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Securities code: 2726

May 13, 2025

(Start date of electronic provision measures: May 2, 2025)

To Shareholders with Voting Rights:

Hirofumi Kojima
President and Representative Director
PAL GROUP Holdings CO., LTD.
3-6-1 Doshomachi, Chuo-ku, Osaka-shi,
Osaka, Japan

Notice of the 53rd Ordinary General Meeting of Shareholders

We are pleased to inform you that the 53rd Ordinary General Meeting of Shareholders (the “Meeting”) of PAL GROUP Holdings CO., LTD. (the “Company,” together with its subsidiaries, the “Group”) will be held for the purposes below.

In convening this General Meeting of Shareholders, the Company has taken measures to provide information electronically. Matters for Electronic Provision are posted on the following website.

The Company’s website: <https://www.palgroup.holdings/irinfo/>

In addition to the above, information is also posted on the Tokyo Stock Exchange, Inc. website as follows. Please enter and search for either the company name, “PAL GROUP Holdings CO., LTD.,” or the code, “2726,” and select “Basic information,” followed by “Documents for public inspection/PR information” in order to view the information provided.

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

Instead of attending the Meeting in person, you can exercise your voting rights in writing or via the Internet, etc., so please review the Reference Documents for the General Meeting of Shareholders described in the Matters for Electronic Provision, and exercise your voting rights by 6:30 p.m. Japan time, Tuesday May 27, 2025 (closing of the Company’s business hours).

- 1. Date and time** Wednesday, May 28, 2025 at 10 a.m. Japan time (reception opens at 9:15 a.m.)
- 2. Venue** AP Osaka Ekimae, B2F, Tokyo Tatemono Umeda Building
located at 1-12-12 Umeda, Kita-ku, Osaka-shi, Osaka, Japan
- 3. Purposes of the Meeting:**
 - Matters to be reported:** 53rd fiscal year (March 1, 2024 - February 28, 2025)
Business report, consolidated and non-consolidated financial statements and results of audits of the consolidated financial statements by the accounting auditor and the Audit & Supervisory Board
 - Matters to be resolved:**
 - Proposal 1:** Distribution of Surplus
 - Proposal 2:** Election of Nine (9) Directors
 - Proposal 3:** Election of One (1) Substitute Audit & Supervisory Board Member
 - Proposal 4:** Granting of Retirement Benefits to Retiring Directors and a Special Retirement Payment to a Retiring Director
 - Proposal 5:** Revision of the Amount of Compensation for Directors

- If you are attending the Meeting, please hand in the enclosed Voting Rights Exercise Form at the reception.
- Any revisions to the Matters for Electronic Provision will be posted on each of the designated websites.

Reference Documents for the General Meeting of Shareholders

Proposal 1: Distribution of Surplus

The Company's basic policy is to distribute dividends commensurate with its business performance. While striving to maintain a stable payment of dividends, the Company determines dividend of surplus taking into account enhancement of internal reserves to further strengthen its corporate standing and prepare for active future business development. The Company proposes the following year-end dividend based on this policy.

Year-end dividend

- (1) Type of dividend property
Cash
- (2) Allotment of dividend property to shareholders and its total amount
60 yen per common share of the Company at a total of 5,209,387,980 yen
- (3) Effective date of the dividend of surplus (date when the payment of year-end dividend for the 53rd fiscal year begins)
May 29, 2025

Proposal 2: Election of Nine (9) Directors

The terms of office of all the nine (9) incumbent Directors will expire at the close of this Meeting.
Therefore, the Company proposes the election of nine (9) Directors.
The candidates for Director are as follows:

No.	Name	Position at the Company	Attendance at the Board of Directors meetings	Knowledge, experience and skills particularly expected				
				Corporate management	Industry knowledge	SDGs, etc.	Administration / finance	Risk management
1	Isamu Matsuo	Chairman and Representative Director	12/12 (100%)	○	○		○	○
2	Hirofumi Kojima	President and Representative Director	12/12 (100%)	○	○	○	○	○
3	Akiyuki Tameda	Director and Senior Managing Executive Officer	-	○	○	○	○	○
4	Hiromitsu Shimao	Director and Managing Executive Officer	-	○	○	○	○	○
5	Ryuta Inoue	Director	16/16 (100%)	○	○	○		○
6	Takayo Watanabe	Director	16/16 (100%)	○		○	○	○
7	Kensaku Teranishi	Outside Director	16/16 (100%)	○			○	○
8	Yoshiaki Arai	Outside Director	11/12 (92%)	○	○		○	○
9	Kiyoshi Miura	Outside Director	-	○			○	○

Notes:

- Positions at the Company are indicated as scheduled if the election of each candidate is approved.
- Attendance at Board of Directors meetings of Isamu Matsuo, Hirofumi Kojima, and Yoshiaki Arai shows figures covering the meetings held after their taking office on May 29, 2024.

No.	Name (Date of birth)	Career summary, positions, responsibilities at the Company and significant concurrent positions		Number of the Company's shares held
1	Isamu Matsuo (April 20, 1947) (Male) (Reappointment)	April 1966	Joined Shin-Nankai Store Co., Ltd.	31,728
		October 1973	Joined the Company	
		March 1983	Director	
		April 1985	Managing Director	
		April 1988	Senior Managing Director	
		May 2009	Vice President and Director	
		May 2022	Vice President and Executive Officer	
		May 2024	Chairman and Representative Director (to present)	
		Significant concurrent positions		
		・ Chairman and Representative Director of PAL CO., LTD., NICE CLAUP Co., LTD., KURASHIKI STYLE CO., LTD. and LOCUST Co., Ltd.		
		・ President and Representative Director of P.M. Frontier Co., Ltd.		
		・ Representative Director, CEO, NOLLEY'S co., ltd.		
Reason for candidacy as Director Isamu Matsuo has abundant experience mainly in store development operations at the Company. He also has extensive experience and insight in management, serving as the Chairman and Representative Director of the Company, PAL CO., LTD., NICE CLAUP Co., LTD., KURASHIKI STYLE CO., LTD., and LOCUST Co., Ltd., the President and Representative Director of P.M. Frontier Co., Ltd., and the Representative Director, CEO of NOLLEY'S co., ltd. The Company nominated him as a candidate for Director expecting that he will further contribute to the sustainable growth and improvement of corporate value of the Group by leading the Group's overall management in the future.				
2	Hirofumi Kojima (November 30, 1960) (Male) (Reappointment)	March 1983	Joined the Company	120,672
		May 2001	Director	
		May 2010	Managing Director	
		May 2015	Director and Managing Executive Officer	
		May 2019	Director and Senior Managing Executive Officer	
		May 2022	Senior Managing Executive Officer	
		May 2024	Vice President and Director	
		March 2025	President and Representative Director (to present)	
		Significant concurrent positions		
		・ Chairman and Representative Director of Freigate Shirahama Co., Ltd.		
		・ Vice President and Director of PAL CO., LTD.		
Reason for candidacy as Director Hirofumi Kojima has abundant experience mainly in store operations and product development operations at the Company. He also has extensive experience and insight in management, serving as the President and Representative Director of the Company, the Chairman and Representative Director of Freigate Shirahama Co., Ltd., the Vice President and Director of PAL CO., LTD., and the General Manager of Valery Company. The Company nominated him as a candidate for Director expecting that he will further contribute to the sustainable growth and improvement of corporate value of the Group by leading the Group's overall management in the future.				

No.	Name (Date of birth)	Career summary, positions, responsibilities at the Company and significant concurrent positions		Number of the Company's shares held
3	Akiyuki Tameda (June 1, 1957) (Male) (New appointment)	April 1981	Joined The Sumitomo Bank, Limited (currently Sumitomo Mitsui Banking Corporation)	10,000
		October 2004	Group Manager, Private Banking Department	
		February 2011	Seconded to the Company (Advisor)	
		May 2011	Joined the Company	
		May 2011	Audit & Supervisory Board Member	
		May 2012	Director	
		May 2021	Managing Executive Officer	
		March 2024	Senior Managing Executive Officer (to present)	
		Significant concurrent positions		
		• Director of PAL HOLDINGS (SINGAPORE) PTE. LTD.		
		• Director of PAL (Shanghai) Trading Co., Ltd.		
Reason for candidacy as Director				
In addition to various experience at a financial institution, Akiyuki Tameda has been deeply engaged in the Company's overall management as an Audit & Supervisory Board Member, the General Manager of Corporate Planning Department and the General Manager of Public Affairs Office since joining the Company in 2011. The Company believes that he is qualified as a Director of the Company based on his extensive experience and a broad range of knowledge, and therefore nominated him as a new candidate for Director.				
4	Hiromitsu Shimao (March 5, 1961) (Male) (New appointment)	April 1984	Joined The Sanwa Bank, Limited (currently MUFG Bank, Ltd.)	-
		December 2010	Seconded to MU Business Services Co., Ltd., Vice President	
		November 2012	Seconded to the Company (Advisor)	
		May 2013	Joined the Company	
		May 2013	Audit & Supervisory Board Member	
		May 2015	Executive Officer	
		March 2024	Managing Executive Officer (to present)	
		Significant concurrent position		
		• Director of Freegate Shirahama Co., Ltd.		
Reason for candidacy as Director				
In addition to various experience at a financial institution, Hiromitsu Shimao has led overall administrative division as an Audit & Supervisory Board Member and the General Manager of General Affairs and Personnel Department since joining the Company in 2013. The Company believes that he is qualified as a Director of the Company based on his extensive experience and a broad range of knowledge, and therefore nominated him as a new candidate for Director.				

No.	Name (Date of birth)	Career summary, positions, responsibilities at the Company and significant concurrent positions	Number of the Company's shares held
5	Ryuta Inoue (June 8, 1965) (Male) (Reappointment)	<div> <div> April 1989 May 1995 May 1995 March 2007 May 2008 May 2024 March 2025 </div> <div> Joined TEIJIN LIMITED Joined the Company Director Senior Managing Director President and Representative Director President and Director Director (to present) </div> </div> <div> Significant concurrent positions <ul style="list-style-type: none"> President and Representative Director of NICE CLAUP Co., LTD. and R Scotch Co., Ltd. Director of PAL CO., LTD., P.M. Frontier Co., Ltd., CRESCENT STAFF CO., LTD., KURASHIKI STYLE CO., LTD., and PAL HOLDINGS (SINGAPORE) PTE. LTD. Director of PAL (Shanghai) Trading Co., Ltd. </div>	7,298,672
Reason for candidacy as Director Ever since joining the Company in May 1995, Ryuta Inoue accumulated a broad range of operational experience including store operations, product development, e-commerce operations and in the Administrative Division. Also, after taking office as the President in 2008, he has substantially contributed to expanding business performance. The Company nominated him as a candidate for Director expecting that he will further contribute to the sustainable growth and improvement of corporate value of the Group as a member of the Group's management in the future.			
6	Takayo Watanabe (February 9, 1962) (Female) (Reappointment)	<div> <div> April 1984 April 1987 February 2003 January 2011 May 2019 November 2023 May 2024 March 2025 </div> <div> Joined Daido Sanso K.K. (currently AIR WATER INC.) Left Daido Sanso K.K. Audit & Supervisory Board Member, Scotch Yofukuten K.K. Director Director of the Company Representative Director of Scotch Yofukuten K.K. (to present) Vice Chairman and Director of the Company Director (to present) </div> </div> <div> Significant concurrent positions <ul style="list-style-type: none"> Representative Director of T Scotch Co., Ltd. and Scotch Yofukuten K.K. Director of PAL CO., LTD. </div>	702,573
Reason for candidacy as Director As the eldest daughter of founder Hidetaka Inoue, Takayo Watanabe has a profound understanding of the essence of the Company's management philosophy and corporate culture. The Company nominated her as a candidate for Director expecting her to keep on fulfilling her duties as a Director to improve corporate value from a long-term perspective in the future.			

No.	Name (Date of birth)	Career summary, positions, responsibilities at the Company and significant concurrent positions	Number of the Company's shares held
7	Kensaku Teranishi (November 28, 1951) (Male) (Reappointment)	<p>April 1975 Joined The Sumitomo Bank, Limited (currently Sumitomo Mitsui Banking Corporation)</p> <p>May 1997 General Manager, Tamatsukuri Branch</p> <p>October 1998 General Manager, Underwriting Department, Osaka Branch, Sumitomo Capital Securities Co., Ltd.</p> <p>April 2001 General Manager, Assistant to Officer in charge of Osaka Branch, Daiwa Securities SMBC Co., Ltd.</p> <p>April 2004 Retired from Daiwa Securities SMBC Co., Ltd.</p> <p>May 2004 Standing Advisor, Konoike Construction Co., Ltd.</p> <p>May 2009 Director, Vice President and Executive Officer</p> <p>October 2011 Representative Director, Vice President and Executive Officer</p> <p>November 2017 Retired from Konoike Construction Co., Ltd.</p> <p>December 2017 Senior Advisor, Osaka Branch, Yamada Consulting Group Co., Ltd.</p> <p>May 2019 Outside Director of the Company (to present)</p> <p>December 2021 Retired as Senior Advisor, Osaka Branch, Yamada Consulting Group Co., Ltd.</p> <p>January 2022 Director, Shinwa Holdings, Co., Ltd. (to present)</p> <p>Significant concurrent position • Director of Shinwa Holdings, Co., Ltd.</p>	-
<p>Reason for candidacy as Outside Director and overview of expected roles</p> <p>After serving at a financial institution, Kensaku Teranishi has long been engaged in corporate management. He has deep insight in finance and corporate management. The Company nominated him as a candidate for Outside Director because it expects him to contribute to improving corporate value by providing advice on the Group's overall management based on his insight and knowledge, and fulfill a supervisory function from a neutral and objective standpoint.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities at the Company and significant concurrent positions	Number of the Company's shares held
8	Yoshiaki Arai (September 1, 1946) (Male) (Reappointment)	<p>April 1966 Joined Japanese National Railways</p> <p>April 1987 Joined East Japan Railway Company due to the privatization of Japanese National Railways</p> <p>June 2000 Director, General Manager of Life- Style Business Development Headquarters</p> <p>June 2009 Executive Vice President and Representative Director</p> <p>June 2012 President & CEO, LUMINE Co., Ltd.</p> <p>June 2017 Chairman & Director</p> <p>June 2017 Outside Director, Saitama Resona Bank, Limited (to present)</p> <p>June 2019 Advisor, LUMINE Co., Ltd.</p> <p>June 2019 Chairman, Japan Association for Rail Advertising (to present)</p> <p>July 2022 Senior Advisor, LUMINE Co., Ltd.</p> <p>October 2022 Outside Director, Japan Green Investment Corp. for Carbon Neutrality (JICN) (to present)</p> <p>May 2024 Outside Director of the Company (to present)</p> <p>July 2024 President and Representative Director, Kinmiraisekkei Co., Ltd.</p> <p>April 2025 President, CEO, IT tower TOKYO LLC (change in the company's name due to its reorganization) (to present)</p> <p>Significant concurrent positions</p> <ul style="list-style-type: none"> • Outside Director, Saitama Resona Bank, Limited • Chairman, Japan Association for Rail Advertising • Outside Director, Japan Green Investment Corp. for Carbon Neutrality (JICN) • President, CEO of IT tower TOKYO LLC 	-
<p>Reason for candidacy as Outside Director and overview of expected roles</p> <p>Yoshiaki Arai has a high level of insight cultivated through his extensive corporate management experience in the electric railway and distribution industries. The Company nominated him as a candidate for Outside Director because it expects him to contribute to improving corporate value by providing advice on the Group's overall management based on his insight and knowledge, and fulfill a supervisory function from a neutral and objective standpoint.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities at the Company and significant concurrent positions	Number of the Company's shares held
9	Kiyoshi Miura (July 3, 1957) (Male) (New appointment)	<p>April 1980 Joined The Sumitomo Bank, Limited (currently Sumitomo Mitsui Banking Corporation)</p> <p>October 2000 General Manager, Esaka Corporate Services Department and General Manager, Esaka Business Loan Plaza</p> <p>April 2010 Executive Officer, General Manager, North Osaka Corporate Banking Division</p> <p>April 2012 Managing Executive Officer secondarily responsible for Corporate Divisions (in charge of Western Japan)</p> <p>April 2014 Retired from Sumitomo Mitsui Banking Corporation</p> <p>May 2014 Advisor, Kansai Urban Banking Corporation</p> <p>June 2014 Representative Director and Executive Deputy President</p> <p>April 2018 Executive Officer, Kansai Mirai Financial Group, Inc.</p> <p>April 2019 Representative Director and Executive Deputy President, Kansai Mirai Bank, Limited</p> <p>April 2020 Director, Chairperson of the Board of Directors, SMBC HUMAN CAREER Co., Ltd.</p> <p>June 2022 External Audit & Supervisory Board Member, CKD Corporation (to present)</p> <p>October 2022 Advisor, SAERA PHARMACY Co., Ltd. (to present)</p> <p>Significant concurrent positions</p> <ul style="list-style-type: none"> • External Audit & Supervisory Board Member, CKD Corporation • Advisor, SAERA PHARMACY Co., Ltd. 	-
<p>Reason for candidacy as Outside Director and overview of expected roles</p> <p>After serving at a financial institution, Kiyoshi Miura has long been engaged in the management of a company operating in Japan and globally. He has deep insight in finance and corporate management. The Company nominated him as a candidate for Outside Director because it expects him to contribute to improving corporate value by providing advice on the Group's overall management based on his insight and knowledge, and fulfill a supervisory function from a neutral and objective standpoint.</p>			

Notes:

1. There are no special interests between any of the candidates and the Company.
2. Kensaku Teranishi is a candidate for Outside Director, as well as an independent director as stipulated by the financial instruments exchange (Tokyo Stock Exchange, Inc.). He will have served as the Company's Outside Director since May 2019, for six (6) years at the close of this Meeting. Although he was formerly affiliated with the Company's main bank, in light of the Company's current financial status where its deposits significantly exceed its borrowings, and the absence of a transactional

relationship with the said financial institution that will affect the Company's decision-making, as well as the fact that a substantial amount of time has passed since he retired from the said financial institution, the Company deems him to be sufficiently independent.

3. Yoshiaki Arai is a candidate for Outside Director, as well as an independent director as stipulated by the financial instruments exchange (Tokyo Stock Exchange, Inc.). He will have served as the Company's Outside Director since May 2024 for one (1) year at the close of this Meeting. Although he was formerly affiliated with LUMINE Co., Ltd., in whose premises the Group has opened stores, in light of the fact that since June 2019 he has not been on that the company's Board of Directors and has been in the position of providing advice to management as an Advisor, as well as the fact that he has not attended Board of Directors meetings, the Company deems that he does not fall under the category of a business executive and is sufficiently independent.
4. Kiyoshi Miura is a new candidate for Outside Director, as well as an independent director as stipulated by the financial instruments exchange (Tokyo Stock Exchange, Inc.). Although he was formerly affiliated with the Company's main bank, in light of the Company's current financial status where its deposits significantly exceed its borrowings, and the absence of a transactional relationship with the said financial institution that will affect the Company's decision-making, as well as the fact that a substantial amount of time has passed since he retired from the said financial institution, the Company deems him to be sufficiently independent.
5. Summary of the content of the directors and officers liability insurance contract
The Company has entered into a directors and officers liability insurance contract with an insurance company to insure its Directors, as stipulated in Article 430-3, Paragraph 1 of the Companies Act. The contract covers damages that may arise due to insured parties assuming liability for their execution of duties, or receiving claims associated with the pursuit of such liability. The Company intends to continue and renew this contract. If the election of each candidate is approved, the candidates will become insured parties under this insurance contract.

Proposal 3: Election of One (1) Substitute Audit & Supervisory Board Member

At the start of this Meeting, the effect of election will expire for Norihisa Ogawa, substitute Audit & Supervisory Board Member, elected at the 52nd Ordinary General Meeting of Shareholders held on May 29, 2024. Therefore, the Company proposes the election of Norihisa Ogawa as a substitute Audit & Supervisory Board Member to prepare for contingencies where the number of Audit & Supervisory Board Members falls below the statutory requirement.

The effective period for the resolution of this proposal is up to the beginning of the next ordinary general meeting of shareholders. The election may be cancelled by resolution of the Board of Directors subject to the consent of the Audit & Supervisory Board provided that it is before the candidate takes office.

The Audit & Supervisory Board has given its consent to this proposal.

The candidate for substitute Audit & Supervisory Board Member is as follows:

Name (Date of birth)	Career summary and significant concurrent positions		Number of the Company's shares held
Norihisa Ogawa (January 7, 1951)	April 1979	Registered as attorney-at-law (Daini Tokyo Bar Association) Joined Kashiwagi & Kiyozuka Law Office	-
	October 1987	Established Ogawa Norihisa Law Office	
	December 1994	Joined Kioizaka Themis General Law Office, Partner (to present)	
	April 1998	Corporate Auditor, NICE CLAUP Co., LTD.	
	April 2016	Retired as Corporate Auditor, NICE CLAUP Co., LTD.	

Notes:

1. There are no special interests between the candidate and the Company.
2. Norihisa Ogawa is a candidate for substitute Outside Audit & Supervisory Board Member, and fulfills the requirements for an independent auditor as stipulated by the financial instruments exchange (Tokyo Stock Exchange, Inc.).
Norihisa Ogawa contributed to the audit of NICE CLAUP Co., LTD., a subsidiary of the Company, for a total of eighteen (18) years from April 1998 to April 2016 as its Outside Corporate Auditor. He also served as an outside corporate auditor of listed companies including Sankyu Inc. (TSE Prime Market) and Saison Technology Co., Ltd. (TSE Standard Market) as well as other companies. Although he has never been involved in the management of a company in any way other than serving as an outside officer in the past, the Company believes that he will provide timely and appropriate advice as he has a wealth of experience.
3. Summary of the content of the directors and officers liability insurance contract
The Company has entered into a directors and officers liability insurance contract with an insurance company to insure its Audit & Supervisory Board Members, as stipulated in Article 430-3, Paragraph 1 of the Companies Act. The contract covers damages that may arise due to insured parties assuming liability for their execution of duties, or receiving claims associated with the pursuit of such liability. The Company intends to continue and renew this contract. If the election of the candidate as a substitute Audit & Supervisory Board Member is approved, and he subsequently takes office as an Audit & Supervisory Board Member, then he will become an insured party under this insurance contract.

Proposal 4: Granting of Retirement Benefits to Retiring Directors and a Special Retirement Payment to a Retiring Director

At the close of this Meeting, Mr. Hidetaka Inoue and Mr. Yasuji Arimitsu will retire as Directors of the Company.

Mr. Hidetaka Inoue has been engaged in the Company's management for 52 years since he took office as Representative Director in 1973 as the founder of the Company. During this period, he implemented the bold reforms including the introduction of Speciality Store Retailer of Private Label Apparel (SPA) and a 4-week merchandizing, took up the challenge of new businesses such as the 3COINS business, conducted the strategy of mergers and acquisitions (M&A) of NICE CLAUP and other companies, shifted to the market strategy utilizing social networking services, and worked on other initiatives. As a result, he accomplished the growth and development of the Company, making it a corporate group with net sales of ¥207.8 billion, operating profit of ¥23.6 billion, and employees exceeding 7 thousand on a consolidated basis for the fiscal year ended February 28, 2025.

Since the foundation of the Company, it has weathered the bursting of Japan's economic bubble, the Lehman shock, the COVID-19 pandemic, and other crises, surviving and achieving a growth. This is thanks to Mr. Inoue's always grasping changes in the fashion industry, flexibly responding to changes, thoroughly establishing measures to deal with the changes in the company, and striving to grow the businesses and strengthen sound financial foundations with officers and employees.

In order to reward his achievements and his services during the term of office, the Company proposes granting of a special retirement payment of ¥3,158 million in addition to retirement benefits, which include a retirement payment, in accordance with the criteria established by the Company.

Mr. Yasuji Arimitsu has strived to develop the Company mainly in administrative operations for as long as 27 years since taking office as Director in 1998. In order to reward his achievements and his services during the term of office, the Company proposes granting of retirement benefits which include a retirement payment, in accordance with the criteria established by the Company.

The Nomination and Compensation Committee, which was established as an Outside Director as a chair, has deliberated the content of this proposal for the total of four times. The Nomination and Compensation Committee has reported to the Board of the Directors that the content of this proposal is reasonable, as it has determined, considering their above achievements, the appropriateness of the Company's granting retirement benefits, which include retirement payments, to them and a special retirement payment to Mr. Hidetaka Inoue as well as the appropriateness of the amounts of the payments, as a result of a series of its deliberations. The Board of the Directors has also determined that the content of this proposal is reasonable based on the above reasons and the result of a series of the deliberations of the Nomination and Compensation Committee. The Company proposes that the specific amounts, timing of granting, methods and other related matters of retirement benefits be left to the discretion of the Board of Directors.

The career summaries of Mr. Inoue and Mr. Arimitsu in this proposal are as follows.

Name	Career summary	
Hidetaka Inoue	October 1973	Established the Company, President and Representative Director
	May 2008	Chairman and Representative Director of the Company
	May 2024	Director and Advisor (to present)

Name	Career summary	
Yasuji Arimitsu	April 1998	Director of the Company
	March 2007	Managing Director
	May 2011	Vice President and Director
	May 2013	Vice President, Director and Executive Officer (General Manager, Administrative Division and General Manager, Internal Audit Office)
	May 2024	Director and Advisor (to present)

Proposal 5: Revision of the Amount of Compensation for Directors

At the 39th Ordinary General Meeting of Shareholders held in May 26, 2011, the amount of compensation for Directors of the Company was approved as an amount not exceeding ¥1.0 billion per annum (however, the amount shall not include the employee salary portion for Directors who concurrently serve as employees; and of which the compensation for Outside Directors shall not exceed ¥50 million), and the amount has remained unchanged to date.

The Company has adopted a performance-linked compensation structure, where monetary compensation is paid based on non-consolidated and consolidated operating profit in the previous fiscal year, in order to realize corporate sustainable growth through measures such as further deepening initiatives for OMO (Online with Offline) that aim to link E-commerce (EC) with stores seamlessly by strengthening web promotion such as social services networking and other efforts. The compensation structure is also intended to be an incentive to secure outstanding talent. Considering an increase in the compensation associated with enhanced business performance because of the compensation structure, as well as various circumstances including the economic situation, and in addition, in order to make the compensation structure a further effective incentive system for the purpose of continuing to realize the Company's sustainable growth in the future, as well as further accelerating enhancing the Directors' motivation to contribute to the Company's business performance and the enhancement of medium- to long-term corporate value, the Company proposes to revise the amount of compensation for Directors to an amount not exceeding ¥1.5 billion. We also propose that, as in the past, said compensation shall not include the employee salary portion for Directors who concurrently serve as employees.

The Company believes that the content of this proposal is reasonable as this was determined by the Board of Directors following the deliberation by and reporting from the Nomination and Compensation Committee, which was established as an Outside Director as a chair, comprehensively considering the Company's scale of business, the compensation structure for officers and its level of compensation, the current number of eligible Directors, the future trends, and other factors.

The current number of Directors is nine (9) (including three (3) Outside Directors). If Proposal 2 is approved and passed as originally proposed, the number of Directors will continue to be nine (9) (including three (3) Outside Directors).