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Securities Code 7458
June 7, 2021

To Our Shareholders:

Tadahiro Hoshi
President
DAIICHIKOSHO CO., LTD.
5-5-26 Kitashinagawa, Shinagawa-ku, Tokyo

**Notice of Convocation of
the 46th Ordinary General Meeting of Shareholders**

- 1. Date and Time:** Friday, June 25, 2021 at 10:00 a.m. (Reception starts at 9:00 a.m.)
- 2. Venue:** “Pegasus,” 1st floor, Hilton Tokyo Odaiba
1-9-1 Daiba, Minato-ku, Tokyo
- 3. Purpose of the Meeting:**
Proposals to be resolved:
 - Proposal No. 1:** Appropriation of Surplus
 - Proposal No. 2:** Election of Six (6) Directors

Reference Documents for the General Meeting of Shareholders

Proposal No. 1: Appropriation of Surplus

The Company maintains a basic policy of making active return of profit that reflects consolidated business performance while taking into account internal reserves for future investment, etc.

The company posted a deficit in the current fiscal year due to the spread of COVID-19. However, taking into consideration the future business environment, the Company proposes to pay a year-end dividend for the current fiscal year as follows:

(1) Type of dividend property

Cash

(2) Allotment of dividend property to shareholders and the aggregate amount

¥57 per common share of the Company (Annual dividend of ¥113 when including the interim dividend)

Aggregate amount of dividends will be ¥3,107,812,881.

(3) Effective date of dividends of surplus

June 28, 2021

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

At the conclusion of this Ordinary General Meetings of Shareholders, the terms of office of all Directors will expire. In order to build a management system that flexibly responds to changes in the business environment, the Company proposes to decrease the number of Directors by six (6) and elect six (6) Directors.

The selection of candidates for Directors is determined by the Board of Directors through consultation with the Personnel Affairs Advisory Committee (chaired by an Outside Director) to increase transparency and objectivity, taking into account the reports of the said Committee.

The candidates for Directors are as follows:

No.	Name	Current positions and responsibilities	Attendance at the Board of Directors meetings
1	<u>Reappointment</u> Tadahiro Hoshi	President	100% (17 out of 17)
2	<u>Reappointment</u> Harutoshi Hoshi	Director and Senior Corporate Officer, General Manager of Administration Headquarters and General Manager of Finance Dept.	100% (17 out of 17)
3	<u>Reappointment</u> Kenji Otsuka	Director and Senior Corporate Officer and General Manager of Sales Management Headquarters	100% (17 out of 17)
4	<u>Reappointment</u> Takeshi Iijima	Director and Senior Corporate Officer, General Manager of Stores Business Headquarters and General Manager of Stores Development Dept.	100% (17 out of 17)
5	<u>Reappointment</u> <u>Outside Director</u> <u>Independent Officer</u> Atsuya Furuta	Outside Director of the Company	100% (17 out of 17)
6	<u>Reappointment</u> <u>Outside Director</u> <u>Independent Officer</u> Chika Masuda	Outside Director of the Company	100% (17 out of 17)

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions		Number of shares of the Company held
1	<p>[Reappointment]</p> <p>Tadahiro Hoshi (March 6, 1971)</p> <p>[Attendance at the Board of Directors meetings] 17 out of 17 meetings (100%)</p>	<p>Feb. 1999 Apr. 2004 May 2005 June 2005 Apr. 2007 June 2007 Sept. 2009 June 2010 June 2011 Apr. 2015 June 2015 June 2017</p>	<p>Joined the Company General Manager of Production Management Dept., Production Headquarters of the Company General Manager of Record Subsidiary Administration Dept., Music Software Business Headquarters of the Company Corporate Officer, Deputy General Manager of Music Software Business Headquarters and General Manager of Record Subsidiary Administration Dept. of the Company Corporate Officer and General Manager of Directly-managed Store Sales Dept., Sales Management Headquarters of the Company Director and Corporate Officer, Deputy General Manager of Sales Management Headquarters and General Manager of Direct-managed Sales Dept. of the Company Managing Director and Senior Corporate Officer, Deputy General Manager of Sales Management Headquarters and General Manager of Directly-managed Stores Sales Dept. of the Company Managing Director and Senior Corporate Officer and Deputy General Manager of Sales Management Headquarters of the Company Managing Director and Senior Corporate Officer and General Manager of Sales Management Headquarters of the Company Managing Director and Senior Corporate Officer and Chief Officer of Sales Management Headquarters and Advertising Dept. of the Company Senior Managing Director and Senior Corporate Officer and Chief Officer of Sales Management Headquarters and Advertising Dept. of the Company President of the Company (current position)</p>	6,246,000
<p>[Reason for nomination as candidate for Director] Mr. Hoshi has extensive experience and knowledge in the overall business of the Company. Since his appointment as President in June 2017, he has been leading the reinforcement and the expansion of a long-term stable earnings base. The Company proposes his reappointment for the sustained growth of the Company and the medium- to long-term enhancement of corporate value.</p>				
2	<p>[Reappointment]</p> <p>Harutoshi Hoshi (September 25, 1974)</p> <p>[Attendance at the Board of Directors meetings] 17 out of 17 meetings (100%)</p>	<p>Apr. 1998 Oct. 2001 Jan. 2014 June 2014 June 2018 Apr. 2019 June 2019</p>	<p>Joined Nice Community Co., Ltd. Joined the Company General Manager of Finance Dept. of the Company Corporate Officer, Deputy General Manager of Administration Headquarters and General Manager of Finance Dept. of the Company Senior Corporate Officer, General Manager of Administration Headquarters and General Manager of Finance Dept. of the Company President of HOSHI CREATE Co., Ltd. (current position) Director and Senior Corporate Officer, General Manager of Administration Headquarters and General Manager of Finance Dept. of the Company (current position)</p>	6,119,600
<p>[Reason for nomination as candidate for Director] Mr. Hoshi has been involved in the administrative divisions of the Company and has long utilized his expertise and business experience in finance divisions, as well as leading the overall administrative divisions while playing a leading role in the streamlining of operations and the operation of risk management systems. The Company proposes his reappointment for his extensive experience and knowledge in administrative divisions for the sustained growth of the Company and the medium- to long-term enhancement of corporate value.</p>				

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held	
3	<p>[Reappointment]</p> <p>Kenji Otsuka (September 29, 1966)</p> <p>[Attendance at the Board of Directors meetings] 17 out of 17 meetings (100%)</p>	Dec. 1987	Joined the Company	6,000
		Apr. 1998	General Manager of Matsuyama Sales Office (currently Matsuyama Branch) of the Company	
		Apr. 2004	General Manager of Hiroshima Branch of the Company	
		Apr. 2007	General Manager of Osaka Branch of the Company	
		Oct. 2009	General Manager of Directly-managed Stores Sales Dept., Sales Management Headquarters of the Company	
		Oct. 2011	General Manager of Directly-managed Stores Sales Dept., Sales Management Headquarters and General Manager of FC Business Promotion Dept., of the Company	
		Apr. 2012	Deputy General Manager of Sales Management Headquarters and General Manager of Subsidiary Sales Dept. and General Manager of FC Business Promotion Dept. and Chief Officer of Special Sales Dept. of the Company	
		June 2012	Corporate Officer, Deputy General Manager of Sales Management Headquarters and General Manager of Subsidiary Sales Dept. and Chief Officer of Special Sales Dept. of the Company	
		Apr. 2014	Corporate Officer and Deputy General Manager of Sales Management Headquarters of the Company	
		Apr. 2015	Corporate Officer and General Manager of Sales Management Headquarters of the Company	
June 2016	Senior Corporate Officer and General Manager of Sales Management Headquarters of the Company			
June 2017	Director and Senior Corporate Officer and General Manager of Sales Management Headquarters of the Company (current position)			
<p>[Reason for nomination as candidate for Director] Mr. Otsuka has been involved in the sales divisions of the Company and has long been involved in overseeing the directly-managed stores and sales subsidiaries nationwide, as well as focusing on operating the parking business in an effort to expand earnings bases. The Company proposes the reappointment for his extensive experience and knowledge of the commercial practices of each region throughout Japan for the sustained growth of the Company and the medium- to long-term enhancement of corporate value.</p>				

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
4	<p>[Reappointment]</p> <p>Takeshi Iijima (July 10, 1960)</p> <p>[Attendance at the Board of Directors meetings] 17 out of 17 meetings (100%)</p>	<p>Apr. 1984 Joined Matsui Kensetsu K.K.</p> <p>July 1986 Joined Kakiyasu Honten Co., Ltd.</p> <p>Apr. 1989 Joined Kawasaki Enterprises, Inc. (currently Tokyo Century Corporation)</p> <p>Mar. 2000 Joined the Company</p> <p>Apr. 2005 Deputy General Manager of Stores Business Dept. of the Company</p> <p>Apr. 2006 General Manager of Stores Development and Management Dept. of the Company</p> <p>Apr. 2008 Deputy General Manager of Store Business Headquarters of the Company</p> <p>Apr. 2015 General Manager of Stores Development Dept. of the Company</p> <p>June 2015 Corporate Officer and General Manager of Stores Development Dept. of the Company</p> <p>Mar. 2016 Corporate Officer, Deputy General Manager of Stores Business Headquarters and General Manager of Stores Development Dept. of the Company</p> <p>June 2016 Senior Corporate Officer and Deputy General Manager of Stores Business Headquarters of the Company</p> <p>July 2016 Senior Corporate Officer, Deputy General Manager of Stores Business Headquarters and General Manager of Store Business Promotion Dept. of the Company</p> <p>Apr. 2017 Senior Corporate Officer and General Manager of Stores Business Headquarters of the Company</p> <p>May 2019 Senior Corporate Officer, General Manager of Stores Business Headquarters and General Manager of Stores Development Dept. of the Company</p> <p>June 2019 Director and Senior Corporate Officer, General Manager of Stores Business Headquarters and General Manager of Stores Development Dept. of the Company (current position)</p>	20,000
<p>[Reason for nomination as candidate for Director] Mr. Iijima has been involved in the store divisions of the Company, and has been working to combine “BIG ECHO” with restaurants, as well as playing a leading role in the development of new business lines and the expansion of earnings bases. The Company proposes his reappointment for his extensive experience and knowledge in the store business for the sustained growth of the Company and the medium- to long-term enhancement of corporate value.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions		Number of shares of the Company held
5	[Reappointment] [Outside Director] [Independent Officer] Atsuya Furuta (August 6, 1965) [Attendance at the Board of Directors meetings] 17 out of 17 meetings (100%)	Apr. 1988 Dec. 1989 Feb. 1990 Jan. 1994 Oct. 2005 Nov. 2007 June 2015	Joined TOYOTA MOTOR CORPORATION Resigned from TOYOTA MOTOR CORPORATION Joined Yakult Swallows (currently Tokyo Yakult Swallows) Established A Point Co., Ltd. and appointed to its Representative Director (current position) Appointed to Manager of Yakult Swallows (currently Tokyo Yakult Swallows) Retired from Tokyo Yakult Swallows Outside Director of the Company (current position)	0
	[Reason for nomination as candidate for Outside Director and outline of expected roles] Since his appointment as Outside Director of the Company in 2015, Mr. Furuta has been supervising the Board of Directors' management of the Company primarily from the shareholders' and other stakeholders' perspective, based on the "Roles and Responsibilities of the Board of Directors" and the "Fiduciary Duty of the Directors and Corporate Auditors." In addition, as the Chairman of the "Personnel and Remuneration Advisory Committee," which was launched in 2016, he has been focusing on maintaining the stability of the nomination and remuneration processes of Directors. The Company proposes the reappointment of Mr. Furuta as Outside Director so that he will continue to provide the Company with appropriate advice and supervision.			
6	[Reappointment] [Outside Director] [Independent Officer] Chika Masuda (August 16, 1972) [Attendance at the Board of Directors meetings] 17 out of 17 meetings (100%)	Apr. 1993 Feb. 2007 Sept. 2010 Oct. 2010 Oct. 2013 June 2015	Joined the Takarazuka Revue Company (under the name of Natsuki Mizu) Appointed to Top Star (Male Lead) of Snow Troupe of the Takarazuka Revue Retired from the Takarazuka Revue Company Became affiliated with Blooming Agency Co., Ltd. Became affiliated with AQUA Co., Ltd. (engaged in the entertainment business) Outside Director of the Company (current position)	300
	[Reason for nomination as candidate for Outside Director and outline of expected roles] Since her appointment as Outside Director of the Company in 2015, Ms. Masuda has been supervising the Board of Directors' management of the Company primarily from the shareholders' and other stakeholders' perspective, based on the "Roles and Responsibilities of the Board of Directors" and the "Fiduciary Duty of the Directors and Corporate Auditors." In addition, as a member of the "Personnel and Remuneration Advisory Committee," which was launched in 2016, she has been focusing on maintaining the stability of the nomination and remuneration processes of Directors. The Company proposes the reappointment of Ms. Masuda as Outside Director so that she will continue to provide the Company with appropriate advice and supervision.			

(Notes)

1. There is no special interest between any of the candidates and the Company.
2. The Company has concluded a directors and officers liability insurance (D&O Insurance) contract, as stipulated in Article 430-3, Paragraph 1 of the Companies Act, with Directors, Corporate Auditors and Corporate Officers as the insured. This insurance contract covers damages, litigation expenses and other such outlays that may result from the insured Directors, Corporate Auditors and Corporate Officers being liable for the performance of their duties or being subject to a claim for the pursuit of such liability. Provided, however, that there are certain exemptions; for example, damage caused as a result of any conduct committed while knowing that the conduct is in violation of laws and regulations shall not be covered. The insured persons actually bear 10% of the insurance premiums because the Company bears 90% of the insurance premiums. If the candidates are elected, each of them will be included in the insured of this insurance contract, which is to be renewed during their terms of office.
3. Atsuya Furuta and Chika Masuda are candidates for Outside Director.
4. Atsuya Furuta and Chika Masuda are currently serving as Outside Directors of the Company, and at the conclusion of this General Meeting of Shareholders, the tenures of both Atsuya Furuta and Chika Masuda will have been six (6) years.
5. Pursuant to the provisions of Article 427, paragraph 1 of the Companies Act, the Company has entered into agreements with Atsuya Furuta and Chika Masuda to limit their liability for damages under Article 423, paragraph 1 of the same Act. The maximum amount of liability for damages pursuant to the aforesaid agreement is the amount stipulated by laws and regulations. If the reelection of Atsuya Furuta and Chika Masuda is approved, the Company plans to renew the respective agreements with each one of them.
6. The Company has submitted notification to the Tokyo Stock Exchange that Atsuya Furuta and Chika Masuda have been appointed as independent officers as provided for by the aforementioned exchange. If their reelection is approved, the Company plans for their appointments as independent officers to continue.

(Reference)

Policies and Procedures on the Appointment/Dismissal of Representative Director as well as on the Nomination of Candidates for Directors and Corporate Auditors

The Company has clarified the roles expected of Representative Director and Directors in the form of seven key roles expected of Directors (innovative spirit, flexibility for change, ability to understand the essence, ability to envision, breaking free of the past, utilization of diversity, risk management) in the “Standards for Evaluating Directors’ Performance.”

In the appointment of Representative Director, abilities to envisage strategies based on the Group’s corporate philosophy and strong capabilities to execute business are required as vital preconditions, apart from the aforementioned roles expected of Directors.

In the nomination of candidates for Directors, appropriate persons are selected in overall consideration of individual character and insights necessary for executing management/supervisory functions, based on the aforementioned seven key roles expected of Directors.

In the nomination of candidates for Corporate Auditors, appropriate persons are selected based on their insight into corporate risks, abilities to honestly articulate opinions to the corporate manager, and capabilities to contribute to the enhancement of the soundness and transparency of management.

In the appointment of Representative Director as well as the nomination of candidates for Directors and Corporate Auditors, the Personnel Affairs Advisory Committee chaired by an Outside Director shall conduct prior deliberation and submit its opinion to the Board of Directors. The Board shall carefully review such opinions and make decisions.

Dismissal of Representative Director shall be decided by the Board of Directors whenever deviation from the standards that warranted the appointment is recognized. However, as a fail-safe system in the event of the Board of Directors falling into a state of dysfunction for whatever reason, the Personnel Affairs Advisory Committee chaired by an Outside Director shall provide the Board of Directors with advice or recommendations for dismissal.

Criteria for Assessing the Independence of Independent Officers of the Company

The Company sets forth the “Criteria for Assessing the Independence of Independent Officer of the Company,” and designates individuals to whom none of the following criteria apply as Independent Officers.

- (1) An executive of the Company or an affiliate of the Company or a person who has served as an executive of the Company or an affiliate of the Company in the past ten (10) years.
- (2) A person who has the Group as its major business partner or its executive.
- (3) A person who is the major business partner of the Daiichikoshu Group or its executive.
- (4) A person who is a major shareholder of the Company (directly or indirectly holding 10% or more of the voting rights) or its executive.
- (5) A person in whom 10% or more of the voting rights is held directly or indirectly by the

Company or its executive.

- (6) A person affiliated with an audit firm, which serves as the Accounting Auditor of the Group.
- (7) An attorney, a certified public accountant, a tax accounting or a consultant, and the like, who receives considerable monetary compensation or other properties from the Group other than executive compensation.
- (8) A director or other executive of legal entities or organization, including legal firms, audit firms, tax accountant firms or consulting firms, and the like, which receives considerable monetary compensation or other properties from the Group.
- (9) A person, who receives considerable amounts of donations or subsidies from the Group, or a director or other executive of legal entities or organizations including legal firms, audit firms, tax accountant firms or consulting firms, and the like, which receives considerable amounts of donations or subsidies from the Group.
- (10) An Executive Director, an Executive Officer, a Corporate Officer or an employee, including a Manager of a company, at which an Executive Director or a Standing Corporate Auditor of the Group concurrently serves as Outside Director or Outside Corporate Auditor.
- (11) Any person to whom items (2) through (10) applied in the past three (3) years; and
- (12) In cases where a person to whom items (1) through (11) above applies is in an important position, the spouse or a relative within the second degree of kinship of such person.