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Securities code: 2790

June 1, 2023

(Electronic provision measures commencement date: May 31, 2023)

To Shareholders with Voting Rights:

Takumi Ishida
President and CEO
NAFCO Corporation
2-6-10, Uomachi, Kokura Kita-ku,
Kita Kyushu-shi, Fukuoka, Japan

**NOTICE OF
THE 54th ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

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

We hereby inform you that the 54th Annual General Meeting of Shareholders of NAFCO Corporation (the “Company”) will be held as described below.

In convening this General Meeting of Shareholders, the Company has taken measures for electronic provision, and the matters to be provided electronically (electronic provision measures matters) are posted on the following website on the Internet as “NOTICE OF THE 54th ANNUAL GENERAL MEETING OF SHAREHOLDERS.”

The Company’s website: <https://www.nafco.tv/corporate/english/ir/index.html>

(Please access the Company’s website shown above, and select “Shareholders’ Meeting” indicated below “INVESTOR RELATIONS” to confirm the information.)

In addition to the above, the matters are posted on the following website.

Tokyo Stock Exchange website (Listed Company Search):

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

(Please access the TSE website shown above, enter “NAFCO” in the “Issue name (company name)” field, or the Company’s securities code “2790” in the “Code” field to search, select “Basic information” and “Documents for public inspection/PR information” in this order, and confirm “Notice of General Shareholders Meeting /Informational Materials for a General Shareholders Meeting” indicated under “Filed information available for public inspection.”)

Instead of attending the meeting in person, you can exercise your voting rights in writing or via the Internet, etc. Please review the attached Reference Documents for the General Meeting of Shareholders described in electronic provision measures matters and indicate your approval or disapproval of the proposals on the enclosed voting right exercise form to exercise those rights by no later than 6:15 p.m. on Wednesday, June 21, 2023 JST.

1. Date and Time: Thursday, June 22, 2023 at 10:00 a.m. JST
2. Place: Royal Hall on the 4th floor of RIHGA Royal Hotel Kokura
2-14-2 Asano, Kokura Kita-ku, Kita Kyushu-shi, Fukuoka, Japan

3. Meeting Agenda:

Matters to be reported: The Business Report and Financial Statements for the Company's 54th Fiscal Year (April 1, 2022 - March 31, 2023)

Proposals to be resolved:

Proposal 1: Appropriation of Surplus

Proposal 2: Election of Fifteen (15) Directors

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- If you attend the meeting on the date of the meeting, you are kindly requested to present the enclosed voting rights exercise form at the reception desk at the meeting venue.
- Any updates to electronic provision measures matters will be published on each website where the matters are posted.
- We will dress in light clothing with no tie ("Cool Biz" style) on the date. You are kindly requested to come to the meeting wearing light clothing.

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal 1: Appropriation of Surplus

Regarding the appropriation of surplus, as the environment surrounding the Company is still severe, the Company proposes the following by taking into consideration the improvement of the management structure and future business development, etc., and paying attention to internal reserves. Internal reserves will be used for investment to improve corporate value and will be returned to shareholders through future business development.

1. Matters concerning the year-end dividend

Regarding the year-end dividend for the 54th term, the Company’s basic policy is to maintain a stable dividend, therefore the Company proposes the following in consideration of business results and future business development.

(1) Type of dividend assets

Cash

(2) Allocation of dividend assets to the shareholders and total amount of dividends

Amount per share of ordinary share: 28 yen Total dividends: 799,752,464 yen

(3) Effective date of dividend payment

June 23, 2023

2. Matters concerning appropriation of surplus:

(1) Increased surplus item and the amount thereof:

General reserve: ¥3,000,000,000

(2) Decreased surplus item and the amount thereof:

Retained earnings brought forward: ¥3,000,000,000

Proposal 2: Election of Fifteen (15) Directors

The terms of office of fifteen (15) Directors will expire at the conclusion of this Annual General Meeting Shareholders. Accordingly, the election of fifteen (15) Directors is proposed.

The candidates for Director are as follows:

| No. | Name | Current positions and responsibilities at the Company | Attributes |
|-----|-------------------|--|---|
| 1 | Takumi Ishida | President and CEO (General Manager, HI Sales Division) | [Reappointment] |
| 2 | Yoshiko Ishida | Vice President and Director (General Manager, Furniture Sales Division; General Manager, Furniture Product Department) | [Reappointment] |
| 3 | Masamitsu Takano | Vice President and Director (Deputy General Manager, HI Sales Division) | [Reappointment] |
| 4 | Keiji Fukamachi | Managing Director (Assistant to General Manager, HI Sales Division) | [Reappointment] |
| 5 | Koji Masumoto | Director (General Manager, Corporate Planning Department) | [Reappointment] |
| 6 | Toshio Takase | Director (Deputy General Manager, Furniture Product Department) | [Reappointment] |
| 7 | Yuji Mabuchi | Director (General Manager, HI Business Promotion Department; in charge of General Affairs Department) | [Reappointment] |
| 8 | Yasuyuki Suematsu | Director (General Manager, Furniture Business Promotion Department) | [Reappointment] |
| 9 | Tetsuhiko Ono | Director (Deputy General Manager, Furniture Product Department) | [Reappointment] |
| 10 | Yasuhiro Yamada | Director (General Manager, HI Product Department) | [Reappointment] |
| 11 | Isao Yamada | Director (Deputy General Manager, Furniture Product Department) | [Reappointment] |
| 12 | Tomoharu Imai | Director (General Manager, Human Resources Department) | [Reappointment] |
| 13 | Daijiro Kitagawa | Director (Assistant Manager and Deputy General Manager, HI Product Department) | [Reappointment] |
| 14 | Takaaki Hirose | Director | [Reappointment] [Outside] [Independent] |
| 15 | Yoshinori Fukuda | Director | [Reappointment] [Outside] [Independent] |

| No. | Name (Date of birth) | Career summary, positions, responsibilities, and significant concurrent positions | Number of shares of the Company held |
|-----|--|---|---|
| 1 | Takumi Ishida (September 26, 1953) [Reappointment] | <p>April 1991 Joined Fukamachi Furniture Store</p> <p>September 1998 General Manager, Business Department, the Company</p> <p>February 2000 Director; General Manager, Business Department</p> <p>December 2002 Senior Managing Director; General Manager, Business Department</p> <p>May 2003 Senior Managing Director; General Manager, Business Promotion Department</p> <p>June 2007 Vice President and Director, General Manager, Business Promotion Department</p> <p>October 2010 President and CEO; General Manager, Business Promotion Department</p> <p>August 2017 President and CEO; General Manager, HI Sales Division) (current position)</p> <p>[Significant concurrent positions] Representative Director, Matsusaki Home Center Co., Ltd.</p> | 235,000 |
| 2 | Yoshiko Ishida (May 23, 1963) [Reappointment] | <p>April 1987 Joined Fukamachi Furniture Store</p> <p>April 1996 Buyer, Furniture Product Department</p> <p>February 2000 Director; in charge of Furniture Product Department, the Company</p> <p>December 2002 Managing Director; General Manager, Furniture Product Department</p> <p>June 2003 Managing Director; officer in charge of Sales Promotion Department</p> <p>June 2007 Senior Managing Director; General Manager, Furniture Product Department; officer in charge of Sales Promotion Department</p> <p>November 2010 Vice President and Director; General Manager, Furniture Product Department; officer in charge of Sales Promotion Department</p> <p>August 2017 Vice President and Director; General Manager, Furniture Sales Division; General Manager, Furniture Product Department (current position)</p> | 893,000 |

| No. | Name (Date of birth) | Career summary, positions, responsibilities, and significant concurrent positions | Number of shares of the Company held |
|-----|--|--|---|
| 3 | Masamitsu Takano (November 10, 1963) [Reappointment] | <p>September 1993 Joined Fukamachi Furniture Store</p> <p>September 1998 General Manager, Business Department, the Company</p> <p>February 2000 Director; General Manager, Business Department</p> <p>December 2002 Managing Director; General Manager, Business Department</p> <p>May 2003 Managing Director; Deputy General Manager, Business Promotion Department</p> <p>June 2007 Senior Managing Director; Deputy General Manager, Business Promotion Department</p> <p>November 2010 Vice President and Director; Deputy General Manager, Business Promotion Department</p> <p>August 2017 Vice President and Director; Deputy General Manager, HI Sales Division (current position)</p> | 893,000 |
| 4 | Keiji Fukamachi (June 9, 1970) [Reappointment] | <p>February 2000 Joined the Company as Director</p> <p>January 2003 Director; in charge of Business Promotion Department</p> <p>April 2005 Director; General Manager, Nishifukuoka Store</p> <p>February 2007 Director; General Manager, Business Department</p> <p>April 2011 Managing Director; General Manager, Business Department</p> <p>September 2017 Managing Director; Assistant to General Manager, HI Sales Division (current position)</p> | 825,000 |
| 5 | Koji Masumoto (October 6, 1961) [Reappointment] | <p>April 1985 Joined Fukuoka SOGO Bank (currently THE NISHI-NIPPON CITY BANK, LTD.)</p> <p>October 2001 Seconded to the Company</p> <p>May 2007 Assistant Manager, Corporate Planning Department, the Company</p> <p>June 2007 Director; General Manager, Corporate Planning Department (current position)</p> | — |
| 6 | Toshio Takase (February 2, 1960) [Reappointment] | <p>April 1982 Joined Fukamachi Furniture Store</p> <p>May 1986 Buyer, Furniture Product Department</p> <p>April 2001 Buyer, Furniture Product Department, the Company</p> <p>June 2008 Assistant Manager, Furniture Product Department</p> <p>June 2011 Director; Deputy General Manager, Furniture Product Department (current position)</p> | 1,000 |

| No. | Name (Date of birth) | Career summary, positions, responsibilities, and significant concurrent positions | Number of shares of the Company held |
|-----|---|---|---|
| 7 | Yuji Mabuchi (March 23, 1960) [Reappointment] | April 1982 Joined Fukamachi Furniture Store September 1991 General Manager, Amagi Store June 2000 General Manager, Business Department, the Company June 2011 Director; General Manager, Business Department August 2017 Director; General Manager, HI Business Promotion Department June 2020 Director; General Manager, HI Business Promotion Department; in charge of General Affairs Department (current position) | 2,000 |
| 8 | Yasuyuki Suematsu (February 10, 1967) [Reappointment] | April 1989 Joined the Company January 2000 General Manager, Kawasaki Store May 2003 General Manager, Business Department June 2014 Director; General Manager, Business Department August 2017 Director; General Manager, Furniture Business Promotion Department (current position) | 0 |
| 9 | Tetsuhiko Ono (August 30, 1958) [Reappointment] | April 1982 Joined the Company April 2001 Buyer, Furniture Product Department April 2017 Assistant Manager, Furniture Product Department June 2017 Director; Deputy General Manager, Furniture Product Department (current position) | 1,000 |
| 10 | Yasuhiro Yamada (March 8, 1971) [Reappointment] | April 1993 Joined Fukamachi Furniture Store June 2000 Acting General Manager, Tottori Store, the Company May 2002 Buyer, HI Product Department July 2011 Assistant Manager, HI Product Department June 2017 Director; Deputy General Manager, HI Product Department June 2021 Director; General Manager, HI Product Department (current position) | 4,000 |
| 11 | Isao Yamada (February 15, 1964) [Reappointment] | April 1987 Joined Fukamachi Furniture Store September 1991 Buyer, HI Product Department, the Company April 2012 Buyer, Furniture Product Department June 2019 Director; Deputy General Manager, Furniture Product Department (current position) | 2,000 |

| No. | Name (Date of birth) | Career summary, positions, responsibilities, and significant concurrent positions | Number of shares of the Company held |
|-----|--|---|---|
| 12 | Tomoharu Imai (July 17, 1969) [Reappointment] | <p>April 1993 Joined Fukamachi Furniture Store</p> <p>July 1997 Chief, Chikugo Store, the Company</p> <p>July 2005 Assistant Manager, Corporate Planning Department</p> <p>June 2017 General Manager, Human Resources Department</p> <p>June 2019 Director; General Manager, Human Resources Department (current position)</p> | 0 |
| 13 | Daijiro Kitagawa (November 23, 1969) [Reappointment] | <p>April 1992 Joined Fukamachi Furniture Store</p> <p>September 1996 Acting General Manager, Matsunaga Store, the Company</p> <p>September 1998 Buyer, HI Product Department</p> <p>August 2020 Assistant Manager, HI Product Department</p> <p>June 2021 Director; Assistant Manager and Deputy General Manager, HI Product Department (current position)</p> | 1,000 |

| No. | Name (Date of birth) | Career summary, positions, responsibilities, and significant concurrent positions | Number of shares of the Company held |
|--|--|--|---|
| 14 | Takaaki Hirose (June 15, 1951) [Reappointment] [Outside] [Independent] | <p>November 1977 Joined Audit Corporation Chuo Accounting Office</p> <p>March 1982 Registered as certified public accountant</p> <p>September 1983 Joined Japan Associated Finance Co., Ltd. (currently JAFCO Group Co., Ltd.)</p> <p>February 1987 Joined Showa Ota & Co. (currently Ernst & Young ShinNihon LLC.)</p> <p>May 2000 Representative partner, Ernst & Young ShinNihon LLC.</p> <p>September 2005 Opened Hirose Certified Public Accountant Office (current position)</p> <p>October 2005 Established Kitakyushu Venture Capital Co., Ltd. as Representative Director (current position)</p> <p>November 2006 Outside Company Auditor, NISSO PRONITY Co., Ltd. (current position)</p> <p>March 2008 Outside Company Auditor, TRUCK-ONE CO., LTD.</p> <p>June 2012 Corporate Auditor, the Company</p> <p>September 2013 Outside Company Auditor, PLATZ Co., Ltd</p> <p>June 2014 Outside Company Auditor, 4Cs Holdings Co., Ltd. (currently 4Cs Holdings Co., Ltd.) (current position)</p> <p>June 2016 Director, the Company (current position)</p> <p>March 2017 External Director (Audit and Supervisory committee member), TRUCK-ONE CO., LTD. (current position)</p> <p>September 2018 External Director (Audit and Supervisory committee member), PLATZ Co., Ltd (current position)</p> | - |
| <p>[Reason for nomination as candidate for Outside Director and expected roles]</p> <p>Mr. Takaaki Hirose has a profound insight as a certified public accountant and knowledge regarding corporate governance. Because he is deemed to be highly independent and is unlikely to have conflicts of interest with general shareholders, the Company requests his appointment as Outside Director. If he is reelected, the Company expects him to make suggestions from a professional perspective as a certified public accountant specializing in finance and tax affairs, ensure transparency of management and enhance supervisory function to the management.</p> | | | |

| No. | Name (Date of birth) | Career summary, positions, responsibilities, and significant concurrent positions | Number of shares of the Company held |
|--|--|---|---|
| 15 | Yoshinori Fukuda (November 10, 1952) [Reappointment] [Outside] [Independent] | February 1982 Joined Dai-ichi Audit Firm (currently, Ernst & Young ShinNihon LLC.) November 1982 Registered as certified public accountant March 1994 Representative partner, Ernst & Young ShinNihon LLC. July 2006 Opened Yoshinori Fukuda Certified Public Accountant Office (current position) June 2012 Corporate Auditor, the Company April 2017 Auditor, The University of Kitakyushu (current position) June 2021 Director, the Company (current position) | – |
| [Reason for nomination as candidate for Outside Director and expected roles] Mr. Yoshinori Fukuda is a certified public accountant and has extensive accounting knowledge and abundant experience in actual business, including those in accounting audits and tax services that he rendered for many years. Because of his considerable knowledge in finance and accounting, the Company requests his appointment as Outside Director. If he is reelected, the Company expects him to leverage his abundant experience regarding corporate accounting and tax affairs to benefit the overall management of the Company, and to make appropriate suggestions to the management. | | | |

- Notes:
1. There is no special interest between each candidate for Director and the Company.
 2. The Company has entered into a directors and officers liability insurance contract as provided for in Article 430-3, Paragraph 1 of the Companies Act with an insurance company. The contract will cover damages under the law and legal expenses to be borne by the insured persons. Each of the candidates will be covered under the insurance contract. The Company intends to renew the contract with the same terms and conditions at the next renewal.
 3. Director candidates Mr. Takaaki Hirose and Mr. Yoshinori Fukuda are candidates for Outside Director. They are candidates for Independent Director as they satisfy requirements for Independent Directors stipulated in the Securities Listing Regulations of Tokyo Stock Exchange.
 4. The Company has entered into a liability limitation agreement with candidates for Outside Director Mr. Takaaki Hirose and Mr. Yoshinori Fukuda. If their reelection is approved, the Company intends to continue the said liability limitation agreement with each of them. The outline of the agreement is as follows:
(Outline)
Pursuant to provisions in Article 427, Paragraph 1 of the Companies Act, the Company may enter into agreements with Outside Directors to limit their liabilities under Article 423, Paragraph 1 of the same Act. However, the limit of liability under the said agreement shall be the amount provided for by laws and regulations.
 5. Mr. Takaaki Hirose will have served as Outside Director for seven years at the closing of this General Meeting of Shareholders.
 6. Mr. Yoshinori Fukuda will have served as Outside Director for two years at the closing of this General Meeting of Shareholders.

List of major experiences and knowledge expected of each Director and Corporate Auditor

A maximum of five major skills possessed by each Director and Corporate Auditor are marked with ●.

| | Name | Title | Corporate management | Retail and sales | Product development and logistics | Organization development | Legal affairs and compliance | Finance and accounting | DX, IT and security | ESG |
|-------------------|-------------------|-----------------------------|----------------------|------------------|-----------------------------------|--------------------------|------------------------------|------------------------|---------------------|-----|
| Director | Takumi Ishida | President and CEO | ● | ● | ● | | | ● | ● | |
| | Yoshiko Ishida | Vice President Director | ● | ● | ● | ● | | | | |
| | Masamitsu Takano | Vice President Director | ● | ● | | ● | ● | | | |
| | Keiji Fukamachi | Managing Director | ● | ● | | ● | ● | | | |
| | Koji Masumoto | Director | ● | | | | | ● | | ● |
| | Toshio Takase | Director | ● | ● | ● | | | | | |
| | Yuji Mabuchi | Director | ● | ● | | | ● | | | |
| | Yasuyuki Suematsu | Director | ● | ● | | | ● | | | |
| | Tetsuhiko Ono | Director | ● | ● | ● | | | | | |
| | Yasuhiro Yamada | Director | ● | ● | ● | | | | | |
| | Isao Yamada | Director | ● | ● | ● | | | | | |
| | Tomoharu Imai | Director | ● | | | | | ● | | ● |
| | Daijiro Kitagawa | Director | ● | ● | ● | | | | | |
| | Takaaki Hirose | Outside Director | ● | | | | ● | ● | | |
| Yoshinori Fukuda | Outside Director | | | | | ● | ● | | | |
| Corporate Auditor | Koichi Kobayashi | Full-time Corporate Auditor | ● | ● | | | ● | | | |
| | Susumu Fujii | Outside Corporate Auditor | | | | | ● | ● | | |
| | Tomoya Kojima | Outside Corporate Auditor | | | | | ● | ● | | |