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(Stock Exchange Code 8276)

April 26, 2023

(Start date of Measures for Electronic Provision: April 20, 2023)

**To Shareholders with Voting Rights:**

Masashi Hiramatsu  
Representative Director and  
Executive President  
HEIWADO CO., LTD.  
1 Nishiima-cho, Hikone-shi, Shiga,  
Japan

**NOTICE OF  
THE 66TH ANNUAL GENERAL MEETING OF SHAREHOLDERS**

We would like to express our appreciation for your continued support and patronage.

Please be informed that the 66th Annual General Meeting of Shareholders of HEIWADO CO., LTD. (the “Company”) will be held as described below.

In convening this General Meeting of Shareholders, the Company has taken measures to provide the information contained in the Reference Documents for the General Meeting of Shareholders (Matters Regarding Measures for Electronic Provision) electronically in the form of the “Notice of the 66th Annual General Meeting of Shareholders” and “66th Annual General Meeting of Shareholders and Other Matters Regarding Measures for Electronic Provision (Matters Omitted in the Issued Written Document).” Please access the Company’s website below to view this information.

The Company’s website

<https://www.heiwado.jp/ir/meeting>

In addition to the above website, the Company has also disclosed “Matters Regarding Measures for Electronic Provision” on the website of the Tokyo Stock Exchange (TSE). Please access the following TSE website (TSE Listed Company Search), enter or search for the issue name (company name) or securities code, and select “Basic information” or “Documents for public inspection/PR information.”

Tokyo Stock Exchange website (TSE Listed Company Search)

<https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>

Furthermore, you can exercise your voting rights in writing or via the internet instead of attending the meeting in person. Please read the attached Reference Documents for the General Meeting of Shareholders listed under “Matters Regarding Measures for Electronic Provision” and exercise your voting rights by following the Instructions for the Exercise of Voting Rights (pages 4 and 5 of the Japanese original), no later than 6:00 p.m. on Wednesday, May 17, 2023, Japan time.

\*The Company will not provide any gifts to attendees of the General Meeting of Shareholders. Thank you for your understanding.

- 1. Date and Time:** Thursday, May 18, 2023 at 10:00 a.m. Japan time
- 2. Place:** HATOC Hall, 3F of the Head Office of HEIWADO CO., LTD. located at 1 Nishiima-cho, Hikone-shi, Shiga, Japan

**3. Meeting Agenda:**

- Matters to be reported:**
1. Business Report and Consolidated Financial Statements for the Company's 66th Fiscal Year (February 21, 2022 - February 20, 2023), and results of audits of the Consolidated Financial Statements by the Accounting Auditor and the Audit and Supervisory Committee
  2. Non-consolidated Financial Statements for the Company's 66th Fiscal Year (February 21, 2022 - February 20, 2023)

**Proposals to be resolved:**

**Proposal 1:** Disposition of Surplus

**Proposal 2:** Election of Seven Directors (Excluding Directors who are Members of the Audit and Supervisory Committee)

**4. Decisions Regarding this Convocation**

- (1) The following matters are not included in the paper copy to be sent to shareholders who have requested it, pursuant to the provisions of laws and regulations and Article 16, Paragraph 2 of the Company's Articles of Incorporation. Accordingly, this paper copy is part of the documents audited by the Audit and Supervisory Committee and the Accounting Auditor in preparing the Audit Report.
  - (i) Consolidated Statement of Changes in Shareholders' Equity and Notes to the Consolidated Financial Statements of the consolidated financial statements
  - (ii) Non-consolidated Statement of Changes in Shareholders' Equity and Notes to the Non-consolidated Financial Statements of the non-consolidated financial statements
- (2) If you exercise your voting rights both via the Voting Rights Exercise Form and via the internet, the vote cast via the internet shall be deemed valid. In addition, if you exercise your voting rights multiple times via the internet, the last vote you cast shall be deemed valid.
- (3) If you do not indicate your approval or disapproval of each agenda item on the returned Voting Rights Exercise Form, we will assume that you have indicated your approval.

- Notes:
1. When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk.
  2. In the event of any modifications to the "Matters Regarding Measures for Electronic Provision," the Company will post the modifications on the respective websites.

# Reference Documents for the General Meeting of Shareholders

## Proposals and References

### Proposal 1: Disposition of Surplus

The Company aims to fulfill shareholders' expectations even in the current severe business environment surrounding the Company, while paying attention to securing internal reserves to strengthen corporate structure. As a result, the Company proposes year-end dividends and other disposition of surplus as follows:

1. Items related to year-end dividends

(1) Type of dividend property:

Cash

(2) Items related to the allocation of dividend property and its total amount:

The Company proposes a year-end dividend of 23 yen per share of its common stock (a total of 42 yen including the interim dividend of 19 yen per share).

Accordingly, the total amount distributed will be 1,206,314,373 yen.

(3) Date the distribution of surplus comes into effect:

May 19, 2023

2. Items related to other disposition of surplus

(1) Item and amount of surplus to increase

General reserve: 2,500,000,000 yen

(2) Item and amount of surplus to decrease

Retained earnings brought forward: 2,500,000,000 yen

**Proposal 2:** Election of Seven Directors (Excluding Directors who are Members of the Audit and Supervisory Committee)

The terms of office of six Directors (excluding Directors who are members of the Audit and Supervisory Committee) will expire at the conclusion of this General Meeting of Shareholders. Accordingly, in order to enhance and strengthen the Company's management team, the Company proposes the election of one more Director (excluding Directors who are members of the Audit and Supervisory Committee) to make a total of seven Directors.

The candidates for Directors (excluding Directors who are members of the Audit and Supervisory Committee) are as follows:

Candidate No.	Name	Current position and responsibilities at the Company	Candidate attributes	Attendance at Board of Directors' meetings
1	Masashi Hiramatsu	Representative Director and Executive President Senior General Manager of Sales Management	Reelection	100% (14/14)
2	Kohei Natsuhara	Director and Senior Managing Executive Officer Senior General Manager of Administration	Reelection	100% (14/14)
3	Yohei Natsuhara	Director and Managing Executive Officer Deputy Senior General Manager of Sales Management and Senior General Manager of Product	Reelection	100% (14/14)
4	Shigeki Kosugi	Director and Managing Executive Officer Senior General Manager of Development	Reelection	100% (14/14)
5	Yoshimichi Hiratsuka	Senior Executive Officer Senior General Manager of Store Sales	New election	—
6	Shinichi Ueyama	Outside Director	Reelection Outside Independent	100% (10/10)
7	Yoko Nameki	—	New election Outside Independent	—

Candidate No.	Name (Date of birth)	Career summary and positions and responsibilities at the Company (Significant concurrent positions)	Number of the Company's shares owned
1	Masashi Hiramatsu (November 19, 1957)	January 2010      Joined the Company May 2010            Managing Director and Assistant to the President; in charge of Corporate Planning Division February 2011      Managing Director; Senior General Manager of Corporate Planning Division February 2012      Managing Director; Senior General Manager of Store Sales February 2013      Managing Director; Senior General Manager of Sales Management May 2015            Senior Managing Director; Senior General Manager of Sales Management May 2017            Representative Director, President, and COO; Senior General Manager of Sales Management May 2020            Representative Director and Executive President; Senior General Manager of Sales Management (current position) [Significant concurrent positions] Representative Director and Vice President, Nihon Ryutsu Sangyo Co., Ltd.	3,000
[Reason for nomination as candidate for Director] Having served as Representative Director of the Company from May 2017, following positions including Senior General Manager of Corporate Planning Division, Senior General Manager of Store Sales, and Senior General Manager of Sales Management in the capacity of the Company's Director, he has a wealth of experience and a broad range of knowledge in the fields of corporate planning and sales, as well as a wide variety of business experience at other companies. Therefore, the Company has renominated him as a candidate for Director.			

Candidate No.	Name (Date of birth)	Career summary and positions and responsibilities at the Company (Significant concurrent positions)	Number of the Company's shares owned
2	Kohei Natsuhara (September 25, 1973)	September 2001    Joined the Company May 2012            Director; General Manager of Sales Division February 2013    Director; Senior General Manager of Store Sales and Deputy Senior General Manager of Sales Management May 2014            Managing Director; Senior General Manager of Store Sales and Deputy Senior General Manager of Sales Management May 2015            Senior Managing Director; Senior General Manager of Store Sales and Deputy Senior General Manager of Sales Management February 2016    Senior Managing Director; Senior General Manager of Corporate Planning Division and General Manager of President's Office February 2017    Senior Managing Director; Senior General Manager of Administration and General Manager of China Office February 2018    Senior Managing Director; Senior General Manager of Administration, General Manager of China Office, and General Manager of Information Management Division May 2018            Senior Managing Director; Senior General Manager of Administration and General Manager of China Office May 2020            Director and Senior Managing Executive Officer; Senior General Manager of Administration and General Manager of China Office February 2022    Director and Senior Managing Executive Officer; Senior General Manager of Administration (current position) [Significant concurrent positions] Chairman, Heiwado (China) Co., Ltd. Chairman, Hunan Heiwa Wuye Fazhan Co., Ltd. Representative Director and President, Peace & Green Co., Ltd. Representative Director, PARIYA Co., Ltd. Chairman of the Board, Heiwado Corporate Pension Fund Chairman of the Board, Heiwado Health Insurance Association	574,000
[Reason for nomination as candidate for Director] Having served as Senior General Manager of Administration following positions including General Manager of Sales Division, Senior General Manager of Store Sales and Senior General Manager of Corporate Planning Division in the capacity of the Company's Director, he has a wealth of experience and a broad range of knowledge in the fields of sales, corporate planning, and management. Therefore, the Company has renominated him as a candidate for Director.			

Candidate No.	Name (Date of birth)	Career summary and positions and responsibilities at the Company (Significant concurrent positions)	Number of the Company's shares owned
3	Yohei Natsuhara (February 18, 1975)	<p>April 2002      Joined the Company</p> <p>May 2012      Director; General Manager of Sales Promotion Division</p> <p>February 2013    Director; General Manager of Sales Promotion Division and Deputy Senior General Manager of Product</p> <p>February 2014    Director; General Manager of Sales Promotion Division and Supervisor of Corporate Strategy Office</p> <p>February 2016    Director; Deputy Senior General Manager of Sales Management and Supervisor, Corporate Strategy Office</p> <p>February 2017    Director; Senior General Manager of Product</p> <p>May 2017        Managing Director; Senior General Manager of Product</p> <p>May 2020        Director and Managing Executive Officer; Senior General Manager of Product</p> <p>February 2021    Director and Managing Executive Officer; Deputy Senior General Manager of Sales Management; and Senior General Manager of Product (current position)</p> <p>[Significant concurrent positions] Representative Director and President, Heiwa Kanko Kaihatsu Co., Ltd.</p>	574,000
		<p>[Reason for nomination as candidate for Director] Having served as Senior General Manager of Product, following positions including General Manager of Sales Promotion Division, Supervisor of Corporate Strategy Office, Deputy Senior General Manager of Sales Management, and Supervisor of Corporate Strategy Office in the capacity of the Company's Director, he has a wealth of experience and a broad range of knowledge in the fields of sales, corporate strategy and product planning. Therefore, the Company has renominated him as a candidate for Director.</p>	
4	Shigeki Kosugi (March 8, 1959)	<p>April 1981      Joined the Company</p> <p>February 2013    General Manager of Tenant Management Division</p> <p>May 2016        Executive Officer; General Manager of Tenant Management Division</p> <p>May 2019        Director; General Manager of Tenant Management Division</p> <p>May 2020        Director and Senior Executive Officer; General Manager of Tenant Management Division</p> <p>September 2020    Director and Senior Executive Officer; Senior General Manager of Development Division and General Manager of Tenant Management Division</p> <p>February 2021    Director and Managing Executive Officer; Senior General Manager of Development Division and General Manager of Tenant Management Division</p> <p>February 2022    Director and Managing Executive Officer; Senior General Manager of Development Division (current position)</p>	5,300
		<p>[Reason for nomination as candidate for Director] Having served as Senior General Manager of Development Division, following positions including General Manager of Tenant Management Division, with extensive experience in the areas of product planning and store operations, he has a wealth of experience and a broad range of knowledge in the field of tenant and store development. Therefore, the Company has renominated him as a candidate for Director.</p>	

Candidate No.	Name (Date of birth)	Career summary and positions and responsibilities at the Company (Significant concurrent positions)	Number of the Company's shares owned
5	*Yoshimichi Hiratsuka (October 7, 1965)	March 1988 Joined the Company	562
		May 2015 General Manager of GMS Sales Division	
February 2017 General Manager of SM Sales Division			
May 2017 Executive Officer; General Manager of SM Sales Division			
February 2020 Executive Officer; General Manager of Shiga No. 3 Sales Division and Manager of Group 1, Shiga No. 3 Sales Division			
February 2023 Senior Corporate Officer; Senior General Manager of Store Sales (current position)			
[Reason for nomination as candidate for Director] Having served as Senior Executive Officer ; Senior General Manager of Store Sales, following positions including General Manager of GMS Sales Division, General Manager of Sales Division and Executive Officer; General Manager of Shiga No. 3 Sales Division, he has a wealth of experience and knowledge in the field of store operations. Therefore, the Company has newly nominated him as a candidate for Director.			
6	Shinichi Ueyama (October 6, 1957)	April 1980 Joined Ministry of Transport (currently Ministry of Land, Infrastructure, Transport and Tourism)	0
		July 1984 Seconded to the Ministry of Foreign Affairs	
April 1986 Joined McKinsey & Company, Inc. Japan			
July 1992 Partner, McKinsey & Company, Inc. Japan			
September 2000 Research Professor, Georgetown University, U.S.A.			
September 2003 Special Research Professor, Keio University Graduate School of Media and Governance			
March 2007 Professor, Faculty of Policy Management, Keio University			
May 2022 Director (current position)			
April 2023 Professor Emeritus, Keio University (current position)			
[Significant concurrent positions]			
Specially Appointed Professor, Graduate School of Leadership and Innovation, Shizenkan University Outside Corporate Auditor, Aso Corporation Outside Director, Myster Engineering Corporation Advisor, Advantage Advisors Co., Ltd. Outside Director, Star Flyer Inc. Chair, Policy Evaluation Committee, Ministry of Land, Infrastructure, Transport and Tourism Executive Advisor to the Governor, Osaka Prefecture Government Executive Advisor to the Mayor, Osaka City Government Policy Advisor to the Governor, Aichi Prefecture Government			
[Reason for nomination as candidate for Outside Director and expected roles] Having worked on numerous corporate reforms, as well as organizational reforms for local / central government and international organizations through his role in administrative bodies and management consulting, he has extensive knowledge and experience. The Company has renominated him as a candidate for Outside Director with the expectation that he will engage in and supervise the corporate strategy and structural reform of the Group by leveraging a wealth of knowledge and experience relating to corporate management.			



Candidate No.	Name (Date of birth)	Career summary and positions and responsibilities at the Company (Significant concurrent positions)	Number of the Company's shares owned
7	*Yoko Nameki (December 27, 1961)	<p>April 1985      Joined IBM Japan Ltd.</p> <p>January 2009    Executive IT Specialist</p> <p>April 2016      IBM Distinguished Engineer</p> <p>April 2020      Specially Appointed Professor, Faculty of Commerce, Chuo University (current position)</p> <p>June 2022      Outside Director (Audit and Supervisory Committee Member), The Ashikaga Bank, Ltd. (current position)</p> <p>June 2022      Director, The Engineering Academy of Japan (current position) (Chairperson of the Gender Committee)</p> <p>[Significant concurrent positions]</p> <p>Specially Appointed Professor, Faculty of Commerce, Chuo University</p> <p>Outside Director, The Ashikaga Bank, Ltd.</p> <p>Director, The Engineering Academy of Japan</p>	0
<p>[Reason for nomination as candidate for Outside Director and expected roles]</p> <p>Having worked for computer-related services companies for many years, where she was responsible for the software and global business services businesses, she has extensive knowledge and experience in the information systems and digital fields. The Company has newly nominated her as a candidate for Outside Director with the expectation that she will engage in and supervise the Company's digital transformation and promotion of diversity by leveraging her wealth of experience gained through giving lectures on diversity. Although she has no direct experience of being involved in corporate management, for the reasons stated above, the Company believes that she will be able to appropriately perform her duties as an Outside Director.</p>			

- (Notes)
1. An asterisk (\*) indicates a candidate for new Director.
  2. Mr. Masashi Hiramatsu concurrently serves as Representative Director at Nihon Ryutsu Sangyo Co., Ltd., and the Company procures products from the said company.
  3. There are no special interests between the other candidates for Director and the Company.
  4. Mr. Shinichi Ueyama and Ms. Yoko Nameki are candidates for Outside Director.
  5. Mr. Shinichi Ueyama's term of office as Outside Director shall be one year from the conclusion of this General Meeting of Shareholders.
  6. The Company has entered into a liability limitation agreement with Mr. Shinichi Ueyama in accordance with the Company's Articles of Incorporation to limit their liability for damages under Article 423, Paragraph 1 of the Companies Act as prescribed in Article 427, Paragraph 1 of the Companies Act. If his election is approved, the Company plans to continue the said agreement. In addition, if Ms. Yoko Nameki is elected, the Company plans to conclude the same agreement. However, the maximum amount of liability for damages pursuant to the agreement is the limit stipulated by laws and regulations.
  7. The Company has registered Mr. Shinichi Ueyama with Tokyo Stock Exchange, Inc. as an Independent Officer based on the stipulations of the Exchange. If he is reelected and takes office, the Company intends to continue to register him as an Independent Officer. The Company intends to register Ms. Yoko Nameki with Tokyo Stock Exchange, Inc. as an Independent Officer based on the stipulations of the Exchange, if her election is approved at this General Meeting of Shareholders.
  8. The Company has entered into the directors and officers liability insurance (D&O insurance) agreement as stipulated in Article 430-3, Paragraph 1 of the Companies Act, with all Directors designated as the insured. The D&O insurance agreement shall cover damage that may arise as a result of the insureds assuming responsibility for the execution of their duties or receiving claims in pursuit of the said liability. The insurance premiums for the insureds are entirely borne by the Company. If each candidate is appointed to the position of Director, each candidate will be included as the insured under the D&O insurance agreement. The Company plans to renew the insurance agreement in June 2023.

[Reference] If Proposal 2 is approved as proposed, the composition of the Board of Directors will be as follows:

Name	Position	Areas of Expertise (Skill Matrix)							
		Overall Corporate Management	Sales / Marketing	Supply Chain	Information System DX	Finance / Accounting	HR / Labor Diversity	Governance	Sustainability
Masashi Hiramatsu	Representative Director and Executive President	○	○				○	○	○
Kohei Natsuhara	Director and Senior Managing Executive Officer	○	○						○
Yohei Natsuhara	Director and Managing Executive Officer		○	○					○
Shigeki Kosugi	Director and Managing Executive Officer		○	○					
Yoshimichi Hiratsuka	Director and Senior Executive Officer		○						
Shinichi Ueyama	Outside Director	○	○		○			○	
Yoko Nameki	Outside Director				○		○		
Shinji Motomochi	Director (Full-time Audit and Supervisory Committee Member)		○				○		
Susumu Yamakawa	Outside Director (Audit and Supervisory Committee Member)	○				○			
Shiro Takashima	Outside Director (Audit and Supervisory Committee Member)							○	

Note: The skills matrix above is not an exhaustive list of all the expertise and knowledge each candidate possesses.