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Securities Code 7458
June 9, 2022

To Our Shareholders:

Tadahiro Hoshi
President
DAIICHIKOSHO CO., LTD.
5-5-26 Kitashinagawa, Shinagawa-ku, Tokyo

Notice of Convocation of the 47th Ordinary General Meeting of Shareholders

- 1. Date and Time:** Friday, June 24, 2022 at 10:00 a.m. (Reception starts at 9:00 a.m.)
- 2. Venue:** “Pegasus,” 1st floor, Hilton Tokyo Odaiba
1-9-1 Daiba, Minato-ku, Tokyo
- 3. Purpose of the Meeting:**
Proposals to be resolved:
 - Proposal No. 1:** Appropriation of Surplus
 - Proposal No. 2:** Partial Amendments to the Articles of Incorporation
 - Proposal No. 3:** Election of Two (2) Corporate Auditors

Reference Documents for the General Meeting of Shareholders

Proposal No. 1: Appropriation of Surplus

The Company maintains a basic policy of making active return of profit that reflects consolidated business performance while taking into account internal reserves for future investment, etc.

The Company proposes to pay a year-end dividend for the current fiscal year as follows:

(1) Type of dividend property

Cash

(2) Allotment of dividend property to shareholders and the aggregate amount

¥57 per common share of the Company (Annual dividend of ¥113 when including the interim dividend)

Aggregate amount of dividends will be ¥3,111,797,580.

(3) Effective date of dividends of surplus

June 27, 2022

Proposal No. 2: Partial Amendments to the Articles of Incorporation

1. Reasons for amendments

The amended 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) will be enforced on September 1, 2022. Accordingly, in order to prepare for the introduction of the system for electronic provision of materials for general meetings of shareholders, the Articles of Incorporation of the Company shall be amended as follows.

- (1) The proposed Article 15 provides that information contained in the reference documents for the general meeting of shareholders, etc. shall be provided electronically. In addition, the purpose of the proposed Article 15 is to establish a provision to limit the scope of matters to be included in the paper copy to be sent to shareholders who have requested it.
- (2) The provisions related to the internet disclosure and deemed provision of the reference documents for the general meeting of shareholders, etc. (Article 15 of the current Articles of Incorporation) will become unnecessary and will therefore be deleted.
- (3) In line with the above establishment and deletion of the provisions, supplementary provisions related to the effective date, etc. shall be established.

2. Details of amendments

The details of the amendments are as follows.

(Underlines indicate amended parts.)

Current Articles of Incorporation	Proposed Amendments
<p>Articles 1 to 14 (Provisions omitted)</p> <p><u>(Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, Etc.)</u></p> <p><u>Article 15 The Company may, when convening a general meeting of shareholders, deem that it has provided information to shareholders pertaining to matters to be described or indicated in the reference documents for the general meeting of shareholders, business report, non-consolidated financial statements, and consolidated financial statements, by disclosing such information through the internet in accordance with the provisions provided in the Ordinance of the Ministry of Justice.</u></p> <p>(Article 15 Newly established)</p>	<p>Articles 1 to 14 (Unchanged)</p> <p>(Article 15 Deleted)</p> <p><u>(Measures for Electronic Provision, Etc.)</u></p> <p><u>Article 15 The Company shall, when convening a general meeting of shareholders, provide information contained in the reference documents for the general meeting of shareholders, etc. electronically.</u></p> <p><u>2. Among the matters to be provided electronically, the Company may choose not to include all or part of the matters stipulated in the Ordinance of the Ministry of Justice in the paper copy to be sent to shareholders who have requested it by the record date for voting rights.</u></p>

Current Articles of Incorporation	Proposed Amendments
(Newly established)	<p data-bbox="831 208 1418 241"><u>Supplementary Provisions</u></p> <p data-bbox="831 241 1418 331"><u>(Transitional Measures on Electronic Provision of Materials for the General Meetings of Shareholders)</u></p> <p data-bbox="831 331 1418 779"><u>Article 1 The deletion of Article 15 (Internet Disclosure and Deemed Provision of Reference Materials for the General Meeting of Shareholders, Etc.) of the Articles of Incorporation before amendment and the establishment of Article 15 (Measures for Electronic Provision, Etc.) of the Articles of Incorporation after amendment shall come into effect on September 1, 2022, which is the date of enforcement of the amended 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).</u></p> <p data-bbox="831 779 1418 1070">2. <u>Notwithstanding the provisions of the preceding paragraph, Article 15 (Internet Disclosure and Deemed Provision of Reference documents for the General Meeting of Shareholders, Etc.) of the Articles of Incorporation before amendment shall remain in force with respect to a general meeting of shareholders to be held on a date within six months from September 1, 2022.</u></p> <p data-bbox="831 1070 1418 1238">3. <u>These supplementary provisions shall be deleted after six months from September 1, 2022 or three months from the date of the general meeting of shareholders set forth in the preceding paragraph, whichever is later.</u></p>

Supplementary Explanation on Proposal No. 2: Partial Amendments to the Articles of Incorporation

The system for electronic provision is a system under which materials for the general meeting of shareholders can be provided to shareholders by posting them on the company's website or other website and notifying shareholders in writing of the website address, etc. Since the system for electronic provision is mandatory for listed companies, the Company will apply the system for electronic provision from the next general meeting of shareholders (June 2023), and shareholders will receive a simplified convocation notice (such as a notice that includes the posting on the website and the address, etc.).

Shareholders who wish to receive the materials for the general meeting of shareholders in writing for the next and subsequent general meetings of shareholders must complete the “Request for Delivery of Paper Copy” procedure.

Please contact the securities company with which you have an account or Mitsubishi UFJ Trust and Banking Corporation, the shareholder registry administrator, for the “Request for Delivery of Paper Copy.”

Proposal No. 3: Election of Two (2) Corporate Auditors

At the conclusion of this Ordinary General Meetings of Shareholders, the terms of office of Corporate Auditors Hiroshi Umetsu and Shigeki Kobayashi will expire. Therefore, the Company proposes to elect two (2) Corporate Auditors.

The consent of the Board of Corporate Auditors has been obtained for this proposal.

The candidates for Corporate Auditors are as follows:

No.	Name (Date of birth)	Career summary and positions at the Company (significant concurrent positions)		Number of shares of the Company held
1	[Reappointment] [Outside] [Independent] Hiroshi Umetsu (July 23, 1964) [Attendance at the Board of Directors meetings] 14 out of 14 meetings (100%) [Attendance at the Board of Corporate Auditors meetings] 15 out of 15 meetings (100%)	Oct. 1991 Apr. 1994 May 2006 Jun. 2018	Joined Asahi Shinwa & Co. (currently KPMG AZSA LLC) Registered as certified public accountant Partner of KPMG AZSA LLC Corporate Auditor of the Company (current position)	0
	[Reason for nomination as candidate for Outside Corporate Auditor] Mr. Umetsu has extensive experience from his long-standing service as a certified public accountant and suitable insight related to finance and accounting. The Company judges he would appropriately carry out his duties as an Outside Corporate Auditor.			
2	[New election] Fumiaki Koizumi (March 20, 1963) [Attendance at the Board of Directors meetings] - [Attendance at the Board of Corporate Auditors meetings] -	Mar. 1992 Jun. 2001 Jun. 2007 Apr. 2015	Joined Taito Daiichikoshō Co., Ltd. Director of Taito Daiichikoshō Co., Ltd. Managing Director of Taito Daiichikoshō Co., Ltd. Joined the Company General Manager of Stores Management Dept., Stores Business Headquarters of the Company (current position)	10,700
	[Reason for nomination as candidate for Corporate Auditor] Mr. Koizumi has long been involved in the administrative department of a sales subsidiary. He also has extensive experience and knowledge in the Company's store management and subsidiary management. The Company judges he would appropriately carry out his duties as a Corporate Auditor.			

(Notes)

1. There is no special interest between any of the candidates and the Company.
2. Hiroshi Umetsu is a candidate for Outside Corporate Auditor.
3. Hiroshi Umetsu is currently serving as Outside Corporate Auditor of the Company, and at the conclusion of this General Meeting of Shareholders, his tenure as Corporate Auditor will have been four (4) years.
4. Pursuant to the provisions of Article 427, paragraph 1 of the Companies Act, the Company has entered into agreements with Hiroshi Umetsu to limit his liability for damages under Article 423, paragraph 1 of the same Act. The maximum amount of liability for damages pursuant to the aforesaid agreement is the minimum liability amount stipulated by laws and regulations. If the reelection of Hiroshi Umetsu is approved, the Company plans to renew the agreement with him.
5. Hiroshi Umetsu satisfies the requirements for independent officer as provided for by the Tokyo Stock Exchange. If his reelection is approved, the Company plans for his appointment as an independent officer to continue.
6. The Company has concluded a directors and officers liability insurance (D&O Insurance) contract, as stipulated in Article 430-3, paragraph 1 of the Companies Act, with Directors, Corporate Auditors and Corporate Officers as the insured. This insurance contract covers damages, litigation expenses and other such outlays that may result from the insured Directors, Corporate Auditors and Corporate Officers being liable for the performance of their duties or being subject to a claim for the pursuit of such liability. Provided, however, that there are certain exemptions; for example, damage caused as a result of any conduct committed while knowing that the conduct is in violation of laws and regulations shall not be covered. The Company fully bears the insurance premiums. If the candidates are elected, each of them will be included in the insured of this insurance contract, which is to be renewed during their terms of office.

(Reference)

Policies and Procedures on the Appointment/Dismissal of Representative Director as well as on the Nomination of Candidates for Directors and Corporate Auditors

The Company has clarified the roles expected of Representative Director and Directors in the form of seven key roles expected of Directors (innovative spirit, flexibility for change, ability to understand the essence, ability to envision, breaking free of the past, utilization of diversity, risk management) in the “Standards for Evaluating Directors’ Performance.”

In the appointment of Representative Director, abilities to envisage strategies based on the Group’s corporate philosophy and strong capabilities to execute business are required as vital preconditions, apart from the aforementioned roles expected of Directors.

In the nomination of candidates for Directors, appropriate persons are selected in overall consideration of individual character and insights necessary for executing management/supervisory functions, based on the aforementioned seven key roles expected of Directors.

In the nomination of candidates for Corporate Auditors, appropriate persons are selected based on their insight into corporate risks, abilities to honestly articulate opinions to the corporate manager, and capabilities to contribute to the enhancement of the soundness and transparency of management.

In the appointment of Representative Director as well as the nomination of candidates for Directors and Corporate Auditors, the Personnel Affairs Advisory Committee chaired by an Outside Director shall conduct prior deliberation and submit its opinion to the Board of Directors. The Board shall carefully review such opinions and make decisions.

Dismissal of Representative Director shall be decided by the Board of Directors whenever deviation from the standards that warranted the appointment is recognized. However, as a fail-safe system in the event of the Board of Directors falling into a state of dysfunction for whatever reason, the Personnel Affairs Advisory Committee chaired by an Outside Director shall provide the Board of Directors with advice or recommendations for dismissal.

Criteria for Assessing the Independence of Independent Officers of the Company

The Company sets forth the “Criteria for Assessing the Independence of Independent Officer of the Company,” and designates individuals to whom none of the following criteria apply as Independent Officers.

- (1) An executive of the Company or an affiliate of the Company or a person who has served as an executive of the Company or an affiliate of the Company in the past ten (10) years.
- (2) A person who has the Group as its major business partner or its executive.
- (3) A person who is the major business partner of the Daiichikoshu Group or its executive.
- (4) A person who is a major shareholder of the Company (directly or indirectly holding 10% or more of the voting rights) or its executive.
- (5) A person in whom 10% or more of the voting rights is held directly or indirectly by the

Company or its executive.

- (6) A person affiliated with an audit firm, which serves as the Accounting Auditor of the Group.
- (7) An attorney, a certified public accountant, a tax accounting or a consultant, and the like, who receives considerable monetary compensation or other properties from the Group other than executive compensation.
- (8) A director or other executive of legal entities or organization, including legal firms, audit firms, tax accountant firms or consulting firms, and the like, which receives considerable monetary compensation or other properties from the Group.
- (9) A person, who receives considerable amounts of donations or subsidies from the Group, or a director or other executive of legal entities or organizations including legal firms, audit firms, tax accountant firms or consulting firms, and the like, which receives considerable amounts of donations or subsidies from the Group.
- (10) An Executive Director, an Executive Officer, a Corporate Officer or an employee, including a Manager of a company, at which an Executive Director or a Standing Corporate Auditor of the Group concurrently serves as Outside Director or Outside Corporate Auditor.
- (11) Any person to whom items (2) through (10) applied in the past three (3) years; and
- (12) In cases where a person to whom items (1) through (11) above applies is in an important position, the spouse or a relative within the second degree of kinship of such person.