

Notice of the 71st Annual General Meeting of Shareholders

Date and Time

10:00 a.m. (JST), Thursday, June 23, 2022

(Doors open 9:15 a.m. JST)

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Venue

Yukyu Banquet Hall, 2F, Nagaoka Grand Hotel
1-chome 2-1, Higashi-sakanouemachi, Niigata, Japan

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To reduce the risk of COVID-19 infection, we kindly request that shareholders refrain from attending the Meeting on site, and instead exercise their voting rights in advance via the enclosed voting form or by voting online.

Gifts will not be distributed to shareholders attending the meeting.

Note: This document has been translated from a part of the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail. The Company assumes no responsibility for this translation or for direct, indirect or any other forms of damages arising from the translation.

(Security Code 8255 Tokyo Prime)

June 1, 2022

Dear shareholders:

18-2 Nakagoya, Nagaoka City, Niigata, Japan

Axial Retailing Inc.

President and Representative Director
Kazuhiko Hara

NOTICE OF THE 71st ANNUAL GENERAL MEETING OF SHAREHOLDERS

We are pleased to announce the 71st Annual General Meeting of Shareholders of Axial Retailing Inc. (the “Company”). Please see below for details.

While adequate safety measures will be taken to reduce the risk of COVID-19 infection, shareholders are requested to refrain from attending the Meeting on site, and instead advised to exercise their voting rights in advance online or via the voting form enclosed in Reference Documents for General Meeting of Shareholders. Please read the reference documents, indicate your vote for or against the proposals and ensure your voting form arrives before 6:00 p.m. (JST) on Wednesday, June 22, 2022.

Details

- 1. Date and time:** Thursday, June 23, 2022, at 10:00 a.m. (JST)
(Doors will open at 9:15 a.m. JST)
- 2. Venue:** Yukyu Banquet Hall, 2F, Nagaoka Grand Hotel
1-chome 2-1, Higashi-sakanouemachi, Niigata
- 3. Meeting Agenda**
Matters to be reported:
 1. Business Report and Consolidated Financial Statements for the Company’s 71st fiscal year (from April 1, 2021 to March 31, 2022), and the results of audits of the Consolidated Financial Statements by the Accounting Auditor and the Board of Auditors
 2. Non-consolidated Financial Statements for the Company’s 71st fiscal year (from April 1, 2021 to March 31, 2022)

Matters to be resolved:

- | | |
|------------------------|--|
| Proposal No. 1: | Appropriation of Surplus |
| Proposal No. 2: | Partial Amendment to the Articles of Incorporation |
| Proposal No. 3: | Elections of Eleven (11) Directors |
| Proposal No. 4: | Election of Three (3) Auditor Board Members |

Notice to Shareholders

- To reduce the risk of COVID-19 infection, we kindly request that shareholders refrain from attending the Meeting on site, and instead exercise their voting rights in advance via the enclosed voting form. Please note that gifts will not be distributed to shareholders attending the meeting.
- Changes may be made to the venue or operation of the Meeting depending on the COVID-19 situation. Any changes will be announced on the Company's website.
- A livestream of the Meeting will be available exclusively to shareholders for online viewing. While every effort will be made to avoid showing the attending shareholders, please be aware that at times, shareholders in attendance may be visible in the livestream.
- Shareholders attending the Meeting in person should bring the enclosed voting form and submit it to the front desk to exercise their vote.
- Voting rights may be exercised by designating one proxy to attend the meeting, who must be another shareholder with voting rights. The proxy will be required to submit a written verification at the Meeting proving the proxy's rights.
- The following items are not provided in the appendix and are posted on the Company's website (see below) in accordance with applicable laws and Article 16 of the Company's Articles of Incorporation: Business Report "Company Structure and Policy (Structure to Ensure the Proper Operation of Business and the Operational Status of said Structure)," "Notes to the Consolidated Financial Statements" and "Notes to the Non-Consolidated Financial Statements." These items are included in the Consolidated and Non-consolidated Financial Statements that were audited during the course of preparation of the Audit Report by the Auditors and the Accounting Audit Report by the Accounting Auditor.
- Any revisions made to the Reference Documents, Business Report, Consolidated Financial Statements and Non-Consolidated Financial Statements will be announced on the Company's website.

Regarding the provision of General Meeting of Shareholders Reference Documents in Electronic Format.

A system for providing Meeting reference documents in an electronic format will be introduced as of September 1, 2022. As a result, from the next Meeting (to be held after March 2023), all Meeting reference documents will be posted on the Company's website, and shareholders will receive a simplified version of the convocation notice informing them of the timing and the online location of the posted documents.

Shareholders who wish to continue to receive the documents in paper format must make a formal request in writing, using the dedicated form. The form is available from the securities company with whom you have an account, or by contacting the Administrator of the Shareholders Registry at Mitsubishi UFJ Trust and Banking Corporation.

Company Website

<https://www.axial-r.com/>

Livestream of the General Meeting of Shareholders

A livestream of the General Meeting of Shareholders will be available exclusively to shareholders for online viewing on the day of the Meeting. Please see below for information on how to view.

1. Register using the QR code or link below. Registration opens Wednesday 1 June, 2022 and must be completed before the start of the Meeting on Thursday 23 June, 2022.

https://us02web.zoom.us/webinar/register/WN_ykDIiH5QRiCp94dTJudVIg

You will need your shareholder number to register. Please take note of it before posting your vote. Follow online instructions to register your shareholder name, email address and shareholder number.



URL
QR Code

※ 「QR code」 is a registered trademark of DENSO WAVE INCORPORATED.

2. After confirming your registration details, you will be sent a viewing link for the livestream to your email address. The link can be accessed from: 9:55 a.m. (JST), Thursday 23 June, 2022.

- Under the Companies Act, viewing a livestream of the General Meeting of Shareholders does not constitute attendance. As such, shareholders are not allowed to exercise voting rights, ask questions, or pass motions via the livestream. Please exercise your voting rights in advance either by post, or by a proxy as described above.
- In the event of a natural disaster or other unforeseen circumstances, the livestream may be cancelled. In this event, an announcement will be posted to the Company website.
- You may not be able to watch the livestream depending on your equipment and internet connection. Shareholders are responsible for the any costs incurred to view the livestream.
- Sharing your shareholder number or the livestream link with a third party, videoing, recording (audio or video), saving, or publishing footage of the Meeting to social media or any public platform are strictly prohibited.
- Information on the handling of personal data and other points can be found in the appendix

Guide to Exercising Voting Rights

Voting rights can be exercised through one of the following four methods.

1 Attend the General Meeting of Shareholders in person



Please submit the enclosed Voting Rights Exercise Form at the reception desk.

Date and
time

Thursday, June 23, 2022 at 10:00 a.m. JST on (Doors open at 9:15 a.m. JST)

2 Exercise voting rights in writing (by mail)



Please indicate whether you are for or against each proposal on the enclosed Voting Rights Exercise Form and return it without a stamp on the envelope.

Voting
deadline

The form must be received by 6:00 p.m. JST on Wednesday, June 22, 2022

3 Exercise voting rights online



Please access the voting rights exercise site (<https://evote.tr.mufg.jp/>, in Japanese only) from your computer or smartphone, enter the login ID and temporary password on the enclosed Voting Rights Exercise Form, and follow the instructions on the screen to vote for or against each proposal.

Voting
deadline

Voting must be completed by 6:00 p.m. JST on Wednesday, June 22, 2022

4 Exercise voting rights by scanning a QR code



You can log in to the online voting rights exercise site without entering the login ID or temporary password on the Voting Rights Exercise Form.

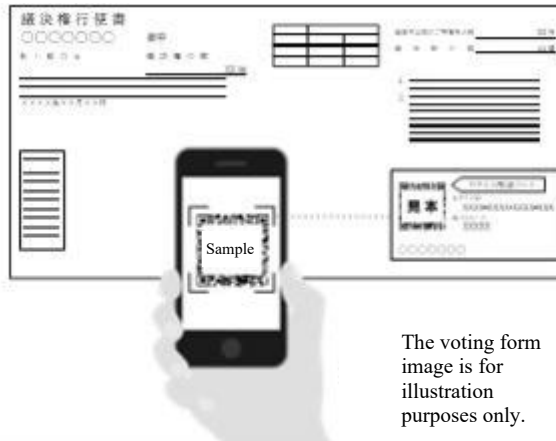
Please scan the QR code on the Voting Rights Exercise Form.

※ 「QR code」 is a registered trademark of DENSO WAVE INCORPORATED.

Please follow the instructions on the screen to vote for or against each proposal.

You can only log in using the QR code once.

To log in more than once, or to vote without using the QR code, please refer to “Exercise voting rights online” on the previous page.



The voting form image is for illustration purposes only.

Voting
deadline

Voting must be completed
by 6:00 p.m. JST on
Wednesday, June 22, 2022

- ※ If you vote both by mail and online, only the votes placed online will be deemed valid.
- ※ If you vote multiple times online, only the last vote will be deemed valid.
- ※ Institutional investors can use the voting rights exercise platform operated by ICJ, Inc.

If you are unsure how to use your computer or smartphone to exercise your voting rights online, please contact the help desk on the right.

Help Desk, Stock Transfer Agency Department
Mitsubishi UFJ Trust and Banking Corporation

0120—173—027

(Toll free in Japan, 9:00 a.m. ~ 9:00 p.m. JST)

Reference Document for the General Meeting of Shareholders

Proposal No. 1 Appropriation of Surplus

The Company proposes the following regarding the appropriation of surplus.

Matters related to the year-end dividend

Axial Retailing Inc.'s ("the Company") dividend policy is based on twice-yearly interim dividends and year-end dividends. The decision-making body for dividends is the Board of Directors for interim dividends and the General Meeting of Shareholders for year-end dividends.

As the holding company for the Axial Group, we are working to strengthen the financial structure of the group as a whole and to secure internal reserves. At the same time, we believe that returning profits to shareholders is an important management policy, and our basic policy is to distribute dividends to shareholders giving full consideration to the business performance of the group as a whole, future business development, and dividend payout ratio.

The year-end dividends for the 71st fiscal period will be as follows based on the above dividend policy.

1.Type of assets distributed as dividends

Cash

2.Matters concerning the allocation of dividend assets and the total amount

Per share of common stock of the company	¥55
Total amount	¥1,267,296,580

Accordingly, the annual dividend per share for the fiscal year under review, when combined with the interim dividend (¥25 per share), will be ¥80 per share, for a consolidated dividend payout ratio of 26.1%.

3. Effective date for dividend

24 June 2022

Proposal No. 2 Partial Amendment to the Articles of Incorporation

1. Reasons for the Amendment

The revised provisions stipulated in the proviso to Article 1 of the Supplementary Provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019) are due to come into effect on September 1, 2022. Accordingly, a system for providing electronic versions of reference documents for the General Meeting of Shareholders will be introduced and the Company proposes to amend its Articles of Incorporation as follows.

- (1) The addition of Article 16 Paragraph 1 (Provision of Documents for General Meeting of Shareholders in Electronic Format) to the Articles of Incorporation, stipulating that the Company will provide reference documents for the General Meeting of Shareholders in electronic format will be added to the Articles of Incorporation.
- (2) The addition of Article 16 Paragraph 2 (Provision of Documents for General Meeting of Shareholders in Electronic Format) to the Articles of Incorporation, stipulating that Company shall establish a provision for limiting the scope of matters to be described in documents issued to shareholders who requested the documents, in a manner set forth in the applicable ministerial ordinances of the Ministry of Justice.
- (3) Accordingly, the provision of Article 16 in the current Articles of Incorporation (Internet Disclosure of Reference Documents for General Meeting of Shareholders) will become unnecessary, and will be deleted.
- (4) With the additions and deletion mentioned above, a supplementary provision regarding the effective date will be established. The provision will be deleted after the expiration date.

2. Details of the Amendment

The details of the amendment are as follows.

(Underlined texts are to be amended)

Current Articles of Incorporation	Proposed Amendments
<p>Article 1 to Article 15 (Omitted)</p> <p><u>(Internet Disclosure of Reference Documents for General Meeting of Shareholders)</u></p> <p><u>Article 16 In convening a General Meeting of Shareholders, the Company shall be deemed to have provided to shareholders information concerning matters required to be described or presented in General Meeting of Shareholders reference documents, business reports, financial statements, and consolidated financial statements, by disclosing such information over the Internet in a manner set forth in the ministerial ordinances of the Ministry of Justice.</u></p> <p>(New)</p> <p>(New)</p> <p>(New)</p>	<p>Article 1 to Article 15 (No amendments)</p> <p>(Delete)</p> <p>(Delete)</p> <p><u>(Provision of Documents for General Meeting of Shareholders in Electronic Format)</u></p> <p><u>Article 16 1. On convening a General Meeting of Shareholders, the Company shall provide the contents of the reference documents for the General Meeting of Shareholders in an electronic format.</u></p> <p><u>2. Among the contents provided in an electronic format, the Company is not required to include all or part of matters prescribed by the ministerial ordinances of the Ministry of Justice in the document issued to shareholders who made a written request for the document by the record date for voting rights.</u></p>
<p>Article 17 to Article 41 (Omitted)</p> <p>(New)</p> <p>(New)</p> <p>(New)</p> <p>(New)</p> <p>(New)</p>	<p>Article 17 to Article 41 (No amendments)</p> <p><u>Supplementary Provision</u></p> <p><u>(Transitional Measures for the Provision of Documents for General Meeting of Shareholders in Electronic Format)</u></p> <p><u>Article 1 The deletion of Article 16 (Internet Disclosure of Reference Documents for General Meeting of Shareholders) and the establishment of Article 16 (Provision of Documents for General Meeting of Shareholders in Electronic Format) in the Articles of Incorporation shall take effect as of September 1, 2022.</u></p> <p><u>2. Notwithstanding the provisions of the preceding paragraph, Article 16 (Internet Disclosure of Reference Documents for General Meeting of Shareholders) of the current Articles of Incorporation shall remain effective regarding any General Meeting of Shareholders held on a date within six months from September 1, 2022.</u></p> <p><u>3. These Supplementary Provisions shall be deleted six months from September 1, 2022 or after three months from the date of the General Meeting of Shareholders in the preceding paragraph, whichever is later.</u></p>

Proposal No. 3 Election of Eleven Directors

The terms of office of all eleven (11) currently serving directors will expire at the conclusion of this Ordinary General Meeting of Shareholders.

In that regard, approval is hereby requested for the election of eleven directors.

The Board of Directors nominates candidates based on a report from the voluntary Nomination Committee (consisting of two outside directors, one outside Audit & Supervisory Board member, and two directors other than representative directors).

The Company's criteria for the nomination of candidates for director are as follows.

(Criteria for the Nomination of Candidates for Director)

Candidates for director of the Company shall be selected by the Nominating Committee subject to resolution approved by the Board of Directors, based on the following nomination policy.

1. Nomination Policy

- (1) A person who can appropriately perform his/her duties as a director in response to the trust placed in him/her by shareholders.
- (2) A person of good character with considerable knowledge, experience, and achievements, regardless of individual attributes such as gender and nationality, who can be expected to contribute to the Company's sustainable growth and enhancement of corporate value in accordance with the Company's management philosophy.
- (3) A person who does not fall under the grounds for disqualification stipulated in 2.
- (4) An outside director must meet the criteria for independence separately stipulated in addition to the requirements stipulated in Article 2, Item 15 of the Companies Act.

2. Grounds for Disqualification

- (1) A person who is recognized as being associated with antisocial forces.
- (2) A person who falls under the grounds for disqualification stipulated in Article 331, Paragraph 1 of the Companies Act.
- (3) A person who is recognized as violating laws and regulations in his/her duties or in private matters.
- (4) A person who has a special interest that affects his/her performance of the duties of a director.

The candidates for Directors are as follows.

Candidate No.	Name (Age) 【 Remarks 】	M a t t e r s R e g a r d i n g C a n d i d a t e
1	<p style="text-align: center;">Kazuhiko Hara (55)</p> <p>【 Candidate for Reappointment 】</p>	<ul style="list-style-type: none"> ● Career summary, positions, and responsibilities at the Company <ul style="list-style-type: none"> April 1989 Joined Seiyu Foods (Now Seiyu GK) April 1994 Joined Axial Retailing Inc. April 2000 Manager, Planning Department of the Company June 2000 Managing Director of the Company April 2002 Manager, Merchandise Department of the Company May 2007 Senior Managing Director of the Company May 2007 Operating Officer of the Company May 2008 President and Representative Director, Harashin Co., Ltd. (current position) May 2008 President and Representative Director, Axial Retailing Inc. (current position) ● Tenure as Director 22 years ● Number of Company shares held 1,253,348 ● Significant concurrent positions <ul style="list-style-type: none"> Harashin Co., Ltd. President and Representative Director Harashin Narus Operation Service Ltd. President and Representative Director Rory Co, Ltd. Chairman and Representative Director Hara Kosan Co., Ltd. Director CGC Japan Co., Ltd. Chairman FM-NIIGATA Co., Ltd. Outside Director ● Reasons for nomination as a candidate for Director <p>Kazuhiko Hara currently serves as the President and Representative Director of the Company and of Harashin Co., Ltd. a core company in the Axial Group. Since joining the Company, he has demonstrated his skills, mainly in the Merchandise Department, and his achievements have been highly regarded, leading to his current position. Since assuming the position of President, Mr. Hara has revamped the management vision and led the Company's response to the ever-changing social environment, and the scale of the Company has grown sharply. His management skills led to his appointment as Chairman of CGC Japan Co., Ltd, Japan's largest cooperative chain of nationwide supermarkets, and he is committed to the industry's development. Considering his achievements, as the chief executive we expect Mr. Hara to drive the Group's growth even further. Therefore, the Company has nominated him as a candidate for director.</p>

Candidate No	Name (Age) 【 Remarks 】	M a t t e r s R e g a r d i n g C a n d i d a t e
2	<p style="text-align: center;">Takeyuki Ueki (51)</p> <p>【 Candidate for Reappointment 】</p>	<ul style="list-style-type: none"> ● Career summary, positions, and responsibilities at the Company <ul style="list-style-type: none"> April 1994 Joined CGC Japan Co., Ltd. September 1998 Joined Fressay Co., Ltd. June 2000 Director of Fressay Co., Ltd. June 2001 Managing Director of Fressay Co., Ltd. February 2002 Manager, Sales Planning Department of Fressay Co., Ltd. February 2003 Manager, Corporate Planning Department of Fressay Co., Ltd. April 2003 Vice President and Representative Director of Fressay Co., Ltd. October 2003 General Manager, Corporate Administration Department of Fressay Co., Ltd. January 2006 General Manager, Sales Department of Fressay Co., Ltd. May 2009 President and Representative Director of Fressay Co., Ltd (current position) October 2013 Vice President and Representative Director, Axial Retailing Inc. (current position) ● Tenure as Director 9 years ● Number of Company shares held 507,486 ● Significant concurrent positions Fressay Co., Ltd. President and Representative Director Fressay Humans Net KK President and Representative Director Takasho Shoji Co., Ltd. President and Representative Director Rikumaru Ryutsu Service KK President and Representative Director ● Reasons for nomination as a candidate for Director Takeyuki Ueki is currently Vice President and Representative Director of Axial Retailing Inc. and President and Representative Director of Fressay Co., Ltd., a core Group company. He has served as the head of various sales and administration departments at Fressay, and has gained diverse experience in company management. As Fressay's chief executive, he leads the largest supermarket chain in Gunma Prefecture. In addition to achieving steady growth at Fressay, Mr. Ueki is also fulfilling his responsibilities as leader in the development of the Group as a whole. Considering these achievements, we expect Mr. Ueki's management skills to help the Group further expand its supermarket chain. Therefore, the Company has nominated him as a candidate for director.

Candidate No.	Name (Age) 【 Remarks 】	M a t t e r s R e g a r d i n g C a n d i d a t e
3	<p style="text-align: center;">Bungo Yamagishi (65)</p> <p>【 Candidate for Reappointment 】</p>	<ul style="list-style-type: none"> ● Career summary, positions, and responsibilities at the Company <ul style="list-style-type: none"> March 1979 Joined Kitanihon Seika (now Bourbon Corporation) January 1986 Joined Axial Retailing Inc. June 1998 Manager, Accounting Department of the Company June 1998 Director of the Company June 2000 Managing Director of the Company March 2003 Manager, Corporate Planning Department of the Company May 2007 Executive Officer of the Company May 2007 In charge of Corporate Planning Office and Internal Control Office of the Company May 2008 In charge of Corporate Planning, Logistics Division of the Company April 2012 In charge of Finance & Accounting, Corporate Planning, Store Development & Planning, and Logistics Divis of the Company June 2012 Senior Managing Director of the Company (current position) ● Tenure as Director 24 years ● Number of Company shares held 27,600 ● Significant concurrent positions <ul style="list-style-type: none"> Harashin Co., Ltd. Senior Managing Director Fressay Co., Ltd. Director Harashin Narus Operation Service Ltd. Senior Managing Director Itec Inc. Director ● Reasons for nomination as a candidate for Director Bungo Yamagishi is currently the Company's Senior Managing Director. He has long been involved in various Group management issues and store opening strategies, contributing to its business development. His involvement is not limited to specific areas, and he participates in various conferences and projects, and supports the Group's flexible management decisions with an open-minded viewpoint from the perspective of overall optimization. Also, as the Group's chief financial officer, he has considerable knowledge of finance and accounting, and is actively engaged in dialogue with various stakeholders. Considering Mr. Yamagishi's achievements, we expect his management skills to help address the Group's various management issues in future as well. Therefore, the Company has nominated him as a candidate for director.

Candidate No.	Name (Age) 【 Remarks 】	M a t t e r s R e g a r d i n g C a n d i d a t e
4	<p style="text-align: center;">Mitsuyuki Maruyama (68)</p> <p>【 Candidate for Reappointment 】</p>	<ul style="list-style-type: none"> ● Career summary, positions, and responsibilities at the Company <ul style="list-style-type: none"> September 1983 Parliamentary Secretary September 1987 Joined Axial Retailing Inc. May 2007 Head of Operating Systems Office May 2007 Executive Officer April 2010 Supervisor of Operating Systems Office April 2012 Manager, Store Operations Department of the Company June 2012 Director of the Company (current position) June 2017 Managing Director of Harashin Co., Ltd. (current position) June 2017 Managing Director of Harashin Narus Operation Service Ltd. (current position) ● Tenure as Director 10 years ● Number of Company shares held 18,050 ● Significant concurrent positions Harashin Co., Ltd. Managing Director Harashin Narus Operation Service Ltd. Managing Director ● Reasons for nomination as a candidate for Director Mitsuyuki Maruyama is a Director of Axial Retailing Inc. and the Managing Director of Harashin Co., Ltd., a core Group company, and is the chief executive of store operations. His range of responsibilities is diverse, including management of matters necessary to provide uninterrupted products and services at each store and maintenance of a comfortable work environment for employees. More than 100 million customers visit Group stores annually. In order for these stores to continue to be an indispensable presence in their communities and to continue to grow with the support of the customers even in an intensely competitive environment, Mr. Maruyama's management skills, which are demonstrated by his leadership in the field and the results he has achieved, will be valuable in future as well. Therefore, the Company has nominated him as a candidate for director.

Candidate No.	Name (Age) 【 Remarks 】	M a t t e r s R e g a r d i n g C a n d i d a t e
5	<p style="text-align: center;">Manabu Nakagawa (64)</p> <p>【 Candidate for Reappointment 】</p>	<ul style="list-style-type: none"> ● Career summary, positions, and responsibilities at the Company <ul style="list-style-type: none"> April 1981 Joined Seiyu Co., Ltd. September 2008 Joined Axial Retailing Inc. April 2009 Manager of Grocery Department of Harashin Narus Logitec (now Harashin Narus Operation Service Ltd.) April 2012 Director of Harashin Narus Operation Service Ltd. September 2013 Operating Officer of Harashin Narus Operation Service Ltd. (current position) January 2014 Director, Axial Label Inc. (current position) March 2015 General Manager, Merchandise Department of Harashin Narus Operation Service Ltd. (current position) May 2016 Director of Harashin Narus Operation Service Ltd. (current position) June 2016 Director of Axial Retailing Inc. (current position) June 2016 Operating Officer of Axial Retailing Inc. May 2022 Managing Director of Harashin Narus Operation Service Ltd. (current position) ● Tenure as Director 6 years ● Number of Company shares held 2,517 ● Significant concurrent positions Harashin Narus Operation Service Ltd. Managing Director Axial Label, Inc. Director ● Reasons for nomination as a candidate for Director Manabu Nakagawa is currently a Director of Axial Retailing Inc., and Managing Director of Harashin Narus Operation Service Ltd. He is responsible for consolidating the Group's operations, and the chief executive in charge of merchandise procurement. Merchandise policy is one of the most important issues for the Group's business operations. In recent years, food trends have diversified with changes in lifestyle and family structure. Under these circumstances, Mr. Nakagawa has worked hard to procure products with quality and pricing that the Group's customers can support, and has also taken on the challenge of trying out new directions, contributing to customer satisfaction and securing profits. Given his achievements, as the chief executive responsible for the Group's overall merchandise policy, Mr. Nakagawa's management skills will be valuable in future as well. Therefore, the Company has nominated him as a candidate for director.

Candidate No.	Name (Age) 【 Remarks 】	M a t t e r s R e g a r d i n g C a n d i d a t e
6	<p style="text-align: center;">Hitoshi Hayakawa (64)</p> <p>【 Candidate for Reappointment 】</p>	<ul style="list-style-type: none"> ● Career summary, positions, and responsibilities at the Company <ul style="list-style-type: none"> March 1980 Joined Axial Retailing, Inc. April 2002 Manager, Operating Systems Office of Axial Retailing, Inc. July 2006 Director, Harashin Co., Ltd. (current position) April 2009 Operating Officer, Axial Retailing Inc. April 2009 Supervisor, Sales Planning Department of Axial Retailing Inc. April 2012 Manager, Sales Planning Department of Axial Retailing Inc. October 2013 Operating Officer, Harashin Narus Operation Service Ltd. October 2013 Manager, Sales Planning Department of Harashin Narus Operation Service Ltd. March 2015 Manager, Fresh Food Department of Harashin Narus Operation Service Ltd. March 2018 President and Representative Director of Rory Co., Ltd. (current position) June 2018 Director of Axial Retailing Inc. (current position) June 2018 Operating Officer of Axial Retailing Inc. ● Tenure as Director 4 years ● Number of Company shares held 7,400 ● Significant concurrent positions Rory Co., Ltd. President and Representative Director Harashin Co., Ltd. Director ● Reasons for nomination as a candidate for Director Hitoshi Hayakawa is a Director of Axial Retailing Inc. and the President and Representative Director of the Group's food manufacturing and processing company Rory Co., Ltd. The Group differentiates itself from other companies by developing various products centered on deli foods and promotes measures to improve efficiency and reduce costs through centralized food processing that maintains stable quality. Rory Co., Ltd.'s importance in this role is increasing year by year. As a representative of Rory Co., Ltd., Mr. Hayakawa uses his extensive knowledge accumulated from experience in various merchandise and sales departments at Axial Retailing Inc., and is working to get the expanded plant on track, improve productivity, and increase the supply of merchandise. Considering Mr. Hayakawa's achievements, his management skills will help promote the Group's differentiation strategy. Therefore, the Company has nominated him as a candidate for director.

Candidate No.	Name (Age) 【 Remarks 】	M a t t e r s R e g a r d i n g C a n d i d a t e
7	<p style="text-align: center;">Masanori Maruyama (55)</p> <p>【 Candidate for New appointment 】</p>	<ul style="list-style-type: none"> ● Career summary, positions and responsibilities at the Company <ul style="list-style-type: none"> April 1989 Joined Axial Retailing Inc. April 2005 Head of HTS/CSR Office of the Company April 2007 Head of Internal Control Management Office of the Company April 2010 Head of TQM Promotion Office of the Company April 2012 Operating Officer of Harashin Narus Operation Service Ltd. April 2012 Manager, TQMCSR Department of Harashin Narus Operation Service Ltd. May 2019 Director of Human Resources Education of Harashin Narus Operation Service Ltd. March 2020 Director of Human Resources Education and TQM/CSR of Harashin Narus Operation Service Ltd. January 2022 Operating Office of Axial Retailing Inc. (current position) January 2022 Manager, Human Resources Planning Department of the Company (current position) May 2022 Director of Harashin Narus Operation Service Ltd. (current position) ● Tenure as Director N/A ● Number of Company shares held 3,052 ● Significant concurrent positions Fressay Co., Ltd. Director Harashin Narus Operation Service Ltd. Director Rory Co., Ltd. Director ● Reasons for nomination as a candidate for Director Masanori Maruyama currently serves as Operating Officer of Axial Retailing Inc., and Director of Harashin Narus. He has long played a central role in promoting TQM (Total Quality Management), the foundation of the Company's management, and in addressing social and environmental issues. TQM involves the full participation of all employees, who take a scientific approach to solving various problems and achieving tasks in their own areas of work. The level of the Company's TQM is regarded as a model throughout Japan, receiving numerous awards from professional associations, and is one of the Company's strengths which is difficult for other companies to imitate. Group company Harashin Co., Ltd. obtained ISO 14001 certification, the standard for environmental management systems, for all its company-wide locations, a first in Japan's retail industry. Since demonstrating his abilities to establish systems, Mr. Maruyama has been working to maintain and improve them. Considering his achievements and the current emphasis on SDGs (Sustainable Development Goals) problem solving, we expect Mr. Maruyama's management skills to help the Group realize its role in achieving a sustainable society and to achieve sustainable growth based on coexisting with society. Therefore, the Company has nominated him as a candidate for director.

Candidate No.	Name (Age) 【 Remarks 】	M a t t e r s R e g a r d i n g C a n d i d a t e
8	<p style="text-align: center;">Iwao Hosokai (63)</p> <p>【 Candidate for Reappointment 】 【 Candidate for Outside Director 】 【Candidate for Independent Officer 】</p>	<ul style="list-style-type: none"> ● Career summary, positions and responsibilities at the Company <ul style="list-style-type: none"> April 1992 Registered with the Daini Tokyo Bar Association June 1997 Registered with the Niigata Bar Association March 1999 Head, Hosokai Law Office (current position) June 2004 Outside Auditor of Axial Retailing Inc. April 2006 Outside Auditor of Harashin Co., Ltd. January 2010 President and Representative Director of Sanko Soko Co., Ltd. (current position) June 2010 Outside Auditor of Axial Retailing Inc. June 2014 Outside Director of The Taiko Bank, Ltd. (current position) June 2014 Outside Director of Axial Retailing Inc. (current position) ● Tenure as Director 8 years ● Number of Company shares held N/A ● Significant concurrent positions Hosokai Law Office Head Sanko Soko Co., Ltd. President and Representative Director The Taiko Bank, Ltd. Outside Director Chuetsu Country Club KK Auditor ● Matters concerning companies or specified business relationships pertaining to the candidate for Outside Director The relevant matters are as follows. Served as outside auditor of the Company (June 2004 – March 2006, June 2010 – June 2014) Served as outside director of Harashin Co., Ltd. (April 2006 – June 2010) ● Reasons for nomination as a candidate for outside director, expected roles, and reasons for determining that the candidate can perform his duties appropriately as an outside director Iwao Hosokai currently serves as an outside director of the Company. As a lawyer, he has cultivated a high level of professional ethics, specialized knowledge, and experience, and has considerable knowledge of legal affairs including corporate management. Since being appointed, Mr. Hosokai has been involved appropriately in the management of the Company as an outside officer, providing necessary advice from an objective perspective. Considering these achievements and expectations for his overall management oversight and contribution in future, Mr. Hosokai has been nominated as a candidate for Outside Director. He has experience in corporate management at the companies he represents, and for the above reasons it has been determined that he can perform his duties appropriately.

Candidate No.	Name (Age) 【 Remarks 】	M a t t e r s R e g a r d i n g C a n d i d a t e
9	<p style="text-align: center;">Koichi Niihara (80)</p> <p>【 Candidate for Reappointment 】 【 Candidate for Outside Director 】 【 Candidate for Independent Officer 】</p>	<ul style="list-style-type: none"> ● Career summary, positions and responsibilities at the Company <ul style="list-style-type: none"> April 1968 Assistant, Institute for Materials Research (IMR), Tohoku University October 1978 Assistant Professor, IMR April 1986 Professor, Department of Physics, National Defense Academy July 1989 Professor, Institute of Scientific and Industrial Research, Osaka University April 1991 Director, Research Center for High Performance Extreme Materials, Osaka University April 2005 Professor Emeritus, Osaka University (current position) April 2005 Director, Extreme Energy-Density Research Institute, Nagaoka University of Technology September 2009 President, Nagaoka University of Technology September 2015 Professor Emeritus, Nagaoka University of Technology (current position) June 2016 Board Chairman, Riverbank Think Tank for Regional Renaissance June 2016 Outside Director of Axial Retailing Inc. (current position) June 2017 Chairman, Izumi Science & Technology Foundation (current position) ● Tenure as Director 6 years ● Number of Company shares held N/A ● Significant concurrent positions Izumi Science & Technology Foundation Chairman ● Matters concerning companies or specified business relationships pertaining to the candidate for Outside Director There are no relevant matters. ● Reasons for nomination as a candidate for outside director, expected roles, and reasons for determining that the candidate can perform his duties appropriately as an outside director. Koichi Niihara currently serves as an outside director of the Company. A Professor Emeritus, he has a wealth of experience and a broad perspective from active leadership positions as a researcher in advanced specialized fields in Japan and overseas, and has personal connections with various researchers who are closely related to the Group's business. As an outside director, he provides necessary advice from an objective perspective close to the general consumer. Taking advantage of these aptitudes and with expectation for his overall management oversight and contribution in future, Mr. Niihara has been nominated as a candidate for Outside Director. Mr. Niihara has never been involved in company management in any way other than being an outside officer in the past. However, for the above reasons it has been determined that he can perform his duties appropriately.

Candidate No.	Name (Age) 【 Remarks 】	M a t t e r s R e g a r d i n g C a n d i d a t e
10	<p style="text-align: center;">Asako Kikuno (52)</p> <p>【 Candidate for Reappointment 】 【 Candidate for Outside Director 】 【 Candidate for Independent Officer 】</p>	<ul style="list-style-type: none"> ● Career summary, positions, and responsibilities at the Company April 1992 Joined NST Niigata Sogo Television Co., Ltd. April 1997 Became independent as a freelance announcer, Representative at K-Approach (current position) June 2021 Outside Director of Axial Retailing Inc. (current position) ● Tenure as Director 1 year ● Number of Company shares held N/A ● Significant concurrent positions K-Approach Representative Faculty of Pharmaceutical Sciences, Niigata Pharmaceutical University Part-time lecturer Niigata Prefecture Human Resources Committee Member Niigata University of Management Visiting lecturer Project Evaluation and Monitoring Committee, Hokuriku Regional Development Bureau Committee Member Tohoku Revitalization Research Center Trustee NST Niigata Sogo Television Co., Ltd. Programming Committee Member Niigata Chamber of Commerce Women’s Association Director and Vice President NPO Working Women’s Association Vice President Niigata New Business Council Director ● Matters concerning companies or specified business relationships pertaining to the candidate for Outside Director There are no relevant matters ● Reasons for nomination as a candidate for outside director, expected roles, and reasons for determining that the candidate can perform her duties appropriately as an outside director Asako Kikuno currently serves as an outside director of the Company. In addition to working as a freelance announcer, she is active in various organizations in Niigata Prefecture for the development of local communities and society. Utilizing the knowledge gained from these experiences, she also participates in activities aimed at realizing a society where the development of local communities and diversity are emphasized. Considering Ms. Kikuno’s experience, in addition to overseeing the company’s management from a perspective independent from the corporate executives, we expect her to continue her overall management oversight and contribution to the Group’s aim of contributing to and coexisting with local communities. Therefore Ms. Kikuno has been nominated as a candidate for Outside Director. Ms. Kikuno has never been involved in company management in any way other than being an outside officer in the past. However, for the above reasons it has been determined that she can perform his duties appropriately.

Candidate No.	Name (Age) 【 Remarks 】	M a t t e r s R e g a r d i n g C a n d i d a t e
11	<p style="text-align: center;">Juntaro Tsuru (65)</p> <p>【 Candidate for New appointment 】 【 Candidate for Outside Director 】 【 Candidate for Independent Officer 】</p>	<ul style="list-style-type: none"> ● Career summary, positions, and responsibilities at the Company <ul style="list-style-type: none"> April 1981 Joined Ministry of Construction (now Ministry of Land, Infrastructure, Transport and Tourism) July 2003 Manager of Housing Policy, Tokyo Metropolitan Bureau of Urban Development January 2007 Director, Building Guidance Division, Housing Bureau, Ministry of Land, Infrastructure, Transport and Tourism July 2008 Research Director, Building Research Institute, a National Research and Development Agency May 2011 Deputy Director, National Institute for Land and Infrastructure Management July 2012 Director, Urban Renaissance Agency September 2014 President, Nagaoka University of Art and Design April 2021 Nagaoka City Comprehensive Policy Advisor (current position) ● Tenure as Outside Director N/A ● Number of Company shares held N/A ● Significant concurrent positions Nagaoka City Kome Hyappyō Foundation Trustee Nagaoka City Comprehensive Policy Advisor Tokyo Earthquake Disaster Recovery Council Member ● Matters concerning companies or specified business relationships pertaining to the candidate for Outside Director There are no relevant matters. ● Reasons for nomination as a candidate for outside director, expected roles, and reasons for determining that the candidate can perform his duties appropriately as an outside director Juntaro Tsuru is currently engaged with various organizations in Japan in the development of local communities and society. He has long been involved with central government agencies mainly in construction administration. He has high ethical standards and considerable knowledge, and has been working with many people from a broad perspective for the development of the country. Considering his experience, in addition to overseeing the Company's management from a perspective independent from its corporate executives, we expect Mr. Tsuru to use his expertise to improve the Company's governance system and address the problems facing society and the global environment. Therefore Mr. Tsuru has been nominated as a candidate for Outside Director. He has experience in corporate management as the president of a national university and a director of an administrative agency and for the above reasons it has been determined that he can perform his duties appropriately.

(Note)

1. None of the candidates has any special interest relationship with the Company.
2. The number of Company shares held is as of March 31, 2022, and is recorded as the number of shares registered to the beneficial owner including shares held in the name of another person.
3. Ms. Asako Kikuno's name in the family register is Asako Shingai.
4. Mr. Iwao Hosokai, Mr. Koichi Niihara, Ms. Asako Kikuno, and Mr. Juntaro Tsuru are candidates for Outside Directors. As candidates, they comply with the requirements stipulated in the Companies Act as well as the Company's own "Criteria for Independence of Outside Directors". The Company's "Criteria for Independence of Outside Directors" are as follows.
(Criteria for Independence of Outside Directors)

The Company considers Outside Directors or Outside Audit & Supervisory Board Members (referred to herein collectively as "Outside Officers") to be independent when it is determined that none of the following items apply.

1. A person who executes business (alternatively "executing person" or "executive") (Note 1) of the Company or its affiliate (referred to herein collectively as "the Group" (Note 2)).
2. A major shareholder (Note 3) of the Company, or if the major shareholder is a corporation, a director, audit & supervisory board member, accounting advisor, executive officer, or other employee of the corporate entity concerned or its affiliates.
3. A person who executes business of a company or its affiliates in which the Company is a major shareholder.
4. A person for whom the Group is a major client (Note 4) or a person who executes business for an affiliated company thereof.
5. A person who is a major client of the Group (Note 5) or a person who executes business for an affiliated company thereof.
6. A person who has received a large amount of donation or subsidy (Note 6) from the Group, or a person who executes business for a corporation or organization which has received a large donation or subsidy from the Group.
7. A person who executes business of a company or its affiliates which has director(s) on loan from the Company (full-time or part-time).
8. A person who executes business of a major financial institution or other large creditor (hereinafter referred to collectively as "large creditor" (Note 7) who is a lender to the Company, or if the major creditor is a corporation, a person who executes business of the creditor or its affiliates
9. A certified public accountant or tax accountant who is an accounting auditor or accounting advisor for the Group, or a tax accountant, or person who executes business of an audit corporation or accounting corporation for the Group.
10. A lawyer, certified public accountant, tax accountant, or other consultant who has received a large sum of money or other property benefits from the Group in addition to executive compensation (Note 6).
11. A person who executes business of a legal corporation, audit corporation, accounting corporation, or other consulting firm who has received a large sum of money or other property benefits from the Group.
12. A person to whom the first item above has applied, even if it was only once in the past.
13. A person to whom items 2 to 11 above have applied in the past three years.
14. A spouse or a relative within the second degree of kinship of a significant person who executes business (Note 8) who falls under items 1 to 13 above.
15. Notwithstanding the provisions in items 1 to 14 above, any other person who is recognized as being in special circumstances whereby a conflict of interest with the Company could arise.

(Note 1) A person who executes business (alternatively "executing person" or "executive") is an executive director, executive officer, or other officer managing the business of a corporation, as stipulated in Article 2, Paragraph 3, Item 6 of the Regulations for Enforcement of the Companies Act, and does not include outside directors and outside audit & supervisory board members.

- (Note 2) An affiliate or affiliated company refers to a company that is the relevant company's parent company, subsidiary company, affiliated company, as well as a company of which the relevant company is an affiliated company, as stipulated in Article 2, Paragraph 3, Item 25 of the Rules of Corporate Accounting.
- (Note 3) A major shareholder refers to a shareholder who hold 10% or more of the voting rights, which include voting rights held both directly and indirectly.
- (Note 4) A person for whom the Group is a major client refers to a person who has provided products or services to the Group with a transaction value exceeding 2% of the Company's annual consolidated sales in the most recent fiscal year.
- (Note 5) A person who is a major client of the Group refers to a person who has received products or services from the Group with a transaction value exceeding 2% of the Company's annual consolidated sales in the most recent fiscal year.
- (Note 6) A large amount refers to the amount that exceeds 10 million yen per year for individuals, or 2% of annual consolidated sales in the case of a corporation on average in the past three fiscal years.
- (Note 7) A large creditor refers to a creditor whose loans to the Group exceed 10% of its consolidated total assets at the end of the most recent fiscal year.
- (Note 8) A significant person who executes business refers to an executive director, executive officer, and other officers who execute business of a corporation.

5. Limited liability agreements

Pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, the Articles of Incorporation stipulate that an agreement with an outside director that limits liability for damages under Article 423, Paragraph 1 of the Companies Act (limited liability agreements) can be concluded. The company has limited liability agreements with current outside directors Mr. Iwao Hosokai, Mr. Koichi Niihara, and Ms. Asako Kikuno. The maximum amount of liability for damages based on these agreements is the minimum liability limit stipulated in Article 425, Paragraph 1 of the Companies Act.

If this proposal is approved, the Company plans to continue its limited liability agreements with the outside directors mentioned above, and to conclude a new limited liability agreement with Mr. Juntaro Tsuru.

6. D&O Liability Insurance Agreements

The Company has concluded a D&O liability insurance agreement with an insurance company whereby the insured individuals are indemnified against damages incurred (claims for damages incurred by individuals as a result of performing their duties as directors and officers of the company). If this proposal is approved, the candidates will be included as insured individuals covered in the agreement. Also, when the agreement is up for renewal, it is expected to be renewed with the same content.

7. Independent officers

The Company has notified the Tokyo Stock Exchange (TSE) that current outside directors Mr. Iwao Hosokai, Mr. Koichi Niihara, and Ms. Asako Kikuno are independent officers as stipulated by the TSE. If this proposal is approved, the Company intends to register Mr. Juntaro Tsuru as an independent officer in addition to the three directors mentioned above

Proposal No. 4 Election of Three Directors to the Audit & Supervisory Board

The terms of office of all three (3) currently serving Audit & Supervisory Board Members (herein “auditors”) will expire at the conclusion of this Ordinary General Meeting of Shareholders.

In that regard, approval is hereby requested for the election of three new auditors.

The Board of Directors nominates candidates based on a report from the voluntary Nomination Committee (consisting of two outside directors, one outside auditor, and two directors other than representative directors).

In addition, the Audit & Supervisory Board has given its consent for this proposal.

The Company’s criteria for the nomination of candidates for auditor are as follows.

(Criteria for the Nomination of Candidates for Auditor)

Candidates for auditor shall be selected by the Nominating Committee based on the following nomination policy, subject to resolution approved by the Board of Directors and the consent of the Audit & Supervisory Board Members.

1. Nomination Policy

- (1) A person who can appropriately perform his/her duties as an auditor in response to the trust placed in him/her by shareholders.
- (2) A person of good character with considerable knowledge, experience, and achievements, regardless of individual attributes such as gender and nationality, who can be expected to contribute to the Company’s sound and sustainable growth and conduct audits from a neutral and objective perspective with an understanding of the Company’s management philosophy.
- (3) A person who does not fall under the grounds for disqualification stipulated in 2.
- (4) An outside auditor must meet the criteria for independence separately stipulated in addition to the requirements stipulated in Article 2, Item 16 of the Companies Act.

2. Grounds for Disqualification

- (1) A person who is recognized as being associated with antisocial forces.
- (2) A person who falls under the grounds for disqualification stipulated in Article 335, Paragraph 1 of the Companies Act.
- (3) A person who is recognized as violating laws and regulations in his/her duties or in private matters.
- (4) A person who has a special interest that affects his/her performance of the duties of an auditor.

The candidates for Auditors are as follows.

Candidate No.	Name (Age) 【 Remarks 】	M a t t e r s R e g a r d i n g C a n d i d a t e
1	<p style="text-align: center;">Juniichi Yako (68)</p> <p>【 Candidate for Reappointment 】 【 Candidate for Outside Auditor 】</p>	<ul style="list-style-type: none"> ● Career summary and positions at the Company <ul style="list-style-type: none"> April 1976 Joined The Hokuetsu Bank, Ltd (now Daishi Hokuetsu Bank, Ltd.) April 1999 Branch Manager, Kobari-minami Branch, The Hokuetsu Bank, Ltd. June 2006 Manager, Finance Department Division Two, The Hokuetsu Bank, Ltd. June 2008 Director, The Hokuetsu Bank Ltd. June 2008 Administrative Manager, The Hokuetsu Bank Ltd. June 2009 President and Representative Director, Hokugin Economic Research Institute May 2014 Auditor, Harashin Narus Operation Service Ltd. (current position) June 2014 Auditor, Harashin Co., Ltd. (current position) June 2014 Outside Auditor, Axial Retailing Inc. ● Tenure as Outside Audit & Supervisory Board Member 8 years ● Number of Company shares held 2,300 ● Significant concurrent positions Harashin Co., Ltd. Auditor Harashin Narus Operation Service Ltd. Auditor ● Reasons for nomination as a candidate for Auditor Juniichi Yako currently serves as an outside auditor of Axial Retailing Inc. and as an auditor for core group companies, Harashin Narus Operation Service Ltd. and Harashin Co., Ltd. He has long worked for a leading regional bank in an area where our Group operates, and became familiar with many diverse management styles. He has served as a director of the bank, and his experience managing a financial institution has given him a high ethical standard and a good awareness for compliance policies. Within the holding company structure of the Group, each company develops its business independently. As such, it is crucial that decision-making and business execution are audited to ensure consistency with Group policies and philosophies, even when business development is broad. Since assuming his role as auditor, Mr Yako has performed his duties appropriately as auditor of Harashin Co., Ltd. while also coordinating the overall execution of duties by each auditor in his role as chairman of the Audit & Supervisory Board. As an outside auditor, he has conducted audits appropriately, with a priority on perspectives that consider compliance issues and our stakeholders. Considering Mr. Yako's experience, we determine that he will continue to perform his auditing duties appropriately. Therefore Mr. Yako has been nominated as a candidate for outside auditor.

Candidate No.	Name (Age) 【 Remarks 】	M a t t e r s R e g a r d i n g C a n d i d a t e
2	<p style="text-align: center;">Ryoji Iwasaki (66)</p> <p>【 Candidate for Reappointment 】</p>	<ul style="list-style-type: none"> ● Career summary and positions at the Company <ul style="list-style-type: none"> March 1977 Joined Axial Retailing Inc. May 2008 Head, Training Division April 2012 Operating Officer, Axial Retailing Inc. April 2012 Manager, Operating Systems Office October 2013 Operating Officer, Harashin Narus Operation Service Ltd. October 2013 Manager, Operating Systems Office June 2016 Auditor, Narus Co., Ltd. (current position) June 2016 Auditor, Axial Retailing Inc. (current position) May 2022 Auditor, Harashin Narus Operation Service Ltd. (current position) ● Tenure as Audit & Supervisory Board Member 6 years ● Number of Company shares held 17,479 ● Significant concurrent positions Narus Co., Ltd. Auditor Harashin Narus Operation Service Ltd. Auditor ● Reasons for nomination as a candidate for Auditor Ryoji Iwasaki currently serves as an auditor of Axial Retailing Inc. and as an auditor for Narus Co. Ltd, a core group company. After a long career in sales, where he experienced a variety of positions and roles, Mr. Iwasaki was responsible for systematizing the sales workflow. Through the development and efficient use of manuals and the implementation of an employee skill certification system, he has continued to maintain and improve product quality and hygiene, and create a comfortable and productive work environment. Within the holding company structure of the Group, each company develops its business independently. As such, it is crucial that decision-making and business execution are audited to ensure consistency with Group policies and philosophies, even when business development is broad. Since assuming his role as auditor, Mr Iwasaki has performed his duties appropriately as auditor of Narus Co., Ltd., and in auditing the business conditions of the Group. Considering Mr. Iwasaki’s experience, we determine that he will continue to perform his auditing duties appropriately. Therefore Mr. Iwasaki has been nominated as a candidate for auditor.

Candidate No.	Name (Age) 【 Remarks 】	M a t t e r s R e g a r d i n g C a n d i d a t e
3	<p style="text-align: center;">Yoshihito Saito (69)</p> <p>【 Candidate for Reappointment 】 【 Candidate for Outside Director 】</p>	<ul style="list-style-type: none"> ● Career summary and positions at the Company <ul style="list-style-type: none"> April 1975 Joined The Daishi Bank, Ltd. (now Daishi Hokuetsu Bank, Ltd.) June 1997 Branch Manager, New York Branch, The Daishi Bank, Ltd. June 1999 Deputy Manager, Sales Department, The Daishi Bank, Ltd. February 2001 Head, Business Management Department, The Daishi Bank, Ltd. July 2001 Manager, Business Management Department, The Daishi Bank, Ltd. June 2003 Branch Manager, Shibata Branch, The Daishi Bank, Ltd. June 2004 Director, The Daishi Bank, Ltd. June 2005 Branch Manager, Takada Branch, The Daishi Bank, Ltd. June 2006 Manager, Human Resources, The Daishi Bank, Ltd. April 2007 Managing Director, The Daishi Bank, Ltd. June 2011 Executive Managing Director, The Daishi Bank, Ltd. June 2012 Vice President and Representative Director, The Daishi Bank, Ltd. June 2016 Chairman and Representative Director, Daishi Hokuetsu Securities Co., Ltd April 2018 Director, Niigata Prefectural Museum of History (current position) ● Tenure as Outside Audit & Supervisory Board Member 4 years ● Number of Company shares held None ● Significant concurrent positions Niigata Prefectural Museum of History Director ● Reasons for nomination as a candidate for Auditor Yoshito Saito is currently serving as an outside auditor for Axial Retailing Inc. He has long worked for a leading regional bank in an area where our Group operates, and became familiar with many diverse management styles. His experience managing a financial institution has given him a high ethical standard and a good awareness for compliance policies. He also served as the representative director of The Daishi Bank and played a leading role in the local economy in various areas. Within the holding company structure of the Group, each company develops its business independently. As such, it is crucial that decision-making and business execution are audited to ensure consistency with Group policies and philosophies, even when business development is broad. As an outside auditor he has performed his duties appropriately and his experience has enabled him to develop perspectives based on the importance of compliance policy in management and in accordance with stakeholders. Considering Mr. Saito's experience, we determine that he will continue to perform his auditing duties appropriately. Therefore Mr. Saito has been nominated as a candidate for outside auditor.

(Note)

1. None of the candidates has any special interest relationship with the Company.
2. The number of Company shares held is as of March 31, 2022, and is recorded as the number of shares registered to the beneficial owner including shares held in the name of another person.
3. Mr. Junichi Yako and Mr. Yoshito Saito are candidates for outside auditors. As candidates, they comply with the requirements stipulated in the Companies Act as well as the Company's own "Criteria for Independence of Outside Directors". The Company's "Criteria for Independence of Outside Directors" are as follows.

(Criteria for Independence of Outside Directors)

The Company considers Outside Directors or Outside Audit & Supervisory Board Members (referred to herein collectively as "Outside Officers") to be independent when it is determined that none of the following items apply.

1. A person who executes business (alternatively "executing person" or "executive") (Note 1) of the Company or its affiliate (referred to herein collectively as "the Group" (Note 2)).
2. A major shareholder (Note 3) of the Company, or if the major shareholder is a corporation, a director, auditor, accounting advisor, executive officer, or other employee of the corporate entity concerned or its affiliates.
3. A person who executes business of a company or its affiliates in which the Company is a major shareholder.
4. A person for whom the Group is a major client (Note 4) or a person who executes business for an affiliated company thereof.
5. A person who is a major client of the Group (Note 5) or a person who executes business for an affiliated company thereof.
6. A person who has received a large amount of donation or subsidy (Note 6) from the Group, or a person who executes business for a corporation or organization which has received a large donation or subsidy from the Company.
7. A person who executes business of a company or its affiliates which has director(s) on loan from the Company (full-time or part-time).
8. A person who executes business of a major financial institution or other large creditor (hereinafter referred to collectively as "large creditor" (Note 7) who is a lender to the Company, or if the major creditor is a corporation, a person who executes business of the creditor or its affiliates
9. A certified public accountant or tax accountant who is an accounting auditor or accounting advisor for the Group, or a tax accountant, or person who executes business of an audit corporation or accounting corporation for the Group.
10. A lawyer, certified public accountant, tax accountant, or other consultant who has received a large sum of money or other property benefits from the Group in addition to executive compensation (Note 6).
11. A person who executes business of a legal corporation, audit corporation, accounting corporation, or other consulting firm who has received a large sum of money or other property benefits from the Group.
12. A person to whom the first item above has applied, even if it was only once in the past.
13. A person to whom items 2 to 11 above have applied in the past three years.
14. A spouse or a relative within the second degree of kinship of a significant person who executes business (Note 8) who falls under items 1 to 13 above.
15. Notwithstanding the provisions in items 1 to 14 above, any other person who is recognized as being in special circumstances whereby a conflict of interest with the Company could arise.

(Note 1) A person who executes business (alternatively "executing person" or "executive") is an executive director, executive officer, or other officer managing the business of a corporation, as stipulated in Article 2, Paragraph 3, Item 6 of the Ordinance for Enforcement of the Companies Act, and does not include outside directors and outside auditors.

(Note 2) An affiliate or affiliated company refers to a company that is the relevant company's parent company, subsidiary company, affiliated company, as well as a company of which the relevant company is an affiliated company, as stipulated in Article 2, Paragraph 3, Item 22 of the Rules of Corporate Accounting.

- (Note 3) A major shareholder refers to a shareholder who holds 10% or more of the voting rights, which include voting rights held both directly and indirectly.
- (Note 4) A person for whom the Group is a major client refers to a person who has provided products or services to the Group with a transaction value exceeding 2% of the Company's annual consolidated sales in the most recent fiscal year.
- (Note 5) A person who is a major client of the Group refers to a person who has received products or services from the Group with a transaction value exceeding 2% of the Company's annual consolidated sales in the most recent fiscal year.
- (Note 6) A large amount refers to the amount that exceeds 10 million yen per year for individuals, or 2% of annual consolidated sales in the case of a corporation on average in the past three fiscal years.
- (Note 7) A large creditor refers to a creditor whose loans to the Group exceed 10% of its consolidated total assets at the end of the most recent fiscal year.
- (Note 8) A significant person who executes business refers to an executive director, executive officer, other officers who execute business of a corporation.

4. Limited liability agreements

Pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, the Articles of Incorporation stipulate that an agreement with an outside auditor that limits liability for damages under Article 423, Paragraph 1 of the Companies Act (limited liability agreements) can be concluded. The company has limited liability agreements with current outside auditors Mr. Junichi Yako and Mr. Yoshito Saito. The maximum amount of liability for damages based on these agreements is the minimum liability limit stipulated in Article 425, Paragraph 1 of the Companies Act.

If this proposal is approved, the Company plans to continue its limited liability agreements with the outside directors/auditors mentioned above.

5. D&O Liability Insurance Agreements

The Company has concluded a D&O liability insurance agreement with an insurance company whereby the insured individuals are indemnified against damages incurred (claims for damages incurred by individuals as a result of performing their duties as directors and officers of the company). If this proposal is approved, the candidates will be included as insured individuals covered in the agreement. Also, when the agreement is up for renewal, it is expected to be renewed with the same content.

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