

Note: This document has been translated from a part of the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail. The Company assumes no responsibility for this translation or for direct, indirect or any other forms of damages arising from the translation.

Securities Code 7458

June 4, 2024

(Start date of measures for electronic provision: May 30, 2024)

**To Our Shareholders:**

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

## **Notice of Convocation of the 49th Ordinary General Meeting of Shareholders**

**1. Date and Time:** Friday, June 21, 2024 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:** Partial Amendments to the Articles of Incorporation

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

**Proposal No. 4:** Election of One (1) Substitute Corporate Auditor

# Reference Documents for the General Meeting of Shareholders

## **Proposal No. 1: Appropriation of Surplus**

The Company positions the medium- to long-term enhancement of corporate value and the return of profit to shareholders as one of the important management issues for the Company.

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**

¥29 per common share of the Company (Annual dividend of ¥57 when including the interim dividend)

Aggregate amount of dividends will be ¥3,098,783,197.

### **(3) Effective date of dividends of surplus**

June 24, 2024

**Proposal No. 2: Partial Amendments to the Articles of Incorporation**

1. Reasons for amendments

To prepare for the event that the number of Corporate Auditors falls below the number required by laws and regulations, the Company proposes to amend the Articles of Incorporation of the Company to add provisions with regard to Substitute Corporate Auditor.

2. Details of amendments

The details of the amendments are as follows.

(Underlines indicate amended parts.)

Current Articles of Incorporation	Proposed Amendments
<p>Articles 1 to 33 (Provisions omitted)</p> <p>(Election of Corporate Auditors)            Article 34 Corporate Auditors shall be elected by resolutions of the general meeting of shareholders.</p> <p>2. Resolutions for the election of Corporate Auditors shall be adopted by a majority of the voting rights of shareholders present at the general meeting of shareholders where the shareholders holding a proportion of one-third (1/3) or more of all the exercisable voting rights of shareholders are present.</p> <p>(Newly established)</p> <p>(Newly established)</p> <p>(Term of Office of Corporate Auditors)            Article 35 The term of office of Corporate Auditors shall expire at the close of the ordinary general meeting of shareholders held with respect to the last business year ending within four (4) years after their election.</p>	<p>Articles 1 to 33 (Unchanged)</p> <p>(Election of Corporate Auditors)            Article 34 (Unchanged)</p> <p>2. (Unchanged)</p> <p>3. <u>In accordance with the provisions of Article 329, paragraph 3 of the Companies Act, in order to prepare for the event that the number of Corporate Auditors falls below the number required by laws and regulations or the Company’s Articles of Incorporation, the Company may elect Substitute Corporate Auditor at the ordinary general meeting of shareholders.</u></p> <p>4. <u>A resolution for the election of a Substitute Corporate Auditor, which is stipulated in the preceding paragraph, shall be effective until the commencement of the ordinary general meeting of shareholders held with respect to the last business year ending within four (4) years after the adoption of such resolution.</u></p> <p>(Term of Office of Corporate Auditors)            Article 35 (Unchanged)</p>

Current Articles of Incorporation	Proposed Amendments
<p>2. <u>The term of office of Corporate Auditor elected to fill a vacancy shall be until the expiration of the term of office of the resigned Corporate Auditor.</u></p>	<p>2. <u>The term of office of a Corporate Auditor elected to fill a vacancy due to the resignation of another Corporate Auditor before the expiration of his/her term of office shall be until the expiration of the term of office of such resigned Corporate Auditor. Provided, however, that in the case where Substitute Corporate Auditor who is elected under the provisions of Article 34, paragraph 3 has taken office, his/her term of office shall not exceed the close of the ordinary general meeting of shareholders held with respect to the last business year ending within four (4) years after his/her election as Substitute Corporate Auditor.</u></p>

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

At the conclusion of this Ordinary General Meetings of Shareholders, the terms of office of Corporate Auditors Masumi Arichika and Hiroyoshi Shibano will expire. Therefore, the Company proposes to elect two (2) Corporate Auditors.

The consent of the Board of Corporate Auditors has been obtained for this proposal.

The candidates for Corporate Auditors are as follows:

No.	Name (Date of birth)	Career summary, positions, and significant concurrent positions	Number of shares of the Company held
1	<p>[Reappointment]</p> <p><b>Hiroyoshi Shibano</b> (February 23, 1962)</p> <p>[Attendance at the Board of Directors meetings] 12 out of 12 meetings (100%)</p> <p>[Attendance at the Board of Corporate Auditors meetings] 15 out of 15 meetings (100%)</p>	<p>Jan. 1982      Joined Tokai Daiichikoshō Co., Ltd.</p> <p>July 1982      Joined Himeji Daiichikoshō Co., Ltd. (currently Hyogo Daiichikoshō Co., Ltd.)</p> <p>Oct. 1983      Joined Harima Daiichikoshō Co., Ltd. (currently Hyogo Daiichikoshō Co., Ltd.)</p> <p>Apr. 1991      Director of Harima Daiichikoshō Co., Ltd. (currently Hyogo Daiichikoshō Co., Ltd.)</p> <p>Apr. 1998      Representative Director &amp; President of Harima Daiichikoshō Co., Ltd. (currently Hyogo Daiichikoshō Co., Ltd.)</p> <p>March 2012    Retired as Representative Director &amp; President of Hyogo Daiichikoshō Co., Ltd.</p> <p>Apr. 2012      Representative Director &amp; President of Keihan Daiichikoshō Co., Ltd. (currently Kinki Daiichikoshō Co., Ltd.)</p> <p>June 2017      Retired as Representative Director &amp; President of Keihan Daiichikoshō Co., Ltd. (currently Kinki Daiichikoshō Co., Ltd.)</p> <p>July 2017      Advisor of the Company</p> <p>June 2020      Corporate Auditor of the Company (current position)</p>	38,200
<p>[Reason for nomination as candidate for Corporate Auditor] Mr. Hiroyoshi Shibano has long been involved in the sales and store operation departments of sales subsidiaries, particularly in overseeing the Kansai region. He also has extensive experience and knowledge in the management of subsidiaries. The Company judges he would appropriately carry out his duties as a Corporate Auditor.</p>			

No.	Name (Date of birth)	Career summary, positions, and significant concurrent positions	Number of shares of the Company held
2	<p>[New election] [Outside] [Independent]</p> <p><b>Masakane Fukuda</b> (May 11, 1963)</p> <p>[Attendance at the Board of Directors meetings] -</p> <p>[Attendance at the Board of Corporate Auditors meetings] -</p>	<p>Aug. 1982 Music composer and arranger</p> <p>May 1987 Joined Japan Composer's Association</p> <p>May 2001 Joined Japanese Society for Rights of Authors , Composers and Publishers (JASRAC)</p> <p>Apr. 2024 Director of KIDOAIRAKUSHA Ltd. (current position)</p>	0
<p>[Reason for nomination as candidate for Outside Corporate Auditor] Mr. Masakane Fukuda has suitable insight into music-related legal affairs and the entire music industry through his long-standing experience in the management of songs and music copyrights, etc., and the Company has therefore nominated him as a candidate for Outside Corporate Auditor. Although he has no previous experience of being directly involved in corporate management, the Company judges he would appropriately carry out his duties as an Outside Corporate Auditor for the above reasons.</p>			

- 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 Company bears all 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. Harima Daiichikoshō Co., Ltd. and Himeji Daiichikoshō Co., Ltd., both of which are mentioned in the career summary of Hiroyoshi Shibano, merged with Harima Daiichikoshō Co., Ltd. as the surviving company. The new company was renamed Hyogo Daiichikoshō Co., Ltd.
  4. Masakane Fukuda is a candidate for new appointment as Outside Corporate Auditor.
  5. In the event that the election of Masakane Fukuda is approved, pursuant to the provisions of Article 427, paragraph 1 of the Companies Act, the Company plans to enter into agreements to limit his liability for damages under Article 423, paragraph 1 of the same Act. Furthermore, the maximum amount of liability pursuant to the aforesaid agreements is the amount stipulated by laws and regulations.
  6. Masakane Fukuda meets the conditions for independent officers under the provisions laid out by the Tokyo Stock Exchange. If his election is approved, the Company plans to submit notification to the Tokyo Stock Exchange of his appointment as independent officer.

## Proposal No. 4: Election of One (1) Substitute Corporate Auditor

To prepare for the event that the number of Corporate Auditors falls below the number required by laws and regulations, the Company proposes to elect one (1) Substitute Outside Corporate Auditor in advance.

The consent of the Board of Corporate Auditors has been obtained for this proposal.

The candidate for Substitute Corporate Auditor is as follows:

Name (Date of birth)	Career summary, positions, and significant concurrent positions	Number of shares of the Company held
<p>[Outside] [Independent]</p> <p><b>Yuichiro Takase</b> (February 27, 1971)</p> <p>[Attendance at the Board of Directors meetings]</p> <p>-</p> <p>[Attendance at the Board of Corporate Auditors meetings]</p> <p>-</p>	<p>Nov. 1995    Joined Asahi &amp; Co. (currently KPMG AZSA LLC)</p> <p>June 2004    Seconded to Nomura Securities, Co., Ltd.</p> <p>July 2006    Returned to KPMG AZSA LLC</p> <p>June 2008    Partner of KPMG AZSA LLC</p> <p>July 2018    Head of Finance Accounting Adversary Services Department of KPMG AZSA LLC</p> <p>July 2023    Retired from KPMG AZSA LLC</p> <p>Aug. 2023    Representative of Yuichiro Takase Certified Public Accountant Office (current position)</p> <p>Apr. 2024    Representative Director of Financial Value &amp; Advisors Co., Ltd. (current position)</p>	0
<p>[Reason for nomination as candidate for Substitute Corporate Auditor]</p> <p>Mr. Takase has extensive experience from his long-standing service as a certified public accountant and suitable insight related to finance and accounting, and the Company has therefore nominated him as a candidate for Substitute Outside Corporate Auditor. Although he has no previous experience of being directly involved in corporate management, the Company judges he would appropriately carry out his duties as a Substitute Outside Corporate Auditor for the above reasons.</p>		

- Notes:
1. There is no special interest between Yuichiro Takase and the Company.
  2. Yuichiro Takase is a candidate for Substitute Outside Corporate Auditor.
  3. If Yuichiro Takase takes office of Outside Corporate Auditor, pursuant to the provisions of Article 427, paragraph 1 of the Companies Act, the Company plans to enter into agreements with him to limit his liability for damages under Article 423, paragraph 1 of the same Act. Furthermore, the maximum amount of liability pursuant to the aforesaid agreements is the amount stipulated by laws and regulations.
  4. If Yuichiro Takase takes office of Outside Corporate Auditor, the Company plans to submit notification to the Tokyo Stock Exchange of his appointment as independent officer.
  5. 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. If Yuichiro Takase

takes office of Outside Corporate Auditor, he will be the insured of this insurance contract. The Company bears all insurance premiums.

(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.