

Securities Code: 8219

June 7, 2023

Start Date of Electronic Provision: June 1, 2023

To All Shareholders

1-3-5, Oji-cho, Fukuyama, Hiroshima

## **Aoyama Trading Co., Ltd.**

President and Representative Director      AOYAMA Osamu

### **Notice of the Convocation of the 59<sup>th</sup> Ordinary General Meeting of Shareholders**

Dear Shareholders:

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

We are pleased to notify you that the 59<sup>th</sup> Ordinary General Meeting of Shareholders of Aoyama Trading Co., Ltd. (the “Company”) will be held for the purposes as described below.

When convening this General Meeting of Shareholders, the Company has taken measures for providing information in electronic format (the “electronic provision measures”) and has posted matters subject to the electronic provision measures on the following Company’s website, as Notice of the Convocation of the 59<sup>th</sup> Ordinary General Meeting of Shareholders and Other Matters Subject to Electronic Provision Measures (Matters for Which Document Delivery is Omitted) for the 59<sup>th</sup> Ordinary General Meeting of Shareholders.

The Company’s website (<https://www.aoyama-syouji.co.jp/english/>)

(Please access the Company website above and click on “Investor Relations” on the menu and then select “Shareholders’ Meeting” in the “Stock Information” section to review the information.)

In addition to the website shown above, the Company also has posted this information on the following website. The TSE website (Listed Company Search):

<https://www2.jpx.co.jp/tseHpFront/JJK020030Action.do>

(Please access the TSE website above, enter “Aoyama Trading” in the “Issue name (company name)” field or our securities code “8219” in the “Code” field, and click on “Search” to find search results. Then, click on “Basic information” and “Documents for public inspection/PR information” in this order to find “[Notice of General Shareholders Meeting/Informational Materials for a General Shareholders Meeting]” in the “Filed information available for public inspection” section.)

If you do not attend the meeting, you can exercise your voting rights in writing or via the Internet. Please review the Reference Documents for General Meeting of Shareholders posted on the matters subject to the electronic provision measures, and exercise your voting rights by no later than Wednesday, June 28, 2023, 6:30 p.m.

## Description

1. **Date** June 29 (Thursday), 2023, at 10:00 a.m.
2. **Place** Meeting Room, 4th floor, Headquarters  
Aoyama Trading Co., Ltd., 1-3-5, Oji-cho, Fukuyama, Hiroshima
3. **Objects**
  - Matters to be reported 1. Report on the business report for the 59<sup>th</sup> term (from April 1, 2022 to March 31, 2023), the contents of the consolidated financial statements, and the results of audit of the consolidated financial statements by the account auditors and the Board of Corporate Auditors
  2. Report on the contents of the financial statements for the 59<sup>th</sup> term (from April 1, 2022 to March 31, 2023)

### Matters to be resolved

- |                |  |
|----------------|--|
| Proposal No. 1 | Appropriation of Retained Earnings     |
| Proposal No. 2 | Election of Six (6) Directors          |
| Proposal No. 3 | Election of Two (2) Corporate Auditors |

- ⊙ For this General Meeting of Shareholders, the Company will send paper copies of the matters subject to the electronic provision measures to all shareholders regardless of whether or not they made a request for delivery of documents. However, the following matters are not presented in the documents mailed to shareholders pursuant to the provisions of laws and regulations, and Article 15 of the Company's Articles of Incorporation. Accordingly, the documents mailed to shareholders constitute only part of the documents audited by the Corporate Auditors and the accounting auditors in the preparation of the Audit Report.
  - "Major sales offices and factories" in the business report
  - Consolidated statement of changes in equity and the notes to the consolidated financial statements
  - Statement of changes in equity and the notes to the financial statements
- ⊙ If any amendments are made to matters subject to the electronic provision measures, such amendments will be posted on the respective websites where the matters are posted.

# Reference Document for the General Meeting of Shareholders

## Proposal No. 1: Appropriation of Retained Earnings

We recognize that returning profits to shareholders is one of the most important management issues. Our fundamental policy is to return dividends to shareholders with the top priority, in accordance with a policy set out in each medium-term management plan.

Regarding shareholder return for the Medium-term Management Plan period from the fiscal year ended March 31, 2022 to the fiscal year ending March 31, 2024, we prioritize improving the capital adequacy that has been damaged by the effects of the spread of novel coronavirus disease on earnings. We do this by increasing internal reserves, setting a targeted consolidated total return ratio of 30%.

In accordance with this shareholder return policy, we calculated the amount of dividends based on the earnings. As a result, with respect to the year-end dividend for the current year, we plan to pay 26 yen per share as an ordinary dividend.

We paid no interim dividend, and therefore the annual dividend per share is 26 yen per share.

### Matters regarding the year-end dividend

1. Type of dividend property  
Cash
2. Allotment of dividends and total amount of dividends  
26 yen per common stock of the Company  
Allocation  
Ordinary dividend 26 yen  
Total dividends 1,304,577,378 yen
3. Effective date on which dividends will be disbursed from retained earnings  
June 30, 2023

## Proposal No. 2: Election of Six (6) Directors

The terms of office of all five (5) Company Directors will expire at the conclusion of this General Meeting of Shareholders. Accordingly, the Company requests the election of six (6) Directors, increasing the number of Outside Directors by one (1), in order to ensure the management transparency and further strengthen the corporate governance.

The candidates for Director are as follows.

The candidates for Director have been selected in consultation with the Nomination Advisory Committee.

\*The Nomination Advisory Committee has been established to deliberate and verify personnel matters concerning Directors and Corporate Auditors in order to ensure the objectivity and transparency of the Company's management. The Committee provides the Board of Directors with recommendations on proposals concerning the appointment or dismissal of Directors and Corporate Auditors to be submitted to the General Meeting of Shareholders. The Committee is chaired by an Independent Outside Director and consists of a total of four members, including three other Directors of which one is an Outside Director.

Number	Name	Current position and responsibilities at the Company	Attendance at Board of Directors' meetings
1	Reelected AOYAMA Osamu	President	23 out of 24 (95.8%)
2	Reelected OKANO Shinji	Director, Managing Executive Officer	23 out of 24 (95.8%)
3	Reelected YAMANE Koichi	Director, Managing Executive Officer, and General Manager of Group Management Div., Manager of General Planning and Policy Dept.	24 out of 24 (100%)
4	Reelected Outside Director Independent Officer KOBAYASHI Hiroaki	Director	24 out of 24 (100%)
5	Reelected Outside Director Independent Officer WATANABE Toru	Director	24 out of 24 (100%)
6	Newly elected Outside Director KAGAMI Yukari	Director	—

Number	Name (Date of birth)	Brief profile and position at the Company (Significant concurrent positions)	Number of the Company's shares owned
1	<p data-bbox="304 1149 496 1211">AOYAMA Osamu (March 1, 1959)</p> <p data-bbox="349 1245 451 1272">Reelected</p>	<p data-bbox="582 271 1270 1317"> April 1981      Joined Aoyama Trading Co., Ltd.  December 1987      General Manager of the Purchasing Dept.,  Aoyama Trading Co., Ltd.  June 1988      Director and General Manager of the  Purchasing Dept., Aoyama Trading Co., Ltd.  June 1989      Director and Vice Chief General Manager of  the Purchasing Dept., Aoyama Trading Co.,  Ltd.  June 1991      Managing Executive Director and Vice Chief  General Manager of the Purchasing Dept.,  Aoyama Trading Co., Ltd.  June 1997      Senior Director, General Manager of the  Purchasing Div., and Assistant General  Manager of the General Planning and Policy  Dept., Aoyama Trading Co., Ltd.  October 2001      Senior Director and General Manager of the  Suit Business Dept., Aoyama Trading Co., Ltd.  February 2003      Senior Director and General Manager of the  Marketing and Sales Div., Aoyama Trading  Co., Ltd.  June 2005      President and CEO, Aoyama Trading Co., Ltd.  June 2017      President, Aoyama Trading Co., Ltd.  June 2019      President and CEO, and General Manager of  the Marketing and Sales Div., Aoyama Trading  Co., Ltd.  April 2021      President, Aoyama Trading Co., Ltd.  April 2022      President and General Manager of the  Purchasing Div., Aoyama Trading Co., Ltd.  June 2022      President, Aoyama Trading Co., Ltd. (current  position) </p> <p data-bbox="582 1328 1270 1619"> Significant concurrent positions  Representative Director, Aoyama Bussan, Ltd.  Chairman and Representative Director, Aoyama Capital Co.,  Ltd.  Director, Seigo Co., Ltd.  Director, MDS Co., Ltd.  Director, Eisho Co., Ltd.  Director, glob Co., Ltd. </p> <p data-bbox="582 1630 1270 1697"> Attendance at Board of Directors' meetings  23 out of 24 (95.8%) </p> <p data-bbox="582 1709 1270 2145"> Special interest in the Company  The Company has business relationships, such as office leasing,  with Seigo Co., Ltd. of which Mr. AOYAMA Osamu concurrently  holds the position of Director.  Reasons for nomination as a candidate for Director  Since assuming the position of Director in 1988, Mr. AOYAMA  Osamu served as the General Manager of the Company's  Purchasing Division and Marketing and Sales Division. In 2005, he  assumed the position of President and Representative Director,  supervising the overall management of the Company. Based on his  outstanding achievements, ability and corporate management  experience, as well as his excellent personality and insight, he has  been nominated as a candidate for Director. </p>	1,511,572 shares

Number	Name (Date of birth)	Brief profile and position at the Company (Significant concurrent positions)	Number of the Company's shares owned
2	<p data-bbox="300 1043 504 1167">OKANO Shinji (February 18, 1962)  Reelected</p>	<p data-bbox="582 271 1251 1256"> March 1984      Joined Aoyama Trading Co., Ltd.  June 2005      Executive Officer, General Manager of the  Purchasing Div., and General Manager of the  Purchasing Dept. No. 2, Aoyama Trading  Co., Ltd.  June 2008      Executive Officer and General Manager of  the Purchasing Div., Aoyama Trading Co.,  Ltd.  June 2009      Director, Executive Officer and General  Manager of the Purchasing Div., Aoyama  Trading Co., Ltd.  May 2013      Director, Executive Officer, General  Manager of the Purchasing Div., and General  Manager of the Casual Wear/Reuse Business  Div., Aoyama Trading Co., Ltd.  June 2013      Director, Managing Executive Officer,  General Manager of the Purchasing Div., and  General Manager of the Casual Wear/Reuse  Business Div., Aoyama Trading Co., Ltd.  June 2017      Director, Senior Managing Executive Officer,  General Manager of the Purchasing Div., and  General Manager of the Casual Wear/Reuse  Business Div., Aoyama Trading Co., Ltd.  April 2021      Director, Managing Executive Officer, and  General Manager of the Product Div.,  Aoyama Trading Co., Ltd.  April 2022      Director, Managing Executive Officer,  Aoyama Trading Co., Ltd. (current position) </p> <p data-bbox="582 1263 1251 1458"> Significant concurrent positions  President, Melbo Men's Wear, Inc.  President, MELBO CLOTHING MANUFACTURING, INC.  Director, FUKURYO Co., Ltd.  Director, Aoyama Suits (Shanghai) Co., Ltd. </p> <p data-bbox="582 1464 1251 1536"> Attendance at Board of Directors' meetings  23 out of 24 (95.8%) </p> <p data-bbox="582 1543 1251 1615"> Special interest in the Company  None </p> <p data-bbox="582 1621 1251 1928"> Reasons for nomination as a candidate for Director  Since assuming the position of Director in 2009, Mr. OKANO Shinji has gained abundant business knowledge and experience by serving as the General Manager of the Company's Purchasing Division, and he appropriately executes important duties, administrative decision-making and supervision. He has been nominated as a candidate for Director because we believe that he will utilize such knowledge and experience to contribute to increasing the Company's corporate value. </p>	12,186 shares

Number	Name (Date of birth)	Brief profile and position at the Company (Significant concurrent positions)	Number of the Company's shares owned
3	<p data-bbox="304 994 496 1055">YAMANE Koichi (June 25, 1963)</p> <p data-bbox="347 1093 453 1122">Reelected</p>	<p data-bbox="582 271 1166 367">April 1986      Joined The Sumitomo Bank, Limited (presently Sumitomo Mitsui Banking Corporation)</p> <p data-bbox="582 374 1214 470">April 2013      General Manager of the Umeda Corporate Banking Dept. No.3, Sumitomo Mitsui Banking Corporation</p> <p data-bbox="582 477 1238 573">May 2016      Joined Aoyama Trading Co., Ltd. General Manager of the General Planning and Policy Dept., Aoyama Trading Co., Ltd.</p> <p data-bbox="582 580 1222 676">June 2017      Executive Officer and General Manager of the General Planning and Policy Dept., Aoyama Trading Co., Ltd.</p> <p data-bbox="582 683 1254 779">June 2019      Director, Managing Executive Officer and General Manager of the General Planning and Policy Dept., Aoyama Trading Co., Ltd.</p> <p data-bbox="582 786 1262 900">April 2020      Director, Managing Executive Officer, and General Manager of Group Management Div., Manager of General Planning and Policy Dept., Aoyama Trading Co., Ltd. (current position)</p> <p data-bbox="582 907 906 936">Significant concurrent positions</p> <p data-bbox="619 943 868 972">Director, MDS Co., Ltd.</p> <p data-bbox="619 978 868 1008">Director, Eisho Co., Ltd.</p> <p data-bbox="619 1014 1174 1043">Corporate Auditor, Aoyama Suits (Shanghai) Co., Ltd.</p> <p data-bbox="619 1050 1098 1079">Corporate Auditor, Minit Asia Pacific Co., Ltd.</p> <p data-bbox="619 1086 986 1115">Corporate Auditor, Customlife K.K.</p> <p data-bbox="619 1122 1066 1151">Corporate Auditor, WTW CORPORATION</p> <p data-bbox="582 1158 1023 1187">Attendance at Board of Directors' meetings</p> <p data-bbox="901 1193 1107 1223">24 out of 24 (100%)</p> <p data-bbox="582 1229 906 1258">Special interest in the Company</p> <p data-bbox="901 1265 959 1294">None</p> <p data-bbox="582 1301 1102 1330">Reasons for nomination as a candidate for Director</p> <p data-bbox="582 1337 1262 1839">Mr. YAMANE Koichi has experience with a wide range of financial practices and network gained through his career at a major bank, including involvement with international sections in Hong Kong and mainland China as well as corporate marketing sections in Japan. Since assuming the position of Director of the Company in 2019, he has served as the General Manager of the General Planning and Policy Department and the Group Management Division in charge of corporate management planning. He has been nominated as a candidate for Director because we believe that he will contribute to increasing the Company's corporate value by utilizing his wealth of experience and knowledge, promptly understanding changes in the environment surrounding the Company's businesses and promoting the enhancement of competitiveness of each business as well as the Group management.</p>	13,586 shares





Number	Name (Date of birth)	Brief profile and position at the Company (Significant concurrent positions)	Number of the Company's shares owned
5	<p data-bbox="300 880 504 936">WATANABE Toru (February 2, 1966)</p> <p data-bbox="300 981 504 1070">Reelected Outside Director Independent Officer</p>	<p data-bbox="582 275 1241 629"> March 1993 Completed legal apprenticeship  April 1993 Registered with the Osaka Bar Association  Joined Kitahama Partners  January 1998 Partner, Kitahama Partners  June 2013 Corporate Auditor, Aoyama Trading Co., Ltd.  June 2019 Director, Aoyama Trading Co., Ltd. (current position)  January 2020 Representative Partner, Kitahama Partners (current position) </p> <p data-bbox="582 640 1262 853"> Significant concurrent positions  Representative Partner, Kitahama Partners  Outside Director, Audit and Supervisory Committee Member, SHOBIDO Corporation  Outside Director, Audit and Supervisory Committee Member, O-WELL CORPORATION </p> <p data-bbox="582 864 1110 931"> Attendance at Board of Directors' meetings  24 out of 24 (100%) </p> <p data-bbox="582 943 959 1010"> Special interest in the Company  None </p> <p data-bbox="582 1021 1262 1675"> Reasons for nomination as a candidate for Outside Director and the expected role to play  Mr. WATANABE Toru has rich experience and insight as a lawyer who specializes in laws related to the Companies Act. He is able to view corporations as a whole, including related laws and regulations, from an objective viewpoint, and we believe that he is a suitable person to supervise and oversee management of the Company in terms of risk management and corporate governance among others. While Mr. WATANABE has never been involved in any kind of business management other than holding the position of an Outside Director or an Outside Corporate Auditor, the Company believes that he will be able to adequately perform the duties of an Outside Director for the above-mentioned reasons. He also has fulfilled important duties as the chairperson of non-mandatory committees: the Nomination Advisory Committee and the Compensation Advisory Committee.  The term of office of Mr. WATANABE as an Outside Director will be four (4) years at the conclusion of this General Meeting of Shareholders. </p>	<p data-bbox="1369 954 1437 999">— shares</p>

Number	Name (Date of birth)	Brief profile and position at the Company (Significant concurrent positions)	Number of the Company's shares owned
6	KAGAMI Yukari (January 21, 1946)  Newly elected Outside Director	<p>January 1997 CEO, Lanvin Japan</p> <p>January 2003 CEO Chairman, Lanvin Japan</p> <p>January 2006 CEO, KACO Office (current position)</p> <p>January 2006 CEO, Dormeuil Japon</p> <p>September 2013 President and Representative Director, MCM FASHION GROUP JAPAN K.K.</p> <p>January 2017 Chairman, Dormeuil Japon</p> <p>Significant concurrent positions CEO, KACO Office</p> <p>Special interest in the Company None</p> <p>Reasons for nomination as a candidate for Outside Director and the expected role to play Ms. KAGAMI Yukari has rich experience and insight as she has run fashion and apparel companies for a long time, serving as the CEO of Lanvin Japan and Dormeuil Japon. She also has been engaged in SDG-related initiatives such as promotion of women's active participation and promotion of diversity, from experience as the advisor of the Japan Association for the World Food Programme and through other activities. Therefore, we believe that she is capable of giving us appropriate advice and proposals to the management of the Company.</p>	— shares

- (Notes)
1. Ms. KAGAMI Yukari is a new candidate for Director.
  2. Candidates, Mr. KOBAYASHI Hiroaki, Mr. WATANABE Toru, and Ms. KAGAMI Yukari are candidates for Outside Director.
  3. Article 29 of the Articles of Incorporation of the Company stipulates that the Company may enter into an agreement with Outside Directors to limit liability due to negligence in performing their duties in order to enable them to do their utmost. Accordingly, the Company concluded a limitation of liability agreement with Mr. KOBAYASHI Hiroaki and Mr. WATANABE Toru, candidates for Outside Director. If they are reelected as proposed, the Company plans to continue the said agreements with them. Furthermore, if Ms. KAGAMI Yukari is elected as proposed, the Company plans to enter into the limitation of liability agreement with her. The maximum amount of liability under the agreement is the minimum amount set forth in Article 425, Paragraph 1 of the Companies Act.
  4. Special remarks regarding the candidates for Outside Directors are as follows.
    - (1) No corresponding item existed regarding the records of violation of laws and regulations and the Articles of Incorporation or other inappropriate actions at the Company.
    - (2) Regarding the candidates' service over the past five years as Director, Executive Officer, or Auditor of other companies, no corresponding item existed regarding records of violations of laws and regulations and Articles of Incorporation or other inappropriate actions at these companies during the candidates' term of office therein.
    - (3) Mr. KOBAYASHI Hiroaki and Mr. WATANABE Toru are registered as Independent Officers with the Tokyo Stock Exchange (TSE) since they meet the TSE's independence criteria for outside directors as well as the Company's independence standard for appointing outside directors.
    - (4) Mr. WATANABE Toru used to be Corporate Auditor of the Company. His term of office was six (6) years.
  5. The Company has entered into a directors and officers liability insurance contract with an insurance company. Directors and Corporate Auditors of the Company and its subsidiaries will be insured under the contract. The insurance policy covers damage payments and litigation expenses in the event that a claim for damages is made against the insured due to execution of his or her duties. However, the insurance contract does not cover claims for damages caused by intent or gross negligence. The insurance premiums are fully borne by the Company. If the candidates assume office as Director, they will be insured under the insurance contract. The Company plans to renew the contract with the same details at the next renewal.

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

The terms of office of Corporate Auditors Mr. OSAKO Tomokazu and Mr. NOGAMI Masaki will expire at the conclusion of this General Meeting of Shareholders. Accordingly, the Company requests the election of two (2) Corporate Auditors.

The resolution of this agenda item has obtained the consent of the Board of Corporate Auditors. The candidates for Corporate Auditor are as follows.

The candidates for Corporate Auditor have been selected in consultation with the Nomination Advisory Committee.

Number	Name (Date of birth)	Brief profile and position at the Company (Significant concurrent positions)	Number of the Company's shares owned
1	OSAKO Tomokazu (June 21, 1954)  Reelected	<p>June 2010      Director, Momiji Business Service Co., Ltd.</p> <p>July 2011      Joined Aoyama Trading Co., Ltd. General Manager of the Accounting Dept., Aoyama Trading Co., Ltd.</p> <p>June 2015      Corporate Auditor, Aoyama Trading Co., Ltd. (current position)</p> <p>Significant concurrent positions</p> <p>    Auditor, Aoyama Capital Co., Ltd.</p> <p>    Corporate Auditor, ascon co., LTD.</p> <p>    Corporate Auditor, Melbo Men's Wear, Inc.</p> <p>    Corporate Auditor,     MELBO CLOTHING MANUFACTURING, INC.</p> <p>Special interest in the Company</p> <p>                    None</p> <p>Reasons for nomination as a candidate for Corporate Auditor</p> <p>Mr. OSAKO Tomokazu has served as the General Manager of the Company's Accounting Department, and has considerable expertise in areas such as finance, accounting and judicial affairs. We believe that he is a suitable person to supervise and oversee management, and therefore nominated him as a candidate for Corporate Auditor.</p>	1,000 shares

Number	Name (Date of birth)	Brief profile and position at the Company (Significant concurrent positions)	Number of the Company's shares owned
2	NOGAMI Masaki (April 2, 1966)  Reelected Outside Corporate Auditor Independent Officer	<p>March 1994 Completed legal apprenticeship</p> <p>April 1994 Registered with the Osaka Bar Association Joined OH-EBASHI LAW OFFICES (currently OH-EBASHI LPC &amp; PARTNERS)</p> <p>April 2001 Partner, OH-EBASHI LAW OFFICES (currently OH-EBASHI LPC &amp; PARTNERS)</p> <p>August 2002 Member, OH-EBASHI LPC &amp; PARTNERS (current position)</p> <p>June 2019 Corporate Auditor, Aoyama Trading Co., Ltd. (current position)</p> <p>Significant concurrent positions</p> <p>Member, OH-EBASHI LPC &amp; PARTNERS</p> <p>Outside Auditor, NISSIN MANUFACTURING Co., LTD.</p> <p>Supervisory officer, SENKO Private REIT, Inc.</p> <p>Special interest in the Company</p> <p>None</p> <p>Reasons for nomination as a candidate for Outside Corporate Auditor</p> <p>The Company believes that Mr. NOGAMI Masaki is qualified for the position and will be able to perform audits that will determine if operations are appropriate and in compliance with laws and regulations because he has a wealth of experience as a lawyer, is versed in corporate legal affairs, and has the superior insight needed to oversee corporate management. While Mr. NOGAMI has never been involved in any kind of business management other than holding the position of an Outside Director or an Outside Corporate Auditor, the Company believes that he will be able to adequately perform the duties of an Outside Corporate Auditor for the above-mentioned reasons.</p> <p>The term of office of Mr. NOGAMI as an Outside Corporate Auditor will be four (4) years at the conclusion of this General Meeting of Shareholders.</p>	— shares

- (Notes)1. Mr. NOGAMI Masaki is a candidate for Outside Corporate Auditor.
2. Article 37 of the Articles of Incorporation of the Company stipulates that the Company may enter into an agreement with Corporate Auditors to limit liability due to negligence in performing their duties in order to enable them to do their utmost. Accordingly, the Company concluded a limitation of liability agreement with Mr. OSAKO Tomokazu, a candidate for Corporate Auditor and Mr. NOGAMI Masaki, a candidate for Outside Corporate Auditor. If they are reelected as proposed, the Company plans to continue the said agreements with them. The maximum amount of liability under the agreement is the minimum amount set forth in Article 425, Paragraph 1 of the Companies Act.
3. Special remarks regarding the candidate for Outside Corporate Auditor are as follows.
- (1) Regarding the candidate's service over the past five years as Director, Executive Officer, or Auditor of other companies, no corresponding item existed regarding records of violations of laws and regulations and Articles of Incorporation or other inappropriate actions at these companies during the candidate's term of office therein.
- (2) Mr. NOGAMI Masaki is registered as an Independent Officer with the Tokyo Stock Exchange (TSE) since he meets the TSE's independence criteria for outside auditors as well as the Company's independence standard for appointing outside auditors.
4. The Company has entered into a directors and officers liability insurance contract with an insurance company. Directors and Corporate Auditors of the Company and its subsidiaries will be insured under the contract. The insurance policy covers damage payments and litigation expenses in the event that a claim for damages is made against the insured due to execution of his or her duties. However, the insurance contract does not cover claims for damages caused by intent or gross negligence. The insurance premiums are fully borne by the Company. If the candidates assume office as Corporate Auditor, they will be insured under the insurance contract. The Company plans to renew the contract with the same details at the next renewal.

(Reference)

Planned Skill Matrix of the Members of the Board of Directors after the Ordinary General Meeting of Shareholders

Nomination/ Compensation Advisory Committees	Name	Corporate Management	Finance/ Accounting	Legal Affairs/ Risk Management/ Compliance	ESG/ Sustainability	Retailing/ Sales/ Marketing
	AOYAMA Osamu	○			○	○
○	OKANO Shinji	○			○	○
○	YAMANE Koichi	○	○		○	
○	KOBAYASHI Hiroaki	○	○			
○ Chairperson	WATANABE Toru			○		
	KAGAMI Yukari	○			○	○
	OSAKO Tomokazu		○			
	TAKEGAWA Kiyoshi		○			
	NOGAMI Masaki			○		
	OKITA Takashi		○			

Note: The table shows only areas of expertise and experience of each person, not all fields of knowledge.

■ Independence standard for appointing outside directors/auditors

1. The outside director/auditor has never worked for our Group.
2. The outside director's/auditor's spouse or any relative within the second degree of relationship has never worked for our Group.
3. The outside director/auditor has never been affiliated with any of the following organizations that have relationships with the Company.
  - (1) Organizations that are major shareholders
  - (2) Major banks or securities companies
  - (3) Major accounting auditors, business consultants, law firms, etc.
  - (4) Major suppliers and other business partners that have business relationships with the Company
  - (5) Companies and organizations of which the Company is a major business client.
4. The outside director's/auditor's spouse or any relative within the second degree of relationship has never worked for any of the organizations, etc. listed in the preceding paragraph 3.