

(Translation for reference only)

Securities Code: 9831

May 30, 2025

NOTICE OF THE 48TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

Dear Shareholder:

YAMADA HOLDINGS CO., LTD. (the “Company”) hereby announces that the 48th Ordinary General Meeting of Shareholders will be held on Friday, June 27, 2025, at 10:00 a.m., Japan Standard Time (reception desk opens at 9:00 a.m.) at the Company’s headquarters (Convention Hall, 12F), 1-1 Sakae-cho, Takasaki, Gunma, Japan.

When convening this general meeting of shareholders, the Company takes measures for providing information that constitutes the content of reference documents for the general meeting of shareholders, etc. (matters for which measures for providing information in electronic format are to be taken) in electronic format. This information is posted on each of the following websites, so please access one of those websites to confirm the information.

The Company’s website:

<https://www.yamada-holdings.jp/ir/> (in Japanese)

Tokyo Stock Exchange (TSE) website (Listed Company Search):

<https://www2.jpx.co.jp/tseHpFront/JJK010010Action.do?show=show> (in Japanese)

(Access the TSE website by using the internet address shown above, enter “YAMADA HOLDINGS” in “Issue name (company name)” or the Company’s securities code “9831” in “Code,” and click “Search.” Then, click “Basic information” and select “Documents for public inspection/PR information.” Under “Filed information available for public inspection,” click “Click here for access” under “[Notice of General Shareholders Meeting /Informational Materials for a General Shareholders Meeting]”)

Website for posting informational materials for the general meeting of shareholders:

<https://d.sokai.jp/9831/teiji/> (in Japanese)

If you are unable to attend the meeting in person, you may exercise your voting rights by Internet voting or postal voting. Prior to voting, please examine the attached reference documents for the General Meeting of Shareholders. Please vote in one of the ways described below and ensure that your vote reaches us by 6:00 p.m. on Thursday, June 26, 2025.

To exercise your voting rights in writing (by post):

Indicate “for” or “against” for each agenda item listed on the enclosed Voting Rights Exercise Form, and return it by post to reach us by the above deadline.

To exercise your voting rights by Internet:

Please access the website for exercising voting rights and exercise your voting rights by indicating your vote “for” or “against” for each agenda item listed by the above deadline. For details, please refer to “Exercising Voting Rights by the Internet” (Japanese only).

Sincerely yours,

Yoshinori Ueno

Representative Director, President and COO

YAMADA HOLDINGS CO., LTD.

1-1 Sakae-cho, Takasaki, Gunma, Japan

MEETING AGENDA

Items to Be Reported:

1. The Business Report, Consolidated Financial Statements and report on auditing results of Consolidated Financial Statements by independent accountants and Audit and Supervisory Committee for the 48th term (from April 1, 2024 to March 31, 2025)
2. The Non-Consolidated Financial Statements for the 48th term (from April 1, 2024 to March 31, 2025)

Items to Be Resolved:

Item 1: Proposal for Appropriation of Surplus

Item 2: Election of Seven Directors (Excluding Those Who Are Audit and Supervisory Committee Members)

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- * If attending the meeting in person, please present the voting form at the reception desk.
 - * Among the matters subject to measures for electronic provision, the following matters are not provided in the paper-based documents delivered to shareholders who have made a request for delivery of such documents in accordance with the provisions of laws and regulations and Article 16, paragraph 2 of the Articles of Incorporation of the Company.
 - “Subscription rights to shares,” “System for Ensuring the Properness of Business Operations and Implementation of that System,” “Important Sales Offices and Plants,” and “Status of Independent Accountants,” as part of Business Report
 - Consolidated Statements of Changes in Net Assets and Notes to Consolidated Financial Statements
 - Non-Consolidated Statements of Changes in Net Assets and Notes to the Non-Consolidated Financial StatementsTherefore, the Business Report, Consolidated Financial Statements and Non-Consolidated Financial Statements in which the items above are mentioned are subject to documents that have been audited by independent accountants in preparing an accounting audit report and by the Audit and Supervisory Committee in preparing an audit report.
 - * If circumstances arise whereby revisions should be made to the matters subject to measures for electronic provision, versions of such matters before revision and after revision shall be published on the websites mentioned on the previous page.

Item 2: Election of Seven Directors (Excluding Those Who Are Audit and Supervisory Committee Members)

The terms of office for all seven (7) Directors (excluding those who are Audit and Supervisory Committee Members; same applies below in proposals) will conclude at the end of this General Meeting of Shareholders.

Therefore, the Company proposes to elect seven Directors (two as Outside Directors). The Board of Directors decided upon the candidates for Directors after receiving a report from the Nomination and Remuneration Committee.

The candidates for Directors are as follows:

No.	Name	Gender	Current Positions in the Company	
1	Noboru Yamada	Male	Representative Director, Chairperson and CEO	<input type="checkbox"/> Reelection
2	Yoshinori Ueno	Male	Representative Director, President and COO	<input type="checkbox"/> Reelection
3	Megumi Kogure	Female	Representative Director, Vice President and Executive Officer CHRO	<input type="checkbox"/> Reelection
4	Kenichi Koyano	Male	Director, Senior Managing Executive Officer CFO	<input type="checkbox"/> Reelection
5	Tsuyoshi Nagano	Male	Director and Executive Officer	<input type="checkbox"/> Reelection
6	Tsukasa Tokuhira	Male	Outside Director	<input type="checkbox"/> Reelection <input type="checkbox"/> Outside <input type="checkbox"/> Independent
7	Miki Mitsunari	Female	Outside Director	<input type="checkbox"/> Reelection <input type="checkbox"/> Outside <input type="checkbox"/> Independent

- Notes:
1. The Company has entered into a directors and officers liability insurance policy as stipulated in Article 430-3, paragraph (1) of the Companies Act with an insurance company. The insurance policy covers costs for compensation for damages and litigation costs incurred by the insured person arising from claims for compensation for damages related to the execution of his or her duties.
In the event that the election is approved as originally proposed in this item and each candidate assumes the office as Director, each candidate will be included as an insured in the policy.
The Company bears all the insurance premiums of the insured and plans to renew the insurance policy with the same contents during the term of office.
 2. Areas in which the Company particularly expects the display of skills based on the expertise and experience of candidates for Directors are described on pages 16 to 17.

No. 1	Noboru Yamada (Born on February 11, 1943)	Number of Shares Owned: 31,903,560 Years Served as Director: 42 years Attendance at the Board of Directors Meetings During the Current Fiscal Year: 100% (17/17 times)
<div>Reelection</div>	<p>[Brief History, Positions and Responsibilities in the Company]</p> <p>September 1983 Representative Director, President of the Company</p> <p>June 2008 Representative Director, Chairperson and CEO</p> <p>June 2013 Representative Director, President and CEO</p> <p>April 2016 Representative Director, Chairperson and Chairperson of the Board of Directors</p> <p>June 2019 Representative Director, Chairperson</p> <p>April 2021 Representative Director, Chairperson and CEO</p> <p>September 2021 Representative Director, Chairperson and President CEO</p> <p>April 2025 Representative Director, Chairperson and CEO [present post]</p> <p>[Significant Concurrent Positions]</p> <ul style="list-style-type: none"> • Representative Director, Chairperson of Tecc Planning Co., Ltd. • Representative Director of Yamada Noboru Memorial Foundation <p>[Reasons for Nomination as Candidate for Director]</p> <p>Noboru Yamada has, since the foundation of the Company in 1973, pioneered the development of the large electronics retail store format, demonstrating responsiveness to change and innovation in the face of change in the changing consumer electronics distribution industry that emerged in the postwar era through strong leadership, flexible thinking not constrained by the industry, and innovative management based on the management philosophy of “Creation and Challenge” and “Appreciation and Trust.” He has helped the Company achieve growth to become a representative Japanese company in the retail industry and directed the management of the Company and the Group as a whole for many years. As Chief Executive Officer, the candidate has worked to resolve issues arising from future social structural changes in Japan, such as the declining birthrate and aging and shrinking population. He has been at the center of various management reforms based on the necessity of promoting the “Total-Living (Kurashi-Marugoto)” strategy, from “individual” to “household,” in order to achieve sustainable growth and development of the Group. While directing the Group as a whole, he strived to strengthen the management supervisory function and governance as well as develop personnel (human resources) with an eye to the future.</p> <p>On November 8, 2024, the Company announced its “2026/3~2030/3 Mid-Term Management Plan” with the final fiscal year ending March 31, 2030, and it is promoting the “Total-Living (Kurashi-Marugoto)” strategy to create Group synergies through the five segments of consumer electronics, housing, financial, environment, and other. The candidate’s management track record over many years, innovative and extensive knowledge, strong leadership, and demonstration of the ability to make rational decisions to solve problems from a Group-wide perspective is crucial for maximizing the corporate value of the Group, achieving the Mid-Term Management Plan and other business goals, and enhancing corporate value. We accordingly seek his reelection as Director.</p>	

Note: Noboru Yamada, a candidate for Director, is the Representative Director and Chairperson of Tecc Planning Co., Ltd. The Company has a business relationship, including the leasing of real estate, with Tecc Planning Co., Ltd., but the transaction amount is less than 0.1% of consolidated net sales.

No. 2	Yoshinori Ueno (Born on December 2, 1971)	Number of Shares Owned: 99,687 Years Served as Director: 1 year Attendance at the Board of Directors Meetings During the Current Fiscal Year: 100% (13/13 times)
Reelection	<p>[Brief History, Positions and Responsibilities in the Company]</p> <p>April 2016 General Manager of Sales Strategy Division</p> <p>June 2016 Director and Senior Executive Officer, General Manager of Sales Strategy Division and Head of Housing Collaboration Sales Strategy Office</p> <p>April 2018 Director and Managing Executive Officer, General Manager of Product Division</p> <p>October 2019 Director and Managing Executive Officer, General Manager of Sales Products Division</p> <p>June 2020 Director and Senior Managing Executive Officer, General Manager of Sales Products Division</p> <p>October 2020 Director</p> <p>October 2020 Director and Senior Managing Executive Officer, General Manager of Sales Products Division of YAMADA DENKI CO., LTD.</p> <p>April 2021 Director and Executive Officer in charge of Sales Products Division of the Company</p> <p>April 2022 Director and Executive Officer [Resigned from post in June 2022]</p> <p>April 2022 Representative Director, President of YAMADA DENKI CO., LTD.</p> <p>February 2023 Representative Director, President and General Manager of Sales and Marketing Division of YAMADA DENKI CO., LTD.</p> <p>April 2024 Representative Director, President of YAMADA DENKI CO., LTD</p> <p>June 2024 Representative Director, Vice President and Executive Officer of the Company</p> <p>April 2025 Representative Director, President and COO [present post]</p> <p>April 2025 Director, YAMADA DENKI CO., LTD. [present post] [scheduled to resign from post in June 2025]</p> <p>[Significant Concurrent Positions]</p> <p>None</p>	

	<p>[Reasons for Nomination as Candidate for Director]</p> <p>Yoshinori Ueno served in positions such as General Manager of Sales Strategy Division of the Company before becoming the Representative Director of YAMADA DENKI CO., LTD. (“YAMADA DENKI”), the core operating company of the Group’s consumer electronics segment. As Representative Director, he demonstrated a strong sense of mission and took swift and decisive action on the front lines as the executive in charge, implementing management reforms amid major changes in the social and economic environment and distribution structure of the household electrical appliance market, including a reactionary drop from COVID-19, high raw material prices, and rising infrastructure costs. He has fulfilled his responsibilities by knowing himself and efficiently reforming and operating the organization to implement the “Total-Living (Kurashi-Marugoto)” strategy, while at the same time developing and promoting personnel (human resources) to lead the consumer electronics segment and making a significant contribution to the restoration and improvement of business performance.</p> <p>He was appointed as a Director of the Company in June 2024, and after serving as Representative Director, Vice President and Executive Officer, he assumed the position of Representative Director, President and COO of the Company on April 1, 2025. Since then, he has been promoting the “Total-Living (Kurashi-Marugoto)” strategy from a practical standpoint with a company-wide perspective, demonstrating a strong sense of mission as well as planning and execution skills, in order to maximize Group synergy through the five segments of consumer electronics, housing, finance, environment, and other for the sustainable growth and development of the Group. On November 8, 2024, the Company announced its “2026/3~2030/3 Mid-Term Management Plan” with the final fiscal year ending March 31, 2030, and it is vigorously promoting initiatives towards the completion of its “Total-Living (Kurashi-Marugoto)” strategy. His management skills are crucial for maximizing the corporate value of the Group, achieving the Mid-Term Management Plan and other business goals, and enhancing corporate value. We accordingly seek his reelection as Director.</p>
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- Notes:
1. There are no conflicts of interest between the candidate for Director, Yoshinori Ueno and the Company.
 2. Yoshinori Ueno is Director of YAMADA DENKI CO., LTD. However, he is scheduled to resign from his post as Director of that company at the conclusion of that company’s ordinary general meeting of shareholders to be held in June 2025.

No. 3	Megumi Kogure (Born on October 18, 1976)	Number of Shares Owned: 69,403 Years Served as Director: 7 years Attendance at the Board of Directors Meetings During the Current Fiscal Year: 100% (17/17 times)
<div>Reelection</div>	<div>[Brief History, Positions and Responsibilities in the Company]</div> <div> <div>May 2012</div> <div>General Manager, Head of Secretary Office of the Company</div> </div> <div> <div>May 2017</div> <div>Junior Executive Officer, Head of Secretary Office</div> </div> <div> <div>April 2018</div> <div>Executive Officer, Head of Secretary Office and Head of Human Resources Development Office</div> </div> <div> <div>June 2018</div> <div>Director and Senior Executive Officer, Head of Secretary Office and Head of Human Resources Development Office</div> </div> <div> <div>April 2019</div> <div>Director and Senior Executive Officer, Head of Secretary Office and General Manager of Human Resources and General Affairs Division</div> </div> <div> <div>June 2020</div> <div>Director and Managing Executive Officer, General Manager of Human Resources and General Affairs Division</div> </div> <div> <div>October 2020</div> <div>Director</div> </div> <div> <div>October 2020</div> <div>Director and Managing Executive Officer, General Manager of Human Resources and General Affairs Division of YAMADA DENKI CO., LTD. [Resigned from post in April 2022]</div> </div> <div> <div>April 2021</div> <div>Director and Executive Officer in charge of Human Resources and General Affairs Division of the Company</div> </div> <div> <div>April 2022</div> <div>Representative Director and Senior Managing Executive Officer in charge of Human Resources and General Affairs Division</div> </div> <div> <div>June 2024</div> <div>Representative Director, Vice President and Executive Officer in charge of Human Resources and General Affairs Division</div> </div> <div> <div>April 2025</div> <div>Representative Director, Vice President and Executive Officer CHRO [present post]</div> </div> <div> <div>[Significant Concurrent Positions]</div> <div>None</div> </div>	

	<p>[Reasons for Nomination as Candidate for Director]</p> <p>Megumi Kogure has more than ten years of practical experience in retail sales of household electrical appliances at the Company's stores. Followed by her appointment as Head of Secretary Office and then as Director in June 2018, she has served in positions such as General Manager of Human Resources and General Affairs Division, and she assumed the position of Representative Director in April 2022. As Representative Director, Vice President and Executive Officer CHRO, she has been particularly involved in sustainability initiatives through the business of the Group's ESG management, viewing human capital management as one of the Company's growth strategies to support the "Total-Living (Kurashi-Marugoto)" strategy focused on "people" for the next 50 years and promoting and contributing to management reforms through aggressive investment in human capital with a strong sense of mission and ability to execute. She considers "personnel (human resources)" as the Group's most important and biggest management resource, and believes that "without employee satisfaction, there is no customer satisfaction." Positioning diversity, equity, and inclusion as the Group's "growth strategy itself," she has planned and promoted a variety of reforms, including "the development of employee-friendly workplaces where diverse personnel can play an active role," "activities for an inclusive and healthy economy (increase the ratio of female managers, increase the percentage of female and male employees taking childcare leave, etc.)," "the training of next-generation leaders," "the enhancement of hands-on education and learning support tools to strengthen customer service and proposal skills," "the establishment of an impartial, fair, and transparent human resource evaluation system," and "the improvement of man-hour productivity." The candidate has fulfilled her responsibilities by working with a sense of speed to build a human resource base to support value creation through the "Total-Living (Kurashi-Marugoto)" strategy from her hands-on point of view with care, which are her strengths. On November 8, 2024, the Company announced its "2026/3~2030/3 Mid-Term Management Plan" with the final fiscal year ending March 31, 2030. "Employees" (= personnel (human resources)) who are important stakeholders, are at the root of achieving the Mid-Term Management Plan and other business goals, enhancing corporate value, and increasing shareholder value, and corporate growth cannot be achieved without "personnel (human resources)." We accordingly seek her reelection as Director, so that she can demonstrate her management ability from a hands-on point of view with care.</p>
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Note: There are no conflicts of interest between the candidate for Director, Megumi Kogure and the Company.

No. 4	Kenichi Koyano (Born on January 28, 1961)	Number of Shares Owned: 39,863 Years Served as Director: 1 year Attendance at the Board of Directors Meetings During the Current Fiscal Year: *92% (12/13 times)
*The number only covers the Board of Directors meetings held after his appointment in June 2024.		
Reelection	<p>[Brief History, Positions and Responsibilities in the Company]</p> <p>June 2009 Managing Executive Officer, Deputy General Manager of Finance and Accounting Division of the Company</p> <p>April 2012 Managing Executive Officer, Head of Finance Office, Finance and Accounting Division, and General Manager of Affiliates Profitability Management Department</p> <p>June 2012 Director and Managing Executive Officer, Head of Finance Office, Finance and Accounting Division, and General Manager of Affiliates Profitability Management Department</p> <p>June 2013 Director and Senior Executive Officer, Head of Finance Office, Finance and Accounting Division, and Head of Affiliates Management Office and General Manager of Affiliates Profitability Management Department</p> <p>June 2014 Director and Senior Executive Officer, Deputy General Manager of Finance and Accounting Division</p> <p>March 2015 Director and Senior Executive Officer, General Manager of Finance and Accounting Division and Head of Affiliates Management Office</p> <p>April 2016 Director and Senior Executive Officer, General Manager of Finance and Accounting Division</p> <p>May 2016 Representative Director and President of YAMADA FINANCE SERVICE Co., Ltd. [present post] [scheduled to resign from post in May 2025]</p> <p>July 2017 Executive Officer of the Company</p> <p>April 2019 Advisor</p> <p>June 2024 Director, Senior Managing Executive Officer</p> <p>April 2025 Director, Senior Managing Executive Officer CFO, and General Manager of Finance and Accounting Division [present post]</p> <p>April 2025 Representative Director and President, Yamada Finance Holdings Co., Ltd. [present post]</p> <p>[Significant Concurrent Positions]</p> <ul style="list-style-type: none"> • Representative Director and President, Yamada Finance Holdings Co., Ltd. 	

	<p>[Reasons for Nomination as Candidate for Director]</p> <p>Kenichi Koyano has extensive knowledge and a wealth of experience in the workplace focused on finance through his experience at a financial institution, and has served in positions such as General Manager of Finance and Accounting Division. He established YAMADA FINANCE SERVICE Co., Ltd., the core operating company of the Group's financial segment, in May 2016. As Representative Director and President of YAMADA FINANCE SERVICE Co., Ltd., he has a strong sense of mission and has demonstrated strong leadership as well as planning and execution skills since the early days of the Group's financial segment, playing a central role in establishing and driving the foundation of various finance businesses, including a card business, insurance business, loan business, and bank agency business. He has also implemented initiatives such as promoting the transition to a holding company structure in order to improve business efficiency, strengthen governance, and optimize and maximize support capabilities in the financial segment. In his role as Director, Senior Managing Executive Officer CFO of the Company, he oversees the entire Group's financial operations. He has expanded the possibilities of the "Total-Living (Kurashi-Marugoto)" strategy with his sense of speed and planning ability, including the acquisition of large-scale development and condominium properties that connect and complement each segment and make the most of the Group's financial strength, making a significant contribution to improving business performance and thereby fulfilling his responsibility through initiatives that leverage the strengths of the Group from a financial perspective. On November 8, 2024, the Company announced its "2026/3~2030/3 Mid-Term Management Plan" with the final fiscal year ending March 31, 2030. Contribution from a financial perspective, which is the "lifeblood of the company," is essential for maximizing the corporate value of the Group and promoting the "Total-Living (Kurashi-Marugoto)" strategy. His management skills are crucial for achieving the Mid-Term Management Plan and other business goals, enhancing corporate value, and increasing shareholder value, and we accordingly seek his election as Director.</p>
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- Notes:
1. There are no conflicts of interest between the candidate for Director, Kenichi Koyano and the Company.
 2. Kenichi Koyano is Representative Director and President of YAMADA FINANCE SERVICE Co., Ltd. However, he is scheduled to resign from his post as Representative Director and President of that company at the conclusion of that company's ordinary general meeting of shareholders to be held in May 2025.

No. 5	Tsuyoshi Nagano (Born on January 20, 1967)	Number of Shares Owned: 29,280 Years Served as Director: 1 year Attendance at the Board of Directors Meetings During the Current Fiscal Year: *100% (13/13 times)
*The number only covers the Board of Directors meetings held after his appointment in June 2024.		
Reelection	<p>[Brief History, Positions and Responsibilities in the Company]</p> <p>May 2015 Representative Director and President of SBI Wealth Partner Co., Ltd.</p> <p>March 2017 Managing Director of Sharaku Partners Co., Ltd.</p> <p>December 2018 Representative Director and President of Social Mobility, Inc.</p> <p>November 2020 Joined the Company In charge of special assignment in Chairman's Office</p> <p>April 2021 Outside Director of FOMM Corporation</p> <p>May 2022 Director-General of Large-Scale Consumer Electronics Distribution Association [present post]</p> <p>April 2024 Executive Officer, Head of Integrated Corporate Planning Office of the Company</p> <p>June 2024 Director, Executive Officer, Head of Integrated Corporate Planning Office [present post]</p> <p>[Significant Concurrent Positions]</p> <p>None</p> <p>[Reasons for Nomination as Candidate for Director]</p> <p>Tsuyoshi Nagano has, since joining The Sanwa Bank, Limited (currently MUFG Bank, Ltd.), engaged in sales, business development, new business development, system development, and marketing at domestic and overseas financial institutions such as Citibank, N.A., Mizuho Trust & Banking Co., Ltd., and Credit Suisse Securities (Japan) Limited. He has a wealth of experience in both practical and managerial aspects, including management experience as Representative Director and President at SBI Wealth Partner Co., Ltd., and consulting work for government agencies and corporations, including social system design, at Sharaku Partners Co., Ltd. Since assuming the position of Director of the Company, he has supervised various divisions including corporate planning, corporate strategy, and public relations as the Head of Integrated Corporate Planning Office. He has utilized his planning ability to promote the Group's growth strategy, including business efficiency improvements across each business segment, M&A, and capital and business alliances. On November 8, 2024, the Company compiled and announced its "2026/3~2030/3 Mid-Term Management Plan." Since 2022, he has promoted industry-wide collaboration as the Director-General of Large-Scale Consumer Electronics Distribution Association and been instrumental in the establishment of the Consumer Electronics Supply Chain Association, thereby contributing to the development of the household electrical appliance distribution industry. As previously stated, on November 8, 2024, the Company announced its "2026/3~2030/3 Mid-Term Management Plan" with the final fiscal year ending March 31, 2030. Supporting positive strategies such as collaboration among segments, M&A, and open innovation when promoting the "Total-Living (Kurashi-Marugoto)" strategy is becoming increasingly important for sustainable growth, enhancement of corporate value, and improvement of shareholder value. His management skills are crucial for achieving the Mid-Term Management Plan and other business goals, and we accordingly seek his election as Director.</p>	

Note: There are no conflicts of interest between the candidate for Director, Tsuyoshi Nagano and the Company.

No. 6	Tsukasa Tokuhira (Born on May 3, 1954)	Number of Shares Owned: 25,700 Years Served as Outside Director: 11 years Attendance at the Board of Directors Meetings During the Current Fiscal Year: 100% (17/17 times)
<div>Reelection</div> <div>Outside</div> <div>Independent</div>	<p>[Brief History, Positions and Responsibilities in the Company]</p> <p>April 1977 Joined Hanbai Noritsu Zoshin Honbu Co., Ltd.</p> <p>April 1984 Manager of Guidance Division at Hanbai Noritsu Zoshin Honbu Co., Ltd.</p> <p>February 1987 Representative Director and President of Fic Limited [present post]</p> <p>July 2007 Representative Director and President of Cross Co., Ltd. [present post]</p> <p>June 2014 Outside Director of the Company [present post]</p> <p>[Significant Concurrent Positions]</p> <ul style="list-style-type: none"> • Representative Director and President of Cross Co., Ltd. • Representative Director and President of Fic Limited <p>[Reasons for Nomination as Candidate for Outside Director and Overview of Expected Roles]</p> <p>Tsukasa Tokuhira is an expert in the household electrical appliance industry with over 30 years of experience and know-how as a consultant. He conducts his own investigations and analysis of areas ranging from sales floors to the market environment in Japan as well as other countries. He specializes in consulting tailored to the changing social structure, providing education, training, seminars, and e-learning content customized to each company's unique issues based on these investigations as well as providing interactive generative AI services to support retail salespeople. In particular, his household electrical appliance industry demand forecasting has been highly regarded not only in the household electrical appliance industry, but also in other retail and securities industries thanks to his data analysis and precise information collected over many years. He also provides valuable opinions and advice from an objective, fair, and hands-on point of view based on his wealth of experience and knowledge gained over many years in relation to the Company's management. In addition, he excels at consultation on combining stores and EC, which is one important theme in the retail industry overall. He provides market analysis and suggestions, advice and support from a hands-on point of view in relation to the expansion of the e-commerce business that makes maximum use of store infrastructure in the Group's "Total-Living (Kurashi-Marugoto)" strategy. On November 8, 2024, the Company announced its "2026/3~2030/3 Mid-Term Management Plan" with the final fiscal year ending March 31, 2030. As an independent outside Director, his objective industry analysis and advice based on experience from a third-party perspective and suggestions and advice to the Company's management are crucial for further strengthening of governance, sustainable growth and improvement in corporate value as well as promoting the "Total-Living (Kurashi-Marugoto)" strategy that the Group is aiming for. We accordingly seek his reelection as Director.</p>	

- Notes:
1. There are no conflicts of interest between the candidate for Director, Tsukasa Tokuhira and the Company.
 2. Tsukasa Tokuhira is a candidate for outside Director of the Company.
The Company has submitted notification to Tokyo Stock Exchange, Inc. that Tsukasa Tokuhira has been appointed as an independent officer as provided for in Article 436-2 of the Securities Listing Regulations of the aforementioned exchange. If the reelection of Tsukasa Tokuhira is approved, the Company plans for his appointment as an independent officer to continue.
 3. Facts relating to the Company or its specified associated service provider:
N/A
 4. Outside Director and the Limitation Liability Agreement:
N/A

No. 7	Miki Mitsunari (Born on February 29, 1972)	Number of Shares Owned: 6,800 Years Served as Outside Director: 5 years Attendance at the Board of Directors Meetings During the Current Fiscal Year: 100% (17/17 times)
<div>Reelection</div> <div>Outside</div> <div>Independent</div>	<p>[Brief History, Positions and Responsibilities in the Company]</p> <p>April 1994 Joined TOKYU LAND CORPORATION</p> <p>February 2001 Joined Fuji Sogo Research Institute (currently Mizuho Information & Research Institute, Inc.)</p> <p>September 2011 President of FINEV inc. [present post]</p> <p>March 2020 Outside Director of Funai Soken Holdings Inc. [Resigned from post in March 2023]</p> <p>June 2020 Director (part-time) of Japan Accreditation Board [present post]</p> <p>June 2020 Outside Director of the Company [present post]</p> <p>June 2022 Outside Director of Solasto Corporation [present post]</p> <p>June 2023 Outside Director of YUASA TRADING CO., LTD. [present post]</p> <p>[Significant Concurrent Positions]</p> <ul style="list-style-type: none"> • President of FINEV inc. • Director (part-time) of Japan Accreditation Board • Outside Director of Solasto Corporation • Outside Director of YUASA TRADING CO., LTD. <p>[Reasons for Nomination as Candidate for Outside Director and Overview of Expected Roles]</p> <p>Miki Mitsunari has a wealth of knowledge and consulting skills in matters such as sustainability initiatives including climate-related and natural environment in line with corporate strategies, and evaluation, analysis, and visualization using geographic information systems (GIS), and provides support to many companies. At the same time, she is highly regarded as an extremely capable expert, serving as an outside director outside of the Company, as an expert member of a government agency, and as a director and councilor of several public interest foundations. The Group has set three SDG priority areas for solving social issues through the business to meet the needs of wide-ranging stakeholders through ESG and sustainability management, and actively promotes sustainability initiatives. She has provided us with advice on various human resource system reforms, including investment in and utilization of human capital as well as reforms in work styles, in order to build a foundation for promoting the Group's "Total-Living (Kurashi-Marugoto)" strategy. She has also provided us with information based on store and area analysis that leverages GIS and other digital information for large-scale investment projects in Japan and overseas, as well as constructive opinions and advice from an objective and fair point of view in terms of suggestions and risks. On November 8, 2024, the Company announced its "2026/3~2030/3 Mid-Term Management Plan" with the final fiscal year ending March 31, 2030. The Company believes that promoting the "Total-Living (Kurashi-Marugoto)" strategy that the Group is aiming for cannot be separated from ESG and sustainability management, and that it will instead become even more important going forward. We believe that her objective and incisive advice as an independent outside Director based on her wealth of knowledge will continue to be crucial for the Group's contribution to society, enhancement of corporate value, and improvement of shareholder value, and accordingly seek her reelection as Director.</p>	

- Notes:
1. Director candidate Miki Mitsunari is a President of FINEV inc., and an outside Director of YUASA TRADING CO., LTD. The Company is receiving advice on sustainability, etc. from FINEV inc. However, the amount of transactions with that company is less than 0.0001% of the Company's consolidated sales. The Company also has transactions such as the purchase and sale of mainly electrical machinery and equipment with YUASA TRADING CO., LTD. However, the amount of transactions with that company is less than 0.0002% of the Company's consolidated sales. The Company considers that there is no materiality that could cause relationships of special interest to arise between the Company and both companies.
 2. Miki Mitsunari is a candidate for outside Director of the Company. The Company has submitted notification to Tokyo Stock Exchange, Inc. that Miki Mitsunari has been appointed as an independent officer as provided for in Article 436-2 of the Securities Listing Regulations of the aforementioned exchange. If the reelection of Miki Mitsunari is approved, the

Company plans for her appointment as an independent officer to continue.

3. Facts relating to the Company or its specified associated service provider:
N/A
4. Outside Director and the Limitation Liability Agreement:
N/A

(Reference) Skill Matrix of Directors (Including Candidates)

The areas in which the Company particularly expects the display of skills (knowledge and experience) by Directors to fulfill their roles and responsibilities and appropriately demonstrate their decision-making and management supervisory functions in order to realize the Group's management philosophy, promote the "Total-Living (Kurashi-Marugoto)" strategy, and strengthen governance are selected as follows. We believe the Board of Directors as a whole has the necessary skills.

Name	Gender	Attribute	Areas in which the Company particularly expects the display of skills				
			Corporate Management and Organization Management	Internal Control (incl. Legal and Risk Management)	Store Development	Marketing	Logistics and Services
Noboru Yamada (Representative Director and Chairperson)	Male		●	●	●	●	●
Yoshinori Ueno (Representative Director and President)	Male		●	●	●	●	●
Megumi Kogure (Representative Director)	Female		●	●			
Kenichi Koyano (Director)	Male		●	●			
Tsuyoshi Nagano (Director)	Male		●	●			●
Tsukasa Tokuhira (Director)	Male	Independent Outside				●	
Miki Mitsunari (Director)	Female	Independent Outside			●		
Makoto Igarashi (Audit and Supervisory Committee Member)	Male		●	●			
Kenji Yamazaki (Audit and Supervisory Committee Member)	Male		●	●			
Somuku Iimura (Audit and Supervisory Committee Member)	Male	Independent Outside		●			
Kunimitsu Yoshinaga (Audit and Supervisory Committee Member)	Male	Independent Outside					
Hirohisa Ishii (Audit and Supervisory Committee Member)	Male	Independent Outside					

Name	Gender	Attribute	Areas in which the Company particularly expects the display of skills			
			IT/DX	Personnel, Human Resources Development and Training	Finance and Accounting	ESG and Sustainability
Noboru Yamada (Representative Director and Chairperson)	Male					●
Yoshinori Ueno (Representative Director and President)	Male		●			
Megumi Kogure (Representative Director)	Female			●		●
Kenichi Koyano (Director)	Male				●	●
Tsuyoshi Nagano (Director)	Male		●			
Tsukasa Tokuhira (Director)	Male	Independent Outside		●		
Miki Mitsunari (Director)	Female	Independent Outside	●			●
Makoto Igarashi (Audit and Supervisory Committee Member)	Male				●	
Kenji Yamazaki (Audit and Supervisory Committee Member)	Male		●			
Somuku Imura (Audit and Supervisory Committee Member)	Male	Independent Outside				
Kunimitsu Yoshinaga (Audit and Supervisory Committee Member)	Male	Independent Outside			●	
Hirohisa Ishii (Audit and Supervisory Committee Member)	Male	Independent Outside			●	

Note: “●” indicates areas for which the Company has particular expectations, but this is not an indicator of all knowledge and experience.

BUSINESS REPORT

Fiscal year ended March 31, 2025

I. Status of the Group

(1) Review of Operations for the Fiscal Year

[On background of economies at home and abroad]

During the fiscal year under review, the Japanese economy as a whole was on a gradual recovery trend, due to the upward trend in wages and the effects of various policies. On the other hand, the outlook still remains uncertain mainly due to heightened geopolitical risks and uncertainties in the global situation and economy.

In the consumer electronics retail industry, sales of high value-added products such as drum-type washing machines and air conditioners with excellent energy-saving performance remained robust against the backdrop of climatic factors and a recovery trend in personal consumption, while consumers continued to economize in their daily lives in reaction to the rising cost of living brought about by high prices, declining real wages and reduced disposable income that had continued until now.

[On the Company's efforts]

In this market environment, the Group worked to build a structure that continuously increases revenues and profits by implementing five priority measures under the “Total-Living (Kurashi-Marugoto)” strategy: “active development of area stores by business category with LIFE SELECT as the core,” “strengthening our e-commerce,” “active development of SPA products,” “strengthening complete proposals of Total-Living (Kurashi-Marugoto) through YAMADA Smart House” and “achieve targets by setting goals for issues by each operating company.”

In addition, the Group announced the “2026/3 - 2030/3 Mid-Term Management Plan” on November 8, 2024, as its future policy toward the completion of this “Total-Living (Kurashi-Marugoto)” strategy. By executing a company-wide strategy centered on LIFE SELECT set out in the Plan and maximizing Group synergies, we will aim to achieve our sales target of ¥2.2 trillion for the fiscal year ending March 31, 2030.

Consolidated net sales for the fiscal year under review increased 2.3% year on year to ¥1,629,069 million, operating profit increased 3.2% year on year to ¥42,821 million, ordinary profit increased 2.1% year on year to ¥48,045 million, and profit attributable to owners of parent increased 11.9% year on year to ¥26,912 million, resulting in increased revenue and profit. The main reasons for these results are (1) an increase in demand for durable consumer goods due to a pickup in personal consumption, (2) growth in sales of seasonal home appliances such as air conditioners due to weather factors, (3) sales and profit growth at operating companies starting with YAMADA HOMES, driven by Group synergies.

In addition to the aforementioned contribution from sales, reductions in the rise of selling and administrative expenses, such as personnel expenses and advertising expenses, were achieved through not only efforts to increase store productivity by consolidating and closing stores, etc. in line with opening of LIFE SELECT stores but also other measures to optimize advertising, such as strengthening digital advertising in place of paper flyers. We will continue to carry out these measures in the future.

[On number of stores]

The number of consolidated retail stores, including those overseas at the end of the fiscal year under review encompassing 19 new store openings and 46 store closures, was 978 directly-managed stores (comprising 949 stores directly managed by Yamada Denki and 29 stores operated by other consolidated subsidiaries). The total number of stores of the Group, including the stores managed by franchise stores, was 8,838.

(2) Trends in Operating Results and Assets

	Fiscal 2021	Fiscal 2022	Fiscal 2023	Fiscal 2024
Net sales (millions of yen)	1,619,379	1,600,586	1,592,009	1,629,069
Ordinary profit (millions of yen)	74,136	50,064	47,037	48,045
Profit attributable to owners of parent (millions of yen)	50,555	31,824	24,055	26,912
Basic earnings per share (yen)	60.96	40.25	34.78	38.90
Total assets (millions of yen)	1,271,668	1,271,181	1,288,994	1,324,980
Net assets (millions of yen)	676,277	611,775	624,174	645,275

(3) Issues the Group will be Addressing

As for the fiscal year ending March 31, 2026, personal consumption is expected to continue to increase moderately due to the trend in rising wages, the effects of various economic policies, and greater inbound demand. However, there are also downside economic risks including struggling consumer sentiment due to continued rising prices and the impact of U.S.-Japan monetary and trade policy, meaning the future of the Japanese economy remains uncertain overall, and sufficient caution is required.

Against the backdrop of this market environment, with an eye on the Company's vision for 2030, and to realize even greater long-term growth, we will begin advancing our "2026/3 - 2030/3 Mid-Term Management Plan," which starts in 2025. As part of the Mid-term Management Plan, we will advance initiatives aimed at the completion of our Group-wide "Total-Living (Kurashi-Marugoto)" strategy, expand Group synergies, and build a structure for sustainable corporate growth. In addition, the Group is promoting ESG and sustainability management, and will also advance greater efforts than ever to build a recycling-oriented society and to promote human capital management. The main themes that we are pursuing in each segment are as follows.

Consumer Electronics Segment

(1) Expand market share by developing area stores with LIFE SELECT stores as the core, (2) improve profitability by maintaining an optimized pricing strategy, (3) expand the e-commerce business by utilizing the most of our group infrastructure, (4) PB + SPA products: improve the product profit ratio and differentiation through the aggressive development of original Yamada products, (5) expand the growth businesses of renovation and furniture and home interiors, and (6) promote sell-out product strategies and improve merchandise turnover by optimizing inventory management and reforming the balance sheet.

We also newly established the Operational Streamlining Department to review company-wide organizational and cost structures. Starting with fundamental structural reforms of our headquarter management functions and sales support functions, we are streamlining our logistics bases and distribution supply chains in response to the 2024 problem, optimizing personnel allocation through store consolidation and streamlining, shifting sales promotion to digital by strengthening acquisition of digital members, and optimizing and maximizing measures through the use of DX, in order to improve productivity and business efficiency.

Housing Segment

We will promote the following initiatives: (1) strengthen our strategy of selling subdivided and detached houses with land, (2) improve sales by raising unit prices through sales of new products and by expanding sales areas, (3) promote the use of DX to shorten and level the period between receiving orders and starting construction, (4) expand second-hand home purchase and resale business, (5) aggressively purchase real estate by strengthening our real estate network, and (6) utilize Group management resources, such as "Housing Consultation Counters" that leverage the Yamada Denki network.

Financial Segment

(1) Further product revision of YAMADA NEOBANK housing loans and collaboration with home appliance, furniture and interiors, and renovation sales schemes, (2) expansion of house card LABI Card business and contribution to the construction of big data, and (3) expand premiums written and secure stock revenue by expanding insurance product sales channels.

We will continue to develop and propose various financial products (loans, payment services, and various types of insurance) from the customer's perspective that can serve as a driving force for the expansion of our "Total-Living (Kurashi-Marugoto)" strategy.

Environment Segment

The Group will promote a self-contained group-wide resource and environment system, including: (1) strengthening the production system for reused products by establishing a reuse and recycling system, including strengthening the purchase of home appliances and building a new reuse plant (Yamada Western Japan Reuse Center, Yamaguchi Plant: operation started in May 2025), and (2) starting construction of an energy plant (waste incineration power generation facility: scheduled to start operation in 2027), among others.

II. System for ensuring the properness of business operations and implementation of that system

The following is a summary of the systems to ensure that the Directors perform their duties in compliance with the applicable laws and the Company's Articles of Incorporation and to ensure that all other operations by the Company are carried out in a proper manner (most recently revised on June 27, 2024).

System for ensuring the properness of business operations

1. System for ensuring that Directors and employees perform their duties in compliance with the applicable laws and regulations and the Articles of Incorporation

a Compliance Committee

Directors in charge of compliance shall organize the Compliance Committee, which is involved in formulating corporate ethics policies and basic policy and standards on compliance with laws and regulations (compliance provisions), and establish codes of conduct on that basis requiring that Directors and employees act in accordance with laws and regulations, the Articles of Incorporation and the Company's employment rules and other internal rules.

Education to Directors and employees shall be provided to ensure thorough implementation in this regard led by the Compliance Committee. These initiatives are reported on a regular basis to the Board of Directors and the Audit and Supervisory Committee.

b Establishment of the ESG/Sustainability Promotion Committee

The Company shall establish the ESG/Sustainability Promotion Committee, in full recognition of the significance of corporate social responsibility, as a means of putting ESG and Sustainability Promotion-focused management into practice as part of the management policy. The CSR Committee shall pursue initiatives based on the Code of Conduct and Code of CSR Ethics in areas that include compliance, labor, customer satisfaction, environmental and social issues and the progress status shall be confirmed at each sectional meeting.

c Whistle-blowing system

Upon becoming aware of incidents involving the performance of duties by the Company's Directors and employees that are questionable in terms of laws and regulations, individuals regardless of their position shall report such matters directly to the organizational contact set up to receive internal reports, pursuant to the regulations on the whistle-blowing system. The Compliance Committee shall endeavor to make the existence of the whistle-blowing system known.

d Department in charge of internal audit

The department in charge of internal audit shall operate independently of the Company's operating divisions. It shall perform internal audits on legal compliance of individual sectors and audits encompassing areas such as, information security management systems (ISMS), information systems, information security and personal information protection. It shall also audit work processes and other operations of individual sectors, and take steps to uncover and prevent improprieties and to improve processes.

2. System for storage and control of information concerning the Directors' performance of their duties

a Manager in charge of information storage and management

With respect to the storage and management of information pertaining to the Directors' performance of duties, the Company shall store the documents set forth below (including electro and magnetic records thereof) along with related materials under the responsibility of the director in charge of general affairs and in accordance with the Company's Regulations on Document Management and Handling.

- i. Minutes of General Meetings of Shareholders
- ii. Minutes of meetings of the Board of Directors
- iii. Financial statements
- iv. Internal circulars for managerial decision (ringi-sho)
- v. Minutes of meetings of respective committees
- vi. Documents otherwise designated in the Company's Regulations on Document Management and Handling

b Amendments to the Regulations on Document Management and Handling

Approval of the Board of Directors shall be obtained when amending the Regulations on Document Management and Handling.

c The Company shall develop regulations related to protection of personal information and management of trade secrets, and store and manage personal information and important trade secrets in an appropriate and safe manner.

3. Regulations on management of risk of loss and other systems

a Risk Management Committee

The Director in charge of risk management shall organize the Risk Management Committee and formulate the Risk Management Basic Regulations. Accordingly, the committee shall categorize risks in the regulations and establish specific risk management systems.

b Crisis management system in the event of disaster

The Director in charge of risk management shall prepare a disaster response measures manual and develop crisis management system in accordance with the manual. The Director in charge of risk management shall endeavor to make details of the manual known and provide education regarding disaster response.

4. System to ensure that Directors perform their duties efficiently

When making decisions on allocating duties of Directors and conferring segregations of duties and authority of individual sectors, the Board of Directors (or the Representative Directors) shall be careful not to make decisions that would result in bloated back-office operations, overlapping administrative sectors, intertwined areas of authority or would otherwise significantly impede efficiency.

5. System for ensuring the properness of business operations of the Group consisting of the Company, its parent company and its subsidiaries

a The Company shall establish a system in which the Directors (excluding those who are Audit and Supervisory Committee Members) of the Company shall each oversee the management and performance of subsidiaries under their respective control and ensure the properness of such business operations.

b The Company's subsidiaries shall execute their business operations in accordance with basic agreements for operating companies and internal regulations of the respective subsidiaries, and such agreements and regulations shall be reviewed as needed.

- c To achieve optimal performance and budget management of its subsidiaries, the Company shall hold monthly sectional meetings for each operating company for managing subsidiaries' overall performance and budgets on the basis of medium-term business plans and annual budgets, and furthermore hold sectional meetings with its principal subsidiaries as appropriate.
 - d When deemed necessary, the department in charge of internal audit may conduct audits related to business operations of subsidiaries.
- 6. System for reporting to the Company on matters pertaining to performance of duties by subsidiaries' directors, etc.
 - a The Company shall stipulate the procedures and content of reporting to the Company from subsidiaries in basic agreements for operating companies and provide appropriate guidance and advice on matters reported, while respecting the autonomy of subsidiary management.
 - b The Company shall ensure the properness of subsidiary business operations by receiving reports on the status of subsidiary management and financial position at Management Strategy Meetings, or monthly sectional meetings for each business segment.
- 7. Regulations on management of risk of loss of subsidiaries and other systems
 - a The Company shall make its Risk Management Basic Regulations thoroughly known to its subsidiaries.
 - b The Company shall receive weekly risk management and compliance status reports from all of its subsidiaries, by receiving checklists for monitoring compliance.
 - c Each subsidiary of the Company shall establish basic policies on risk management.
 - d In the event that a Director (excluding those who are Audit and Supervisory Committee Members) of the Company receives a report on risk of loss from a subsidiary under their respective control, it shall investigate the relevant facts in the case and report the matter to the Director in charge of risk management.
- 8. System for ensuring that subsidiaries' directors, etc. perform their duties efficiently
 - a The Company's Board of Directors shall formulate medium-term business plans, medium- to long-term business strategy in which subsidiaries are involved, and coordinate with subsidiaries in establishing key management goals based on such plans and strategies, and making progress in that regard.
 - b The Company shall stipulate procedures in its basic agreements for operating companies with respect to individual matters for approval involving its subsidiaries, and take steps to streamline decision-making in that regard.
- 9. System for ensuring that subsidiaries' directors, etc. and employees perform their duties in compliance with the applicable laws and regulations and the Articles of Incorporation
 - a The Company shall verify the status of subsidiaries' operations using weekly checklists for monitoring compliance, and report such outcomes to the Compliance Committee as necessary.
 - b The Company's whistle-blowing system shall also be used by its subsidiaries to prevent violations of laws and regulations and the Articles of Incorporation. The Company shall receive reports regarding the status of any disciplinary action taken on the basis of violations of laws and regulations or the Articles of Incorporation.
 - c In order to perform audits on the appropriateness of the execution of duties by directors and employees in coordination with audit & supervisory board members of a subsidiary, Directors and employees of the Company may concurrently serve as audit & supervisory board members of a subsidiary.

10. System regarding employees to assist duties of the Audit and Supervisory Committee when the Audit and Supervisory Committee requests to assign such employees, and matters regarding the independence of such employees from the Directors (excluding those who are Audit and Supervisory Committee Members)

a Assigning an employee to act as an audit assistant

When the Audit and Supervisory Committee requests the Board of Directors that an employee be assigned as an audit assistant to assist in his or her duties, the Board of Directors shall make the necessary organizational changes and personnel rotations upon consulting with the Audit and Supervisory Committee.

b Duties of an audit assistant

Audit assistants shall be formally posted as assistant to the Audit and Supervisory Committee and assist with duties of the Audit and Supervisory Committee and Audit and Supervisory Committee operations as instructed and ordered.

c Independence of an audit assistant

- i. An audit assistant shall work under the instructions and orders of the Audit and Supervisory Committee, and as such is not subject to the instructions or orders of Directors or any person positioned as his or her superior or the like in the organization unit to which the audit assistant belongs.
- ii. In performing their tasks, audit assistants may gather all information necessary for the audit.
- iii. Consent of the relevant Audit and Supervisory Committee must be obtained for matters involving personnel rotations (this includes consent for the transfer destination in case of personnel transfer), personnel evaluation and disciplinary action of an audit assistant.

11. Matters regarding ensuring effectiveness of the Audit and Supervisory Committee's instructions to employees to assist them in their duties

a Supervisory authority

The Audit and Supervisory Committee may instruct audit assistants as necessary for conducting audit work, and audit assistants shall have the authority to conduct necessary investigations based on such instructions.

b Cooperative framework

When an audit assistant concurrently serves as an employee of another department, priority must be given to the employee's duties pertaining to the Audit and Supervisory Committee. Moreover, superiors of the other department with which the employee concurrently serves, and Directors, must provide support as necessary upon request with respect to performance of such duties.

12. System for Directors and employees to report to the Audit and Supervisory Committee and the system concerning other reports to the Audit and Supervisory Committee

a Directors' obligation to report

A Director (excluding a Director who is an Audit and Supervisory Committee Member) must promptly report to the Audit and Supervisory Committee with respect to any discovery of an incident where work performed by another Director or an employee is in violation of laws and regulations, or threatens to cause significant damage to the Company. However, if all Audit and Supervisory Committee members have been notified of matters to be reported to the Audit and Supervisory Committee, they are not required to report such matters to the Audit and Supervisory Committee.

b Employees' right to report

An employee may report to the Audit and Supervisory Committee with respect to any discovery of an incident where work performed by a Director or another employee is in violation of laws and regulations, or threatens to cause significant damage to the Company.

c Internal reporting

The organizational contact set up to receive internal reports shall report matters involving the status of internal reporting to the Audit and Supervisory Committee.

13. System for reporting to the Audit and Supervisory Committee by the following in subsidiaries: directors, accounting advisors, audit & supervisory board members, executive officers, executive members, persons executing duties set forth in Article 598, Paragraph 1 of the Companies Act, persons equivalent to such persons, and employees, or persons who receive reports from the foregoing persons
 - a Directors and employees of a subsidiary shall immediately report to the Director of the Company, in charge of the subsidiary under its respective control, or the Audit and Supervisory Committee, if they discover an incident that significantly damages the subsidiary or threatens to do so, or otherwise if they discover a material incident involving violation of laws and regulations, the articles of incorporation or internal regulations within the subsidiary.
 - b With respect to matters involving reports received from directors of subsidiaries, any matters that Directors are to report to the Audit and Supervisory Committee of the Company shall be those determined through mutual consultation between Directors and Audit and Supervisory Committee Members.
14. System for ensuring that persons who have reported matters are not treated disadvantageously on the grounds of their reporting
 - a Persons who have reported matters to the Audit and Supervisory Committee or an Audit and Supervisory Committee Member shall not be treated disadvantageously in any way on the grounds of their reporting as set forth in the preceding paragraphs.
 - b When making decisions regarding the whistleblower with respect to personnel rotation, performance evaluation and disciplinary action, the fact of whistleblowing must not be a consideration, and the whistleblower may request the Audit and Supervisory Committee to conduct an inquiry into the reason for personnel rotation, performance evaluation and disciplinary action.
15. Matters regarding policies pertaining to procedures for prepayment or reimbursement of expenses (limited to those related to the execution of duties by the Audit and Supervisory Committee) arising with respect to performance of an Audit and Supervisory Committee Member's duties, or otherwise processing of expenses or debt obligations arising with respect to performance of such duties
 - a Presentation of budget

The Audit and Supervisory Committee shall present a preliminary budget to the Company with respect to expenses deemed necessary in performing duties.
 - b Claims for expenses, etc.

Directors may not reject the hereinafter listed claims made by an Audit and Supervisory Committee Member, etc. with respect to performance of his or her duties, unless it has been demonstrated that an expense or debt obligation pertaining to the claim is unnecessary with respect to performance of the Audit and Supervisory Committee Member's duties.

 - i. Claim for prepayment of expenses
 - ii. Claim for reimbursement of expenses already paid and interest on such amounts accrued after the date of payment
 - iii. Claim for making repayment to a person to whom a debt obligation is owed (or provision of reasonable guarantee of such amount in cases where the repayment due date of the obligation has not yet arrived)

16. System for ensuring that the Audit and Supervisory Committee performs audits effectively

The Audit and Supervisory Committee is provided preliminary explanations with respect to annual plans for audits to be implemented by the department in charge of internal audit, and may ask for revisions to such plans and make other such requests. Moreover, Audit and Supervisory Committee may be appropriately provided reports regarding the status of internal audit implementation, and may call for performance of additional audits, improvement of business operations and other such requests, when deemed necessary.

[Overview of implementation of system for ensuring the properness of business operations]

1. Compliance initiatives

Directors attended monthly Compliance Committee meetings where they confirmed the status of compliance management at each subsidiary, identified issues, and discussed improvement measures and so forth. Moreover, at compliance sectional meetings, a theme was decided each month and training regularly implemented for officers and employees of the Company and its subsidiaries to help raise awareness of compliance issues.

2. Risk management initiatives

Directors attended monthly Risk Management Committee meetings where they endeavored to identify risks and implement appropriate measures to prevent the emergence of risks, in an effort to control them. Moreover, efforts to heighten disaster awareness included Company-wide emergency preparedness training simulating large-scale disasters held twice during the year.

3. Initiatives to ensure properness and efficiency in performance of duties

Senior management attended monthly Management meetings where they endeavored to make swift decisions and execute business operations efficiently.

4. Performance of Audit and Supervisory Committee Members' duties

A system was established to ensure appropriate implementation of audits, with two Full-time Audit and Supervisory Committee Members assigned to serve in that position. The Full-time Audit and Supervisory Committee Members attended Board of Directors meetings, Management meetings and other important internal meetings where they appropriately provided their opinions, and otherwise endeavored to ensure effectiveness of audits by gaining an understanding of important Company information and sharing such information in coordination with the department in charge of internal audit and other relevant departments.

5. Initiatives to ensure appropriate compliance and risk management in the Company's subsidiaries, and properness and efficiency in performance of duties

Objectives and policies formulated on the basis of medium-term business plans and medium- to long-term business strategy were shared with the Company's subsidiaries, and meetings were regularly held to ascertain progress made with respect to business performance and budget management as appropriate to the inherent characteristics of respective subsidiaries.

The Legal Affairs Office receives reports on the status of internal control and compliance from respective subsidiaries and regularly reports such content to the Compliance Committee, and establishes a system that enables immediate collaboration to identify and respond to risks as they arise.

The Company has established a Business Audit Department for subsidiaries, which regularly performed audits of subsidiaries in order to ensure their appropriate work processes and actively cooperated with their audit departments in an effort to enhance governance.

The Company's Audit and Supervisory Committee Members concurrently served as audit & supervisory board members of its subsidiaries, regularly received reports at Management Strategy Meetings and audit briefings, and compiled details on the status of management and other necessary information, striving to ensure effectiveness of audit.

CONSOLIDATED BALANCE SHEETS

As of March 31, 2025

(Millions of yen)

ASSETS	
Current assets:	
Cash and deposits	58,378
Notes receivable - trade	3,867
Accounts receivable - trade	96,998
Accounts receivable from completed construction contracts	892
Operating loans	14,755
Securities	9,997
Merchandise and finished goods	336,660
Real estate for sale	57,709
Costs on construction contracts in progress	6,401
Work in process	999
Raw materials and supplies	5,496
Other current assets	64,024
Allowance for doubtful accounts	(930)
Total current assets	655,250
Non-current assets:	
Property and equipment:	
Buildings and structures, net	210,733
Land	204,720
Lease assets, net	12,693
Construction in progress	16,280
Other, net	10,285
Total property and equipment, net	454,713
Intangible assets	39,144
Investments and other assets:	
Investment securities	15,423
Long-term loans receivable	3,333
Retirement benefit asset	3,126
Deferred tax assets	54,779
Guarantee deposits	77,469
Other assets	24,431
Allowance for doubtful accounts	(2,692)
Total investments and other assets	175,872
Total non-current assets	669,729
Total assets	1,324,980

CONSOLIDATED BALANCE SHEETS

As of March 31, 2025

(Millions of yen)

LIABILITIES AND NET ASSETS	
LIABILITIES:	
Current liabilities:	
Notes and accounts payable - trade	84,529
Accounts payable for construction contracts	14,671
Short-term borrowings	150,093
Current portion of long-term borrowings	49,772
Lease liabilities	6,017
Income taxes payable	13,129
Contract liabilities	48,563
Advances received on construction contracts in progress	21,478
Provision for bonuses	14,866
Other provisions	3,982
Other current liabilities	62,296
Total current liabilities	469,402
Non-current liabilities:	
Long-term borrowings	110,321
Lease liabilities	9,348
Provision for retirement benefits for directors (and other officers)	335
Allowance for warranty	1,441
Other provisions	723
Retirement benefit liability	33,536
Asset retirement obligations	45,015
Other long-term liabilities	9,580
Total long-term liabilities	210,302
Total liabilities	679,704
NET ASSETS:	
Shareholders' equity:	
Share capital	71,149
Capital surplus	74,774
Retained earnings	614,979
Treasury shares	(129,118)
Total shareholders' equity	631,785
Accumulated other comprehensive income:	
Valuation difference on available-for-sale securities	(341)
Foreign currency translation adjustment	2,418
Remeasurements of defined benefit plans	3,226
Total accumulated other comprehensive income	5,304
Share acquisition rights	2,233
Non-controlling interests	5,952
Total net assets	645,275
Total liabilities and net assets	1,324,980

(Millions of yen with fractional amounts discarded, unless otherwise noted)

CONSOLIDATED STATEMENTS OF INCOME

Fiscal year ended March 31, 2025

		(Millions of yen)
Net sales		1,629,069
Cost of sales		1,171,709
Gross profit		457,360
Selling, general and administrative expenses		414,539
Operating profit		42,821
Non-operating income:		
Interest income	469	
Purchase discounts	2,102	
Electricity sale income	1,810	
Other	5,954	10,336
Non-operating expenses:		
Interest expenses	2,289	
Rent expenses on closed store	597	
Electricity sale expenses	448	
Other	1,776	5,112
Ordinary profit		48,045
Extraordinary income:		
Gain on sales of non-current assets	1,770	
Gain on sale of investment securities	1,433	3,203
Extraordinary loss:		
Loss on disposal of non-current assets	1,606	
Impairment losses	6,279	
Other	496	8,382
Profit before income taxes		42,867
Income taxes-current		18,920
Income taxes-deferred		(3,492)
Profit		27,439
Profit attributable to non-controlling interests		526
Profit attributable to owners of parent		26,912

(Millions of yen with fractional amounts discarded, unless otherwise noted)

CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS

Fiscal year ended March 31, 2025

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock, at cost	Total shareholders' equity
Balance at April 1, 2024	71,149	74,670	597,151	(129,934)	613,036
Changes of items during the period					
Dividends of surplus			(8,999)		(8,999)
Profit attributable to owners of parent			26,912		26,912
Purchase of treasury shares				(1)	(1)
Disposal of treasury shares		(32)		817	785
Change in scope of consolidation			0		0
Increase by merger			(85)		(85)
Change in ownership interest of parent due to transactions with non-controlling interests		135			135
Changes in items other than shareholders' equity, net					
Total changes during period	—	103	17,828	816	18,748
Balance at March 31, 2025	71,149	74,774	614,979	(129,118)	631,785

	Accumulated other comprehensive income				Subscription rights to shares	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities, net of taxes	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at April 1, 2024	91	2,133	1,192	3,417	2,184	5,536	624,174
Changes of items during the period							
Dividends of surplus							(8,999)
Profit attributable to owners of parent							26,912
Purchase of treasury shares							(1)
Disposal of treasury shares							785
Change in scope of consolidation							0
Increase by merger							(85)
Change in ownership interest of parent due to transactions with non-controlling interests							135
Changes in items other than shareholders' equity, net	(432)	285	2,034	1,887	49	416	2,352
Total changes during period	(432)	285	2,034	1,887	49	416	21,100
Balance at March 31, 2025	(341)	2,418	3,226	5,304	2,233	5,952	645,275

(Millions of yen with fractional amounts discarded, unless otherwise noted)

NON-CONSOLIDATED BALANCE SHEETS

As of March 31, 2025

(Millions of yen)

ASSETS	
Current assets:	
Cash and deposits	3,462
Accounts receivable - trade	35,260
Raw materials and supplies	1
Short-term loans receivable from subsidiaries and affiliates	91,421
Prepaid expenses	2,960
Accounts receivable-other	19,572
Current portion of guarantee deposits	2,693
Other current assets	617
Allowance for doubtful accounts	(11,606)
Total current assets	144,384
Non-current assets:	
Property and equipment:	
Buildings	126,028
Structures	73
Machinery and equipment	2
Vehicles	0
Tools, furniture and fixtures	108
Land	170,440
Lease assets, net	141
Total property and equipment, net	296,795
Intangible assets:	
Leasehold right	30,726
Other assets	1,330
Total intangible assets	32,056
Investments and other assets:	
Investment securities	7,901
Stocks of subsidiaries and affiliates	39,606
Long-term loans receivable from subsidiaries and affiliates	10,218
Long-term prepaid expenses	2,014
Deferred tax assets	15,890
Guarantee deposits	36,622
Other assets	329
Allowance for doubtful accounts	(537)
Total investments and other assets	112,047
Total non-current assets	440,899
Total assets	585,283

(Millions of yen with fractional amounts discarded, unless otherwise noted)

NON-CONSOLIDATED BALANCE SHEETS

As of March 31, 2025

(Millions of yen)

LIABILITIES AND NET ASSETS	
LIABILITIES:	
Current liabilities:	
Accounts payable	57,517
Short-term borrowings	78,335
Current portion of long-term borrowings	48,490
Lease liabilities	52
Accounts payable-other	2,291
Accrued expenses	129
Income taxes payable	2,181
Advances received	271
Deposits received from subsidiaries and associates	2
Provision for bonuses	564
Provision for directors' bonuses	82
Other current liabilities	1,195
Total current liabilities	191,113
Non-current liabilities:	
Long-term borrowings	95,419
Lease liabilities	105
Provision for retirement benefits	22,703
Other provisions	160
Asset retirement obligations	35,973
Other long-term liabilities	4,117
Total long-term liabilities	158,480
Total liabilities	349,594
NET ASSETS:	
Shareholders' equity:	
Share capital	71,149
Capital surplus	79,891
Legal capital surplus	71,067
Other capital surplus	8,824
Retained earnings	211,918
Legal retained earnings	312
Other retained earnings	211,606
General reserve	190,135
Retained earnings brought forward	21,470
Treasury shares	(129,118)
Total shareholders' equity	233,841
Valuation and translation adjustments:	(386)
Valuation difference on available-for-sale securities	(386)
Share acquisition rights	2,233
Total net assets	235,688
Total liabilities and net assets	585,283

(Millions of yen with fractional amounts discarded, unless otherwise noted)

NON-CONSOLIDATED STATEMENTS OF INCOME

Fiscal year ended March 31, 2025

(Millions of yen)

Operating revenue		
Management fee income	12,593	
Real estate lease revenue	14,676	
Dividend income	2,416	29,685
Operating expenses		
Cost of real estate lease revenue	10,682	10,682
Operating gross profit		19,002
Selling, general and administrative expenses		13,160
Operating profit		5,842
Non-operating income:		
Interest income	611	
Purchase discounts	1,982	
Other	1,889	4,483
Non-operating expenses:		
Interest expenses	1,638	
Other	677	2,316
Ordinary profit		8,009
Extraordinary income:		
Gain on sales of non-current assets	554	554
Extraordinary losses:		
Loss on disposal of non-current assets	994	
Impairment losses	295	
Loss on cancellation of rental contracts	6	
Loss on valuation of stock of subsidiaries	1,175	
Other	12	2,484
Profit before income taxes		6,079
Income taxes-current		1,916
Income taxes-deferred		(730)
Profit		4,893

(Millions of yen with fractional amounts discarded, unless otherwise noted)

NON-CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS

Fiscal year ended March 31, 2025

(Millions of yen)

	Shareholders' equity									
	Common stock	Capital surplus			Retained earnings				Treasury stock, at cost	Total share-holders' equity
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings		Total retained earnings		
						General reserve	Retained earnings brought forward			
Balance at April 1, 2024	71,149	71,067	8,856	79,924	312	163,135	52,576	216,023	(129,934)	237,162
Changes of items during the period										
Provision of general reserve						27,000	(27,000)	—		—
Dividends of surplus							(8,999)	(8,999)		(8,999)
Profit							4,893	4,893		4,893
Purchase of treasury shares									(1)	(1)
Disposal of treasury shares			(32)	(32)					817	785
Changes in items other than shareholders' equity, net										
Total changes during period	—	—	(32)	(32)	—	27,000	(31,105)	(4,105)	816	(3,321)
Balance at March 31, 2025	71,149	71,067	8,824	79,891	312	190,135	21,470	211,918	(129,118)	233,841

	Valuation and translation adjustments		Subscription rights to shares	Total net assets
	Valuation difference on available-for-sale securities, net of taxes	Total valuation and translation adjustments		
Balance at April 1, 2024	(30)	(30)	2,184	239,316
Changes of items during the period				
Provision of general reserve				—
Dividends of surplus				(8,999)
Profit				4,893
Purchase of treasury shares				(1)
Disposal of treasury shares				785
Changes in items other than shareholders' equity, net	(355)	(355)	49	(306)
Total changes during period	(355)	(355)	49	(3,627)
Balance at March 31, 2025	(386)	(386)	2,233	235,688

(Millions of yen with fractional amounts discarded, unless otherwise noted)