to exercise your voting rights again.</p>
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<p>*If you rescan the QR code, you can access the voting website for a PC.</p>
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Conventional internet voting method (specifying exercise code and password)

Exercising your voting rights via the internet is available by accessing the voting website (<https://www.web54.net>).

Inquiries regarding the operation of a PC, etc. for exercising voting rights

Inquiries regarding the operation of a PC, etc. for exercising voting rights on the voting website, please contact:

Stock Transfer Agency Web Support, Sumitomo Mitsui Trust Bank, Limited

Tel: 0120-652-031 (toll free and available from 9:00 A.M. to 9:00 P.M., only in Japan)

Request Regarding Advance Registration

Registration deadline: By 5:00 P.M. on Thursday, November 18, 2021

This year, the number of available seats at the 43rd Ordinary General Meeting of Shareholders will be reduced compared with usual years as the space between seats will be increased to prevent the spread of COVID-19. Accordingly, we request that the shareholders who wish to attend the meeting in person register in advance to do so. If the number of shareholders wishing to attend exceeds the number of seats available, a lottery will be held to decide who among the advance registrants may attend.

Please be forewarned that admission to the 43rd Ordinary General Meeting of Shareholders shall not be granted to shareholders who did not register in advance, shareholders who were not selected by the lottery system, and shareholders who cannot verify they were selected by the lottery system.

Please register using the following dedicated website. (Only registration by the method of using this website shall be deemed to be valid.)

Method for advance registration

Registration deadline: By 5:00 P.M. on Thursday, November 18.

Please register using the following dedicated website.

Website for receiving registrations <https://krs.bz/ryohin/m?f=1>

1. After accessing the website dedicated for receiving registrations from your computer, smartphone or mobile phone, please follow the instructions on the screen to register the following information:
 - Shareholder number (9-digit number stated on the voting card)
 - Name
 - Email address
2. The shareholders who may attend the meeting shall be decided by lottery from the advance registrants who registered by 5:00 P.M. on Thursday, November 18. The results of the lottery will be sent by email on Monday, November 22.

Points to note

- In order to be granted admission to this General Meeting of Shareholders, shareholders must bring both the “Voting Card” and the “Notice of Admission” sent by email on Monday, November 22. (For the “Notice of Admission,” shareholders please either bring a printout of the notice or show the notice on the screen of your smartphone or mobile phone. When doing the latter, we recommend saving it in an easy-to-access place beforehand by taking a screen capture of the notice etc.)
- If the information on the “Voting Card” does not match the information on the “Notice of Admission,” admission shall not be granted.
- The results of the lottery will be sent by email on Monday, November 22.
- A limit of one registration per shareholder applies.
- We will use the personal information that we receive only for the purposes of sending notice of the lottery results, replying to inquiries, and verification of shareholder identity. We will not share that personal information to third parties other than outsourcing contractors entrusted with the operations necessary for those purposes.
- Any expenses arising from access to the website dedicated for advance registration are to be borne by the shareholders.

Note: Changes may be made to the way of managing the General Meeting of Shareholders due to future circumstances. In such cases, notice will be provided on the Company’s website (<https://ryohin-keikaku.jp/>). Please check the website at the appropriate timing.

Referential Documents for the General Meeting of Shareholders

Item 1 Disposal of surplus

Matters relating to dividends

With an aimed dividend ratio of 30% (per year) as its standard, the Company would like the dividends for the current business year to be as follows, taking into consideration the continuous return of profits to shareholders.

(i) Kind of property for dividends:

By cash

(ii) Matters relating to allocation of property for dividends and its total amount:

Per share of common stock of the Company: 20 yen

Total amount of dividends: 5,497,185,200 yen

(iii) Effective date of dividends from surplus:

November 29, 2021

Item 2 Partial amendments to the Articles of Incorporation

Reason for proposal

- (1) Establishment of corporate philosophy (Article 2 of the proposed amendments)

With the fiscal year ending August 2022 as the first fiscal year in our “second founding,” we are renewing our corporate philosophy and establishing the clause regarding it.
- (2) Amendment to the purpose of the Company (Article 3 of the proposed amendments)

The reason of this amendments is to prepare for business development to realize our corporate philosophy and to organize and materialize the purpose of each business field.
- (3) Introducing general meetings of shareholders without set venues (Article 13 of the proposed amendments)

Due to legal amendments, listed companies are now able to hold general meetings of shareholders without set venues (so-called “virtual-only shareholders meeting”) based on the clause describing it in the Articles of Incorporation and certain conditions. The Company is changing our Articles of Incorporation to allow general meetings of shareholders without a set venue to be held. This will make attendance easier for many shareholders including those living in distant areas, while making our general meetings of shareholders more energized, more efficient, and smoother, and will also reduce the risk of infectious diseases and large-scale disasters including natural disasters. This amendment will take effect when the following conditions are met. First, this resolution must be passed at today’s general meeting of shareholders. The Company must then receive confirmation from the Minister of Economy, Trade and Industry and the Minister of Justice that the virtual-only shareholders meeting held by the Company protect the interests of the shareholders and contribute to strengthening industrial competitiveness per the conditions established by the Ministry of Economy, Trade and Industry and the Ministry of Justice. The amendments will officially take effect on the date that this confirmation is received.
- (4) Introducing electronic methods for the provision of referential documents for general meetings of shareholders, etc. (Article 16 of the proposed amendments)

Due to legal amendments, electronic methods for the provision of referential documents for general meetings of shareholders, etc. are now allowed. Additionally, following the date of promulgation of the legal amendments associated with electronic provision methods, companies issuing book-entry transfer shares are now required to stipulate in the Articles of Incorporation that they are using electronic provision methods for the information included in referential documents for general meetings of shareholders, etc. These amendments will be made in accordance with these requirements.
- (5) Shortening the terms of Directors (Article 21 of the proposed amendments)

To clarify the management responsibilities of Directors and to build a management structure that can respond quickly to changes in the management environment, the terms of Directors will be shortened from two years to one year. A supplementary provision will be added to clarify that the previous rules will be applied to the terms of current Directors.
- (6) Amendments associated with Directors with special titles and Representative Directors (Article 22 of the proposed amendments)

To respond to changes in the management environment, the amendments will allow the Company to designate Directors with special titles flexibly. Also we will eliminate rules associated with the selection of Representative Directors required by the Companies Act.
- (7) Other overall amendments

Required amendments will be made in addition to organizing the article numbers with the creation of new clause in the Articles of Incorporation.

Contents of amendments

The contents of the amendments are as follows: (Underlined portions show amended parts.)

Present Articles of Incorporation	Proposed Amendments
<p>Chapter I General Provisions (Newly inserted)</p>	<p>Chapter I General Provisions (Corporate philosophy) Article 2. The Company’s corporate philosophy, as described in the following items, is to contribute to the realization of “simple, pleasant life and society” through products, services, stores, and activities that consider “an ideal relationship among people, nature, and things, as well as a spiritually rich society.” (1) The Company’s primary mission is to provide truly high quality, ethical core product groups and core service groups indispensable to everyday life at accessible, fair prices. (2) The Company’s secondary mission is for our stores to address regional issues and to have a positive local impact as regional community centers, together with all our local stakeholders. (3) Through the products, services, and activities that the Company provides, we contribute to realizing a sustainable society that recycles natural resources and exists in harmony with nature. Based on our fundamental policy of serving society and people, each of our employees and business partners responds sensitively to social and global issues and works to reduce our environmental impact and respects individuals throughout the entire lifecycle of the products, services, and activities that we provide in all our business fields. (4) To realize the above items, the Company gives employees with the project ownership the leading role in our business activities as we work to implement human-centered corporate management for the public good through store activities rooted in local communities and activities of our employees and business partners that contribute to the public interest. (5) As the results of our activities, the Company builds a strong earnings structure, properly pay its taxes, and provide appropriate shareholder returns. Furthermore, together with our stakeholders, we aim to co-create a positive impact on society as we work to enhance our long-term corporate value.</p>
<p>(Purpose) Article 2. The purpose of the Company shall be to conduct the following businesses. 1. Retail, product fabrication, wholesale, import and export, and rental of men’s, women’s, and children’s clothing, undergarments, miscellaneous clothing accessories, miscellaneous Western products, fur products, shoes, bags, pouches, umbrellas, personal ornaments, smoking accessories, exercise products, jewels, precious metals, artwork, bedding-related products, everyday necessities, books and magazines, stationery, toys, home electronics, petroleum products, automobiles, motorized bicycles, bicycles, musical instruments, records, audio tapes, watches, glasses, photography equipment, Japanese and Western home furnishings, interior decorations, bedding, kitchen equipment, tableware, carpentry supplies, gardening supplies, fresh flowers, games, agricultural, livestock and marine products, cosmetics, pharmaceuticals, veterinary pharmaceuticals, quasi-pharmaceutical products, medical</p>	<p>(Purpose) Article 3. The purpose of the Company shall be to conduct the businesses as provided for in the below items and to govern and manage the companies and foreign companies operating the following businesses through the holding of shares or interests in those companies, aiming to realize our corporate philosophy. (1) Planning, development, design, production, fabrication, import and export, transportation, sales, wholesale, rental, and after-market services of the following everyday necessities (i) Clothing, shoes, bags, watches, glasses, and other accessories and miscellaneous goods (ii) Food products, health food products, nutritional supplements, processed foods, frozen prepared foods, sweets, beverages, seasonings, cheeses, butters, and other dairy products, and agricultural, livestock and marine products (iii) Furniture, interior decorations, carpentry materials, room design materials, and construction</p>

Present Articles of Incorporation	Proposed Amendments
<p><u>devices, poisonous and deleterious substances, agrochemicals, fertilizers, animal feeds, and other various merchandise</u></p> <p><u>2. Manufacturing of clothing textiles, miscellaneous Western products, fur products, shoes, bags, pouches, umbrellas, personal ornaments, smoking accessories, stationery, toys, exercise products, home electronics, petroleum products, automobiles, bicycles, musical instruments, records, audio tapes, watches, glasses, photography equipment, Japanese and Western home furnishings, interior decorations, bedding, kitchen equipment, tableware, carpentry supplies, gardening supplies, games, livestock food products, marine food products, preserved agricultural products, frozen prepared foods, breads, sweets, soft drinks, coffees, teas, etc., seasonings, cheeses, butter, and other dairy products, noodles, canned goods, bottled goods, and other processed foods, cosmetics, pharmaceuticals, veterinary pharmaceuticals, quasi-pharmaceutical products, medical devices, poisonous and deleterious substances, agrochemicals, fertilizers, and animal feeds</u></p> <p><u>3. Retail, wholesale, and import and export of alcoholic beverages</u></p> <p><u>4. Sales of salt, tobacco products, postage and proof of payment stamps, and rice</u></p> <p><u>5. Sales and purchase of antiques</u></p> <p><u>6. Management of hotels and inns, restaurant business, printing business, publishing business, credit card processing business, motor truck transportation business, warehousing business, packaging business, product inspection of clothing textiles and bedding, etc., general travel business, domestic travel business, travel agency business, and childcare business</u></p> <p><u>7. Management of camping sites, sports facilities, sports clubs, sports workshops, cultural workshops, and the management of stores and these facilities and venues</u></p> <p><u>8. Non-life insurance agency business and business related to life insurance solicitation</u></p> <p><u>9. Manufacturing, sales, rental, and import and export of computer software</u></p> <p><u>10. Manufacturing, sales, and rental of electronic communication machinery and devices</u></p> <p><u>11. Manufacturing, sales, and rental of optical machinery and devices such as astronomical telescopes</u></p> <p><u>12. Real estate sales, rental, brokering, and management</u></p> <p><u>13. General leasing business and general rental business</u></p> <p><u>14. Design, management, and implementation of general building construction and interior finishing work</u></p> <p><u>15. Planning and production of video and sound recordings such as movies and plays, and rental, sales and purchase of copyrights such as reproduction rights</u></p> <p><u>16. Mail-order sales business</u></p> <p><u>17. Business related to electric power production and sales</u></p> <p><u>18. Contracting and administration of the businesses listed in the preceding items</u></p> <p><u>19. Consultant business resulting from the franchise system related to the businesses listed in the preceding items</u></p> <p><u>20. All businesses that are incidental to those mentioned in the preceding items</u></p>	<p><u>materials</u></p> <p><u>(iv) Household goods, stationery, gardening supplies, fresh flowers, pet goods, and other everyday necessities</u></p> <p><u>(v) Toys, games, and musical instruments</u></p> <p><u>(vi) Electronics, electronic communication machinery and devices, optical machinery and devices, information devices, and computer software</u></p> <p><u>(vii) Cosmetics</u></p> <p><u>(viii) Soap and detergent-related</u></p> <p><u>(ix) Publications, books and magazines, records, audio tapes, CDs, DVDs, and digital contents</u></p> <p><u>(x) Pharmaceuticals, veterinary pharmaceuticals, quasi-pharmaceutical products, and medical devices</u></p> <p><u>(xi) Agrochemicals, fertilizers, animal feeds, poisonous and deleterious products</u></p> <p><u>(xii) Automobiles, motorized bicycles, and bicycles</u></p> <p><u>(xiii) Jewels and precious metals</u></p> <p><u>(xiv) Artwork</u></p> <p><u>(xv) Alcoholic beverages</u></p> <p><u>(xvi) Salt, tobacco products, postage and proof of payment stamps, and rice</u></p> <p><u>(xvii) Products using waste products, recycled products, and reused materials</u></p> <p><u>(xviii) Antiques</u></p> <p><u>(xix) Petroleum products</u></p> <p><u>(xx) All other products related to everyday life</u></p> <p><u>(2) Planning and provision of the following services necessary for everyday life</u></p> <p><u>(i) Cafeterias, cafes, and other restaurants</u></p> <p><u>(ii) Hotels and inns</u></p> <p><u>(iii) Operation of workshops, education, and facilities related to sports, culture, camping and other leisure activities</u></p> <p><u>(iv) Travel and travel agencies</u></p> <p><u>(v) Cleaning and repair of clothing, shoes, furniture, and miscellaneous lifestyle goods</u></p> <p><u>(vi) Cleaning</u></p> <p><u>(vii) Home security</u></p> <p><u>(viii) Monitoring services and nursing care services</u></p> <p><u>(ix) End of life support and estate liquidation</u></p> <p><u>(x) Flea market operations and auction operations</u></p> <p><u>(xi) Moving and logistics</u></p> <p><u>(xii) Mobile sales</u></p> <p><u>(xiii) Mail-order sales</u></p> <p><u>(xiv) Door-to-door sales</u></p> <p><u>(xv) All other services associated with everyday life</u></p> <p><u>(3) The below businesses related to space design and renovation</u></p> <p><u>(i) Interior design, construction management, and construction</u></p> <p><u>(ii) Office design, construction management, and construction</u></p> <p><u>(iii) Home design, construction management, construction, and home sales</u></p> <p><u>(iv) Design, construction management, and construction of buildings, public structures, commercials facilities, and other structures</u></p> <p><u>(v) City and town design</u></p> <p><u>(vi) Other construction businesses</u></p> <p><u>(vii) Real estate sales, rental, brokering, and management</u></p> <p><u>(viii) All other businesses related to space design and renovation</u></p>

Present Articles of Incorporation	Proposed Amendments
	<p><u>(4) The following businesses related to primary industries such as “food and agriculture”</u></p> <p><u>(i) Business development and business operations in the agricultural, livestock, marine product, and forestry industries</u></p> <p><u>(ii) Businesses using wild game meat</u></p> <p><u>(iii) Businesses using unused or little used resources deriving from agricultural by-products</u></p> <p><u>(iv) Businesses related to next-generation foods with a low environmental impact such as meat alternatives and insect foods</u></p> <p><u>(v) Businesses in primary industries that promote enhanced productivity using information technology</u></p> <p><u>(vi) All other businesses related to primary industries</u></p> <p><u>(5) The following businesses related to healthcare</u></p> <p><u>(i) Pharmacy operations and the preparation and sales of prescription ethical drugs</u></p> <p><u>(ii) Businesses related to self-medication and pre-symptomatic disease support</u></p> <p><u>(iii) Business in the healthcare field that promote increased quality of life using information technology</u></p> <p><u>(iv) All other businesses related to healthcare</u></p> <p><u>(6) The following businesses related to the secondary distribution market</u></p> <p><u>(i) Antique sales and other antique operations in the Secondhand Articles Dealer Act</u></p> <p><u>(ii) Businesses related to the collection and reuse of junk and unused products</u></p> <p><u>(iii) Businesses related to the reuse of defective and faulty goods</u></p> <p><u>(iv) No-waste planning, development, business operations, and consulting</u></p> <p><u>(v) Online flea market and auction business operations</u></p> <p><u>(vi) All other businesses related to the secondary distribution market</u></p> <p><u>(7) The following businesses related to town planning</u></p> <p><u>(i) Businesses related to urban planning, business creation, tourism stimulation, effective use of real estate, and real estate renovation</u></p> <p><u>(ii) Businesses related to the revitalization of public housing</u></p> <p><u>(iii) Businesses related to the renewal of empty properties and shuttered shopping districts in central urban areas</u></p> <p><u>(iv) Business infrastructure provision services including providing offices, development facilities, production facilities, stores, sales channels, raw materials, procurement, staffing to entrepreneurs</u></p> <p><u>(v) Businesses related to facilities for related population creation</u></p> <p><u>(vi) Businesses and business creation support consulting related to the use of regional resources including culture, art, history, and nature</u></p> <p><u>(vii) Businesses related to mobile services</u></p> <p><u>(viii) Businesses related to reusable energy and regional revitalization consulting using renewable energy</u></p> <p><u>(ix) Businesses promoting improved town functions using information technology</u></p> <p><u>(x) All other businesses related to town planning</u></p> <p><u>(8) The following businesses related to finance and investment</u></p> <p><u>(i) The set up and operation of investment funds that</u></p>

Present Articles of Incorporation	Proposed Amendments
	<p><u>support regional industry creation, town planning, and social entrepreneurs</u></p> <p><u>(ii) Businesses related to crowdfunding</u></p> <p><u>(iii) Microfinance operations</u></p> <p><u>(iv) Issuing, distribution and management of digital currencies, including advanced payment methods, regional currencies, and crypto assets that contribute to creation of regional environmental cycling, and provision and operation of payment processing methods, as well as fund transfer businesses and crypto asset exchange businesses</u></p> <p><u>(v) All other businesses related to finance and investment</u></p> <p><u>(9) The following businesses related to education</u></p> <p><u>(i) Operation of childcare centers, nurseries, and other facilities for children</u></p> <p><u>(ii) Operation of elementary schools, middle schools, high schools, and universities</u></p> <p><u>(iii) Operation of cram schools and other learning support facilities</u></p> <p><u>(iv) Operation of various cultural workshops, sports workshops, and sports facilities</u></p> <p><u>(v) Operation of language schools, vocational training schools, educational facilities for working people, and educational facilities for entrepreneurs</u></p> <p><u>(vi) Planning, development, and sales of educational contents</u></p> <p><u>(vii) Businesses to promote the increased quality of education using information technology</u></p> <p><u>(viii) All other businesses related to education</u></p> <p><u>(10) The following businesses related to the co-creation of social impact</u></p> <p><u>(i) Support for the activities of groups and individuals dedicated to resolving social issues such as poverty, discrimination and prejudice, environmental problems, and depopulation, and the planning, development and operation of cooperative platforms</u></p> <p><u>(ii) Support and staffing for business startups by social entrepreneurs</u></p> <p><u>(iii) All other businesses related to the co-creation of social impact</u></p> <p><u>(11) The other following businesses</u></p> <p><u>(i) Printing business, publishing business, credit card processing business, motor truck transportation business, warehousing business, packaging business, product inspection of clothing textiles and bedding, etc., non-life insurance agency business and business related to life insurance solicitation, general leasing business, general rental business, business related to electric power production and sales, planning and production of video and sound recordings such as movies and plays, and rental, sales and purchase of copyrights such as reproduction rights</u></p> <p><u>(ii) General and industrial waste collection, transport, separation, processing, recycling, incineration, and final disposal facilities operation, and support and consulting for business operators related to reused resources and waste</u></p> <p><u>(12) Contracting and administration of the businesses listed in the preceding items, and consultant business resulting from the franchise system</u></p> <p><u>(13) All businesses that are incidental to those mentioned in the preceding items</u></p>

Present Articles of Incorporation	Proposed Amendments
Article <u>3.</u> - <u>11.</u> (Descriptions of provisions omitted)	Article <u>4.</u> - <u>12.</u> (Hereinafter, Article number of subsequent Articles will be moved down. The clauses are unchanged.)
Chapter III General Meeting of Shareholders (Convocation period) Article <u>12.</u> An ordinary general meeting of shareholders of the Company shall be convened in November every year. (Newly inserted)	Chapter III General Meeting of Shareholders (Convocation period, etc.) Article <u>13.</u> <u>1.</u> An ordinary general meeting of shareholders of the Company shall be convened in November every year. <u>2. The Company may hold general meetings of shareholders with no set venue.</u>
Article <u>13.</u> - <u>14.</u> (Descriptions of provisions omitted)	Article <u>14.</u> - <u>15.</u> (Hereinafter, Article number of subsequent Articles will be moved down. The clauses are unchanged.)
<u>(Internet disclosure and deemed provision of referential documents of the general meeting of shareholders, etc.)</u> Article <u>15.</u> When the Company convenes a general meeting of shareholders, <u>if it discloses information that is to be stated or indicated in the referential documents of the general meeting of shareholders, business report, financial statements and/or consolidated financial statements through the internet in accordance with the provisions prescribed by the Ordinance of the Ministry of Justice, it may be deemed that the Company has provided this information to shareholders.</u> (Newly inserted)	<u>(Electronic provision of reference materials for general meetings of shareholders)</u> Article <u>16.</u> <u>1.</u> When the Company convenes a general meetings of shareholders, <u>it shall use the electronic provision methods established in Article 325-2 of the Companies Act.</u> <u>2. Of the items for which it will use electronic provision methods, the Company shall not need to indicate any of the items established by Ordinances of the Ministry of Justice in the documents sent to shareholders requesting the delivery of documents by the recording date as established in Article 325-5 of the Companies Act.</u>
Article <u>16.</u> - <u>19.</u> (Descriptions of provisions omitted)	Article <u>17.</u> - <u>20.</u> (Hereinafter, Article number of subsequent Articles will be moved down. The clauses are unchanged.)
Chapter IV Directors and Board of Directors (Term of office) Article <u>20.</u> The term of office of a Director shall expire at the conclusion of the ordinary general meeting of shareholders for the last business year out of the business years terminating within <u>two years</u> after the election of the Director.	Chapter IV Directors and Board of Directors (Term of office) Article <u>21.</u> The term of office of a Director shall expire at the conclusion of the ordinary general meeting of shareholders for the last business year out of the business years terminating within <u>one year</u> after the election of the Director.
<u>(Directors with special titles and Representative Directors)</u> Article <u>21.</u> <u>1. Through a resolution, the Board of Directors may appoint, one Director and Chairman, one Director and President, one or a small number of Director and Vice Presidents, one or a small number of Senior Managing Directors, and one or a small number of Managing Directors.</u> <u>2. The Board of Directors shall appoint one or a small number of Representative Directors from the Directors.</u>	<u>(Directors with special titles)</u> Article <u>22.</u> <u>The Board of Directors may appoint, by its resolution, a Director and Chairman, a Director and President, and other positions.</u> (Deleted)
Article <u>22.</u> - <u>38.</u> (Descriptions of provisions omitted)	Article <u>23.</u> - <u>39.</u> (Hereinafter, Article number of subsequent Articles will be moved down. The clauses are unchanged.)
(Newly inserted)	Supplementary provision <u>(Entry into force)</u> Article <u>1.</u> <u>1. The establishment of a new Article 2, amendments to</u>

Present Articles of Incorporation	Proposed Amendments
(Newly inserted)	<p><u>move down each article below Article 2 by one article, and the amendments to Article 2 (Article 3 after the articles are moved down), to Article 20 (Article 21 after the articles are moved down), and to Article 21 (Article 22 after the articles are moved down) shall enter into force when the resolution at the general meeting of shareholders approving these amendments is passed.</u></p> <p><u>2. Amendments to Article 16 after each article is moved down as stipulated in the preceding paragraph shall enter into force on the date of promulgation established in the proviso of Article 1 of the supplementary provision to The Act Partially Amending the Companies Act (Act No. 70 of 2019) (hereinafter, “Promulgation Date”).</u></p> <p><u>However, convocation procedures for general meetings of shareholders falling on a date within six months of the Promulgation Date shall follow the previous clause.</u></p> <p><u>3. Amendments added paragraph 2 of Article 13 after the articles are moved down as provided in paragraph 1 shall enter into force when the Company receives confirmation from the Minister of Economy, Trade and Industry and the Minister of Justice that the amendments protect the interests of the shareholders and contribute to strengthening industrial competitiveness per the conditions established by the Ministry of Economy, Trade and Industry and the Minister of Justice.</u></p> <p><u>4. The provisions in paragraph 2 and the provisions in the preceding paragraph shall automatically be deleted on either the date when six months have passed since the Promulgation Date or on the date after three months have passed from the date of the general meeting of shareholders in the proviso of the same paragraph, whichever is later, and when the confirmation established in the preceding paragraph is received, respectively, and this Article shall automatically be deleted when paragraph 2 and paragraph 3 of this Article, and Article 2 are all deleted.</u></p> <p><u>(Transitional measures related to terms of Directors)</u></p> <p><u>Article 2.</u></p> <p><u>1. Regardless of the entry into force of the amendments to Article 20 (Article 21 after the articles are moved down) per the provisions of paragraph 1 of the preceding article, the terms of Directors who were elected and appointed at the 41st Ordinary General Meeting of Shareholders held on May 27, 2020 and at the 42nd Ordinary General Meeting of Shareholders held on November 27, 2020 shall follow the previous clause, ending at the conclusion of the ordinary general meetings of shareholders for the fiscal year ended on the final day of August 2021 and for the fiscal year ending on the final day of August 2022, respectively.</u></p> <p><u>2. This Article shall automatically be deleted following the date that the ordinary general meeting of shareholders is held for the fiscal year ending on the final day of August 2022.</u></p>

Item 3 Election of four (4) directors

Four directors, Mr. Masaaki Kanai, Mr. Kei Suzuki, Mr. Masayoshi Yagyu and Mr. Atsushi Yoshikawa will finish their terms upon conclusion of this General Meeting of Shareholders. Therefore, the Company proposes to elect four directors.

The candidates for directors are as follows:

No.	Name (Date of birth/ other notes)	Summary of career, position, in charge, and status of important offices concurrently served	Number of the Company's shares owned by the candidate
1	<p style="text-align: center;">Masaaki Kanai (October 13, 1957)</p> <p style="text-align: center;">Reelection</p> <p>Number of years in office: 21 years 6 months</p> <p>Attendance to the meetings of the Board of Directors: 16/16 (100%)</p>	<p>April 1976 Joined Seiyu Store Nagano Co., Ltd. (presently, Seiyu GK)</p> <p>September 1993 Joined Ryohin Keikaku Co., Ltd.</p> <p>May 2000 Director; General Manager of Household Division, Sales Headquarters; Ryohin Keikaku Co., Ltd.</p> <p>January 2001 Managing Director; General Manager of Sales Headquarters; Ryohin Keikaku Co., Ltd.</p> <p>May 2003 Representative Director and Senior Managing Director; and Executive Officer; General Manager of Merchandising Headquarters; and in supervision of Advertising and Promotion Office, Sales Headquarters; Ryohin Keikaku Co., Ltd.</p> <p>February 2008 President and Representative Director; and Executive Officer; Ryohin Keikaku Co., Ltd.</p> <p>May 2015 Representative Director and Chairman; and Executive Officer; Ryohin Keikaku Co., Ltd. (Present Position)</p> <p>June 2017 Outside Director; Audit and Supervisory Committee Member; Members Co., Ltd. (Present Position)</p> <p>(Status of important offices concurrently served) Outside Director; Audit and Supervisory Committee Member; Members Co., Ltd.</p>	112,800 shares
<p>Reasons for nomination as candidate for director Since Mr. Masaaki Kanai is performing a central role in expansion and growth of business of the Company as a director who has been involved in its management for a long time, the Company nominated him as a candidate for director.</p>			

No.	Name (Date of birth/ other notes)	Summary of career, position, in charge, and status of important offices concurrently served	Number of the Company's shares owned by the candidate
2	<p style="text-align: center;">Asako Shimazaki (November 18, 1965)</p> <p style="text-align: center;">New election</p>	<p>April 1988 Joined The Seiyu, Ltd. (presently, Seiyu GK)</p> <p>October 1998 Joined Ryohin Keikaku Co., Ltd., in supervision of H&B development for households</p> <p>September 2004 Category Manager of H&B households; Ryohin Keikaku Co., Ltd.</p> <p>September 2012 Store Manager; MUJI IKEBUKURO SEIBU Store</p> <p>February 2014 President; MUJI U.S.A. Ltd. (Temporarily transferred)</p> <p>February 2017 General Manager of Food Division; Ryohin Keikaku Co., Ltd.</p> <p>September 2018 Executive Officer; General Manager of Food Division; Ryohin Keikaku Co., Ltd.</p> <p>September 2021 Executive Officer; General Manager of Food Division; also in charge of Household Division and Design Office; Ryohin Keikaku Co., Ltd. (Present Position)</p>	9,490 shares
<p>Reasons for nomination as candidate for director Since Ms. Asako Shimazaki has produced exceptional results in boosting corporate performance through her exceptional imagination and execution in product development and can be expected to contribute to medium- to long-term growth, the Company nominated her as a candidate for director.</p>			

No.	Name (Date of birth/ other notes)	Summary of career, position, in charge, and status of important offices concurrently served	Number of the Company's shares owned by the candidate
3	<p data-bbox="343 562 547 622">Masayoshi Yagyu (June 27, 1952)</p> <p data-bbox="384 651 505 685">Reelection</p> <p data-bbox="343 719 547 779">Candidate for outside director</p> <p data-bbox="343 813 547 902">Number of years in office: 5 years 6 months</p> <p data-bbox="343 936 547 1059">Attendance to the meetings of the Board of Directors: 15/16 (94%)</p>	<p data-bbox="600 367 1139 456">April 1978 Joined Nippondenso Co., Ltd. (presently, DENSO CORPORATION)</p> <p data-bbox="600 461 1139 551">January 2001 General Manager of Production Control Division; DENSO CORPORATION</p> <p data-bbox="600 555 1102 616">June 2004 Executive Director; DENSO CORPORATION</p> <p data-bbox="600 620 986 680">June 2006 Advisor; DENSO CORPORATION</p> <p data-bbox="600 685 1123 824">June 2006 Representative Director and President; DENSO KITAKYUSHU MANUFACTURING CORPORATION (presently, DENSO KYUSHU CORPORATION)</p> <p data-bbox="600 828 1018 911">June 2010 Representative Director and President; HAMANAKODENSO CO., LTD.</p> <p data-bbox="600 916 1169 999">May 2016 Outside Director; Ryohin Keikaku Co., Ltd. (Present Position)</p> <p data-bbox="600 1003 1114 1086">June 2016 Monozukuri (Manufacturing) Advisor; DENSO CORPORATION (Present Position)</p> <p data-bbox="600 1090 1187 1173">April 2020 Outside Director; Chubu Electric Power Grid Co., Inc. (Present Position)</p> <p data-bbox="600 1178 1187 1238">(Status of important offices concurrently served) Outside Director; Chubu Electric Power Grid Co., Inc.</p>	2,700 shares

Reasons for nomination as candidate for outside director and overview of expected roles

Since Mr. Masayoshi Yagyu is performing appropriate roles as outside director of the Company such as the supervision of business execution based on his extensive experience and broad discernment as a corporate manager, the Company nominated him as a candidate for outside director.

Special matters concerning candidate for outside director

Tenure as outside director of the Company

Mr. Masayoshi Yagyu's tenure as outside director of the Company will become five years and six months upon conclusion of this General Meeting of Shareholders.

Contract for limit of liability

The Company has entered into a contract for limit of liability with Mr. Masayoshi Yagyu based on the provisions of Article 427, Paragraph 1 of the Companies Act to limit liability as provided for in Article 423, Paragraph 1 of the Companies Act to the minimum liability provided for in the laws and regulations, providing he performs his duties in good faith and without gross negligence. In case the reelection of Mr. Masayoshi Yagyu is approved by the shareholders, the Company intends to continue the above contract for limit of liability with him.

Matters concerning independent director

The Company has designated Mr. Masayoshi Yagyu as its independent director under the rules of Tokyo Stock Exchange, Inc. and reported such designation to Tokyo Stock Exchange, Inc. If Mr. Masayoshi Yagyu is reelected, the Company intends to continue the designation of him as independent director.

No.	Name (Date of birth/ other notes)	Summary of career, position, in charge, and status of important offices concurrently served	Number of the Company's shares owned by the candidate
4	<p>Atsushi Yoshikawa (April 7, 1954)</p> <p style="border: 1px solid black; padding: 2px; display: inline-block;">Reelection</p> <p style="border: 1px solid black; padding: 2px; display: inline-block; margin-top: 10px;">Candidate for outside director</p> <p>Number of years in office: 3 years 6 months</p> <p>Attendance to the meetings of the Board of Directors: 16/16 (100%)</p>	<p>April 1978 Joined Nomura Securities Co., Ltd. (presently, Nomura Holdings, Inc.)</p> <p>June 2000 Director; Nomura Securities Co., Ltd.</p> <p>April 2008 President and CEO; Nomura Asset Management Co., Ltd.</p> <p>June 2011 Regional Head of Americas Division; Nomura Holdings, Inc. Chairman and CEO; Nomura Holding America, Inc.</p> <p>June 2013 Representative Executive Director & President and Group COO; Nomura Holdings, Inc.</p> <p>June 2016 Advisor; Nomura Holdings, Inc.</p> <p>April 2017 Director; Nomura Real Estate Development Co., Ltd.</p> <p>June 2017 Chairman of the Board of Directors; Nomura Real Estate Holdings, Inc.</p> <p>May 2018 Outside Director; Ryohin Keikaku Co., Ltd. (Present Position)</p> <p>June 2021 Advisor; Nomura Real Estate Development Co., Ltd. (Present Position)</p> <p>(Status of important offices concurrently served) Advisor; Nomura Real Estate Development Co., Ltd.</p>	2,800 shares
<p>Reasons for nomination as candidate for outside director and overview of expected roles Since Mr. Atsushi Yoshikawa, drawing on his extensive experience and broad discernment as a corporate manager, is currently contributing toward achieving sustained growth and increased corporate value of the Company as an outside director, the Company nominated him as a candidate for outside director.</p>			
<p>Special matters concerning candidate for outside director</p> <p>Tenure as outside director of the Company Mr. Atsushi Yoshikawa's tenure as outside director of the Company will become three years and six months upon conclusion of this General Meeting of Shareholders.</p> <p>Contract for limit of liability The Company has entered into a contract for limit of liability with Mr. Atsushi Yoshikawa based on the provisions of Article 427, Paragraph 1 of the Companies Act to limit liability as provided for in Article 423, Paragraph 1 of the Companies Act to the minimum liability provided for in the laws and regulations, providing he performs his duties in good faith and without gross negligence. In case the reelection of Mr. Atsushi Yoshikawa is approved by the shareholders, the Company intends to continue the above contract for limit of liability with him.</p> <p>Matters concerning independent director The Company has designated Mr. Atsushi Yoshikawa as its independent director under the rules of Tokyo Stock Exchange, Inc. and reported such designation to Tokyo Stock Exchange, Inc. If Mr. Atsushi Yoshikawa is reelected, the Company intends to continue the designation of him as independent director.</p>			

(Notes relating to all of the four candidates above)

1. There is no special interest between each candidate and the Company.
2. Of the above candidates for director, Mr. Masayoshi Yagyu and Mr. Atsushi Yoshikawa are both candidates for outside director.
3. The Company has concluded a directors and officers liability insurance policy with an insurance company. This policy covers damages borne by the insured resulting from the bearing of responsibilities in the execution of their duties and claims received associated with the pursuit of those responsibilities. All candidates for director are included as insured persons in this insurance policy. Furthermore, the Company plans to renew the policy with the same terms at the time of the next renewal.

Item 4 Election of one (1) corporate auditor

Corporate auditor Ms. Sachiko Ichikawa will finish her term upon conclusion of this General Meeting of Shareholders, and therefore we would like to ask the shareholders to elect one corporate auditor.

This proposition has been consented to by the Board of Corporate Auditors.

The candidate for corporate auditor is as follows:

Name (Date of birth/ other notes)	Summary of career, position, and status of important offices concurrently served	Number of the Company's shares owned by the candidate
<p style="text-align: center;">Kei Suzuki (August 4, 1964)</p> <p style="text-align: center;"><u>New election</u></p>	<p>April 1987 Joined The Seibu Department Stores, Limited (presently, Sogo & Seibu Co., Ltd.)</p> <p>December 1995 Joined Ryohin Keikaku Co., Ltd.</p> <p>February 2001 General Manager of Overseas Operations Division; Ryohin Keikaku Co., Ltd.</p> <p>February 2005 Executive Officer; General Manager of Regional Management-Europe, Overseas Operations Division; Ryohin Keikaku Co., Ltd.</p> <p>February 2007 Executive Officer; General Manager of General Affairs and Human Resources and J-SOX Division; and in supervision of Accounting and Finance Unit; Ryohin Keikaku Co., Ltd.</p> <p>May 2012 Director; and Executive Officer; General Manager of Household Division; Ryohin Keikaku Co., Ltd.</p> <p>February 2017 Director; and Executive Officer; General Manager of East Asia Business Division; Ryohin Keikaku Co., Ltd.</p> <p>June 2018 Director; and Executive Officer; General Manager of Asia & Oceania Business Division; Ryohin Keikaku Co., Ltd.</p> <p>February 2019 Director; and Executive Officer; and in supervision of HR & General Affairs Division, Legal & Intellectual Property Division, and Internal Audit Office; Ryohin Keikaku Co., Ltd.</p> <p>September 2021 Director; and Executive Officer; and in charge of Special Missions; Ryohin Keikaku Co., Ltd. (Present Position)</p>	<p style="text-align: center;">35,600 shares</p>

Reasons for nomination as candidate for corporate auditor

Since joining the Company, as a director and executive officer, Mr. Kei Suzuki has served as a position in management administration overseas, general manager of household division, general manager of general affairs and human resources and J-SOX division, and a position in the HR & general affairs division, legal & intellectual property division, and internal audit office. He has broad experience and deep understanding and discernment into the Company's businesses. As he can be expected to provide auditing of operations based on this experience and discernment, the Company nominated him as a candidate for corporate auditor.

Directors and officers liability insurance policy

The Company has concluded a directors and officers liability insurance policy with an insurance company. This policy covers losses borne by the insureds resulting from the bearing of responsibilities in the execution of their duties and claims received associated with the pursuit of those responsibilities. The candidate for corporate auditor is included as an insured in this insurance policy. Furthermore, the Company plans to renew the policy with the same terms at the time of the next renewal.

(Note) There is no special interest between the candidate and the Company.

Item 5 Revision of amount of compensation for directors

The maximum amount of monetary compensation paid to the Company's directors was approved at the 34th Ordinary General Meeting of Shareholders (May 22, 2013) to be 500 million yen or less per year, and compensation paid to the Company's directors (excluding outside directors) in the form of share acquisition rights issued as stock options was approved at the 37th Ordinary General Meeting of Shareholders (May 25, 2016) to be 100 million yen or less per year, which has been the case until today.

The Company has formulated a medium-term business plan starting with the fiscal year ending August 2022, with the aim of achieving its goals by 2030 as its "second founding." The Company would like to take this opportunity to review the compensation system for directors in order to set a level of compensation that will attract and retain excellent human resources, as well as to make revisions into a compensation system that increases the ratio of variable compensation in order to raise the awareness of each director to achieve the goals we are aiming for in our second founding.

The Company hereby proposes that the maximum amount of monetary compensation paid to directors be 800 million yen or less per year. The Company also proposes that these amounts, as in the past, do not to include portions for salaries for employees paid to directors concurrently serving as employees.

The overview of the policy on determining the details of individual compensation, etc. for the Company's directors in the fiscal year under review is as presented in the Business Report (pages 59 to 61, in Japanese only), but the Company plans on revising these details subject to the approval of Item 5 and Item 6.

* Please refer to "(Reference) Outline of the Company's new compensation system for directors" (pages 24 to 26) for the overview of the new director compensation system.

If Item 3 is adopted as proposed, the number of directors will be nine (9) (including three (3) outside directors). Outside directors who are responsible for management oversight and are not in the position to take charge of business execution, will receive only basic compensation (fixed compensation).

Furthermore, the contents of this proposal have been judged as appropriate as it was decided by the Board of Directors after a report from Remuneration Advisory Committee, which is made up of a majority of outside directors, stating that it is appropriate and that the contents are aligned with the "Policy for determining the content of compensation, etc. for individual directors."

Item 6 Revision of amount of compensation for corporate auditors

The maximum amount of compensation paid to the Company's corporate auditors was approved at the 16th Ordinary General Meeting of Shareholders (May 23, 1995) to be 50 million yen or less per year, and approximately 26 years have passed since this revision. However, based on subsequent changes in economic conditions, the increase in auditing work and expansion of the scope of auditing, the Company hereby proposes that the maximum amount of compensation paid to corporate auditors be revised to 80 million yen or less per year in order to further enhance the audit system. Furthermore, if Item 4 is approved and adopted as proposed, the number of corporate auditors will be four (4).

In addition, corporate auditors who are responsible for management oversight and auditing functions and are not in the position to take charge of business execution, will receive only basic compensation (fixed compensation).

Item 7 Determination of compensation for granting restricted shares to directors (excluding outside directors)

The amount of compensation for directors, excluding outside directors, of the Company was approved at the 34th Ordinary General Meeting of Shareholders held on May 22, 2013 as (i) 500 million yen or less per year (not including employee salaries for directors concurrently serving as employees) and, in addition, separate to this, at the 37th Ordinary General Meeting of Shareholders held on May 25, 2016, (ii) the amount of compensation for share acquisition rights to be issued to directors, excluding outside directors, as stock options to be 100 million yen or less per year (not including employee salaries for directors concurrently serving as employees).

The Company has recently decided to review the compensation system for directors and executive officers and proposes Item 5 for (i) above to increase the annual amount to 800 million yen or less per year (not including employee salaries for directors concurrently serving as employees). In addition, in lieu of (ii) above, as proposed in this agenda item, the Company will grant incentives to directors other than outside directors of the Company (hereinafter referred to as “eligible directors”) for the sustainable enhancement of the corporate value of the Company. For the purpose of promoting further value sharing with our shareholders, the Company would like to provide compensation to eligible directors for the grant of new restricted shares.

The compensation to be paid in accordance with this proposal is based on the resolution of the Company’s Board of Directors and shall comprise (i) common stock of the Company, or (ii) monetary claims as assets contributed in kind to acquire the Company’s common stock. Eligible directors shall receive the issuance or disposition of the Company’s common stock.

The total amount of the Company’s common stock or monetary claims as compensation to be paid in accordance with this proposal shall be 300 million yen or less per year (not including employee salaries for directors concurrently serving as employees).

The total amount to be paid, the timing of payment, and the specific allocation of funds to each eligible director shall be reviewed by the Remuneration Advisory Committee from a long-term perspective, taking into account the degree of achievement of important indicators on ESG and other aspects. The results of that review shall be reported to the Board of Directors, and the Board of Directors shall make a decision based on the reporting received and provide the compensation as required.

The current number of directors is nine (9) (including three (3) outside directors) (the same number will remain after the approval of Item 3).

If shares of the Company’s common stock are to be granted to the eligible directors as compensation to be provided under this proposal without payment of monetary claims, such shares of common stock will be issued or disposed of as compensation to the directors. Payment of money in exchange for the said common stock shall not be required. The above-mentioned amount of compensation to be paid to the eligible directors shall be calculated as the amount per share of the Company’s common stock to be issued or disposed of based on the closing price of the Company’s common stock on the Tokyo Stock Exchange on the business day immediately preceding the date of the resolution of the Board of Directors regarding the issuance or disposal of the Company’s common stock (or the closing price of the immediately preceding business day if no business is conducted on that date).

On the other hand, if monetary claims as assets contributed in kind to acquire shares of the Company’s common stock are provided to the eligible directors as compensation in accordance with this proposal, all of the monetary claims to be provided in accordance with this proposal shall be provided as assets contributed in kind and the shares of the Company’s common stock shall be issued or disposed of in accordance with the resolution of the Company’s Board of Directors. In this case, the amount to be paid per share shall be determined by the Board of Directors based on the closing price of the Company’s common stock on the Tokyo Stock Exchange on the business day immediately preceding the date of the resolution of the Board of Directors (or, if no trading is conducted on the same day, the closing price of the immediately preceding business day), to the extent that the amount is not particularly favorable to the eligible directors who subscribe to the said common stock.

The total number of the Company’s common stock to be issued or disposed of to the eligible directors shall be no more than 120,000 shares per year (however, if a stock split (including gratis allotment of the Company’s common stock) or a reverse stock split of the Company’s common stock is conducted after the date of approval of this proposal, or if any other event occurs that requires adjustment of the total number of the Company’s common stock to be issued or disposed of as shares with restricted transfer, the total number of such shares shall be adjusted to the extent reasonable.)

The issuance or disposal of shares of the Company’s common stock and the provision of monetary compensation claims as assets to be contributed in kind shall be subject to the execution of an allotment

agreement of shares with restrictions on transfer (hereinafter referred to as the “allotment agreement”) between the Company and the eligible directors that includes the details shown below.

The maximum amount of compensation, the total number of shares of the Company’s common stock to be issued or disposed of, and other terms and conditions of the grant of shares of the Company’s common stock with restrictions on transfer to the eligible directors under this proposal have been determined in consideration of the aforementioned purposes, the business conditions of the Company, the Company’s policies concerning decisions on the details of compensation, etc. for individual directors, and other various circumstances, and we believe that they are appropriate. The Company believes that this proposal is appropriate. (If this proposal is approved, we plan to change the policy to the one described in the “Reference” column below).

[Summary of the contents of the allotment agreement]

(1) Transfer restriction period

The eligible directors shall be subject to restrictions on transfer for a period of three (3) to fifty (50) years from the date of allotment under the allotment agreement, as determined in advance by the Company’s Board of Directors (the “restriction period”). The Company’s common stock allotted under the allotment agreement (hereafter, the “allotted shares”) shall not be transferred, secured or otherwise disposed of (the “transfer restrictions”).

(2) Treatment upon resignation

If an eligible director resigns from his or her position as an officer or employee of the Company or any of its subsidiaries, as determined in advance by the Company’s Board of Directors, prior to the expiration of the restriction period, the Company shall naturally acquire the allotted shares without compensation, except in cases where there is a justifiable reason for such resignation, such as expiration of the term of office, becoming deceased, etc.

(3) Lifting of transfer restrictions

Notwithstanding the provisions of (1) above, the Company shall release the transfer restrictions of all of the allotted shares upon expiration of the restriction period, provided that the eligible director has continuously held a position as an officer or employee of the Company or any of its subsidiaries which is determined in advance by the Company’s Board of Directors during the restriction period. (In the event that the Board of Directors determines additional conditions based on the report of the Remuneration Advisory Committee at the time of grant, such conditions shall also be added). However, if the relevant eligible director resigns from his or her position as an officer or employee of the Company or any of its subsidiaries, which is determined in advance by the Company’s Board of Directors, before the expiration of the restriction period due to the expiration of his/her term of office, death or any other justifiable reason as set out in (2) above, the number of the allotted shares for which the transfer restrictions are lifted and the timing of lifting of the transfer restrictions shall be reasonably adjusted as necessary. In addition, the Company shall naturally acquire, without charge, the allotted shares for which the transfer restrictions have not yet been lifted at the time immediately after the transfer restrictions are lifted in accordance with the above provisions.

(4) Treatment in organizational restructuring, etc.

Notwithstanding the provisions of (1) above, if, during the restriction period, a merger agreement under which the Company becomes a defunct company, a share exchange agreement or a share transfer plan under which the Company becomes a wholly owned subsidiary, or any other matter relating to organizational restructuring, etc. is approved at a general meeting of shareholders of the Company (however, in cases where such reorganization, etc. does not require the approval of the Company’s general meeting of shareholders, the Company’s Board of Directors may approve such reorganization, etc.), the Company shall, by resolution of the Company’s Board of Directors, lift the transfer restrictions of the number of the allotted shares reasonably determined based on the period from the commencement date of the restriction period to the date of approval of such organizational restructuring, etc. prior to the effective date of such organizational restructuring, etc. In addition, in the case specified above, the Company shall naturally acquire the allotted shares for which the transfer restrictions have not been lifted free of charge at the time immediately following the lifting of the transfer restrictions.

(5) Other matters

Other matters concerning this allotment agreement shall be determined by the Company’s Board of Directors.

(Reference) Management system after approval of Item 3 and Item 4

The Ryohin Keikaku Group will aim for the realization of a “simple, pleasant life and society” throughout the world based on the new medium-term business plan, which is positioned as the second founding. The Group will support changes to autonomous management of individual stores and overseas operating companies in addition to the strengthening of its online business through the usage of technology, and implement ESG management, which is the Company’s core, as well as co-owned management where employees will participate in management. Therefore, directors who have the appropriate experience and knowledge for the realization of the above will be elected from internal and external sources.

Experience and knowledge	Directors									Corporate auditors			
	Chairman and Representative Director	Vice Chairman and Director	President and Representative Director	Senior Managing Director	Director	Director	Outside director	Outside director	Outside director	Full-time corporate auditor	Corporate auditor	Outside corporate auditor	Outside corporate auditor
	Masaaki Kanai	Satoru Matsuzaki	Nobuo Domae	Satoshi Shimizu	Satoshi Okazaki	Asako Shimazaki	Isao Endo	Masayoshi Yagyū	Atsushi Yoshikawa	Kei Suzuki	Shingo Kawano-kami	Masaru Hattori	Jun Arai
	Reelection				New election		Reelection	Reelection	New election				
Independent/outside							Yes/Yes	Yes/Yes	Yes/Yes			Yes/Yes	Yes/Yes
Member of Nominating Advisory Committee (planned) ◎:Candidate for chairperson	○		○				○	◎	○				
Member of Remuneration Advisory Committee (planned) ◎:Candidate for chairperson	○		○				◎	○	○				
Corporate management	○	○	○	○	○	○	○	○	○	○		○	○
Retail/sales/marketing	○	○	○	○	○	○	○			○	○		
Product development	○			○	○	○				○			
Production/procurement/logistics	○		○	○	○		○	○					○
IT/general technologies			○		○			○	○				
Overseas operations		○	○	○	○	○	○	○	○	○	○		○
Culture/society	○	○	○	○	○	○		○	○		○		○
ESG/sustainability/diversity	○	○	○			○	○		○				○
Administration		○					○		○	○		○	○
Legal affairs/risk management		○					○		○	○		○	○

(Note) As the above chart does not encompass all of the experience and knowledge possessed by officers, the major aspects are presented.

Item	Description	Item	Description
Corporate management	Experience concerning the management of corporations	Overseas operations	Experience in business overseas
Retail/sales/marketing	Experience in retail and experience and knowledge in sales and marketing	Culture/society	Understanding of culture and desire to solve social issues
Product development	Ability to develop new products with the understanding of the MUJI philosophy	ESG/sustainability/diversity	Understanding of ESG and sustainability that maintains awareness of not only corporate costs, but social costs as well, in addition to understanding of diversity
Production/procurement/logistics	Experience and knowledge related to the supply chain from material procurement to sale as well as logistics	Administration	Experience and knowledge of human resources and labor, accounting, finance, etc.
IT/general technologies	Knowledge of IT & technology, management experience in IT departments	Legal affairs/risk management	Legal knowledge and experience and knowledge concerning risk management

(Reference) Outline of the Company’s new compensation system for directors

After continuous deliberation by the Remuneration Advisory Committee, the Company resolved at the Board of Directors meeting held on September 22, 2021 to review the compensation system for directors after the 43rd General Meeting of Shareholders, and to submit the relevant proposals to the General Meeting on the same day and at the Board of Directors meeting held on October 14, 2021. With regard to Item 5 “Revision of amount of compensation for directors” and Item 7 “Determination of compensation for granting restricted shares to directors (excluding outside directors)” of this General Meeting of Shareholders, the outline of the new compensation system for directors, if approved by the shareholders, is as follows.

Background:

The Company has formulated a medium-term business plan starting with the fiscal year ending August 2022, with the aim of achieving its goals by 2030 as its “second founding.” The Company would like to take this opportunity to review the compensation system for directors in order to set a level of compensation that will attract and retain excellent human resources, as well as to raise the awareness of each director to achieve the goals we are aiming for in our second founding.

Major changes:

1 Reduction in the amount and ratio of basic compensation

Under our new compensation system for directors, the amount and ratio of “basic compensation” for each position, which is fixed compensation, will be lowered compared to the previous system, and the ratio of compensation linked to corporate performance (performance-linked bonuses and restricted shares whose grant amount is determined by the degree of target achievement) will be increased to raise awareness of the need to achieve higher goals. (The composition ratio of compensation when the target is 100% achieved is presented in the following tables.)

Current system

Composition ratio (%)	Monetary compensation		Non-monetary compensation	Total
	Basic compensation	Performance-linked bonus	1 yen stock option	
Representative Director	64.5	21.5	14	100
Director	68	17	15	100
Outside director	100	–	–	100

New system

Composition ratio (%)	Monetary compensation		Non-monetary compensation	Total
	Basic compensation	Performance-linked bonus	Restricted shares	
Representative Director	33.3	33.3	33.3	100
Director	40	40	20	100
Outside director	100	–	–	100

As previously, only basic compensation will be paid to outside directors and corporate auditors.

2 Changed non-monetary compensation to restricted shares with variable number of grants based on achievement of targets

As for the long-term (LTI) “non-monetary compensation,” we have changed from the conventional one-yen stock options, for which the base amount was fixed for each position, to shares with transfer restrictions up to the point immediately after retirement, in which the number of shares granted can vary depending on the achievement of important ESG and other indicators from a long-term perspective. The new system is more closely linked to the Company’s share price and business performance, and is designed to realize value sharing with shareholders for as long as possible.

(Reference) Policy for determining the content of compensation, etc. for individual directors

1. Basic policy

- I Compensation that will enable us to attract and retain diverse and excellent human resources who will realize the MUJI philosophy.
- II To create a compensation system that embodies the vision of Ryohin Keikaku and motivates sustainable improvement of corporate value.
- III To share interests with employees, shareholders, local communities, business partners and other stakeholders, and to ensure a highly transparent and fair compensation system.

2. Compensation system for directors of the Company

The Company's compensation for directors consists of fixed "base compensation" for each position, short-term (STI) "performance-linked bonus" linked to the Company's performance, and long-term (LTI) "non-monetary compensation" as an incentive to sustainably enhance corporate value and shareholder value over the long term. Outside directors and corporate auditors receive only basic compensation. Furthermore, the Company does not have an officers' retirement benefit plan.

(1) Basic compensation

The basic compensation for directors of the Company is determined for each position, which is set according to the scale and responsibility of each director, and is decided by the Board of Directors after deliberation by the Remuneration Advisory Committee. Outside directors are paid only basic compensation.

(2) Short-term (STI) "performance-linked bonus"

The Company's performance-linked bonus is calculated based on the following criteria and linked to the Company's performance for each consolidated fiscal year. The standard amount of bonus, which is the basis of calculation, is determined based on the position of the employee in relation to the basic compensation, and is resolved by the Board of Directors based on deliberation and reports by the Remuneration Advisory Committee.

The achievement (plan ratio) payment coefficient, which is the coefficient that will be multiplied to the standard amount of bonus, is calculated based on "consolidated operating profit" from the viewpoint of pursuing profit in our core business, and will be decided within the scope of 0% to 200% according to the following achievement (plan ratio) criteria.

$$\text{Performance-linked bonus payment amount} \\ = \text{"base bonus amount"} \times \text{"achievement (plan ratio) payment coefficient"}$$

(3) Long term (LTI) "non-monetary compensation"

The non-monetary compensation provided to the Company's directors, excluding outside directors, shall consist of the grant of shares with restrictions on transfer up to the point immediately after retirement, with the number of grants varying from 30% to 100% of the base amount by position, depending on the degree of achievement of ESG and other indicators that are important from a long-term perspective. The Remuneration Advisory Committee will deliberate on the matter and make a decision after submitting a report to the Board of Directors. The Company aims on sharing value with shareholders for as long as possible, linking compensation to the company's share price and business performance.

(4) Ratio by type of compensation, etc.

The ratio of performance-linked compensation for directors of the Company increases the higher the position. The ratio of fixed monetary compensation: performance-linked bonus: non-monetary compensation, etc., is designed so that the composition will be as shown in the table on the following page if 100% of the target is achieved.

In addition, performance-linked bonuses range from 0% to 200%, depending on the level of achievement. The percentage of long-term (LTI) "non-monetary compensation" will vary from 30% to 100% depending on the degree of target achievement.

(Reference)

Composition ratio (%)	Monetary compensation		Non-monetary compensation	Total
	Basic compensation	Performance-linked bonus	Restricted shares	
Representative Director	33.3	33.3	33.3	100
Director	40	40	20	100
Outside director	100	–	–	100

(5) Timing of payment of compensation, etc.

The Company's compensation for directors is paid monthly for "basic compensation" and at a certain time each year for "performance-linked bonus" and "non-monetary compensation."

(6) Matters concerning determination of compensation

The Remuneration Advisory Committee, chaired by an outside director, examines the compensation system for directors and deliberates on the granting of compensation for individual directors and non-monetary compensation to ensure transparency, appropriateness and objectivity. The Board of Directors passes resolutions based on the report of the Remuneration Advisory Committee. In addition, the Remuneration Advisory Committee consists of five (5) members, including three (3) outside directors, and the majority of the members are outside directors to realize an enhanced governance-oriented structure.

(7) Other matters related to compensation

In the event that a significant deterioration in business performance is recognized and a situation such as damage to shareholder interests becomes apparent, the details of the payment of compensation to directors will be discussed and resolved at a meeting of the Board of Directors based on deliberations and reports by the Remuneration Advisory Committee.