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(Securities code 8173)

June 5, 2026

Start date of measures for electronic provision: June 4, 2026

To Shareholders with Voting Rights:

Tetsuya Takahashi
Representative Director, President
and Chief Executive Officer
Joshin Corporation
6-5, Nipponbashi-nishi 1-chome,
Naniwa-ku, Osaka City, Japan

**NOTICE OF
THE 78TH ANNUAL GENERAL MEETING OF SHAREHOLDERS**

We are pleased to inform you that the 78th Annual General Meeting of Shareholders (the “Meeting”) of Joshin Corporation (the “Company,” together with its subsidiaries, the “Group”) will be held for the purposes as described below.

In convening this General Meeting of Shareholders, the Company has taken measures to provide the information described in the Reference Documents for the General Meeting of Shareholders electronically (matters for electronic provision). These matters are posted on the following websites. Please access either of the websites to review the information.

The Company’s website (Annual General Meeting of Shareholders page):
<https://www.joshin.co.jp/en/ir/meeting.html>

Tokyo Stock Exchange, Inc. website (TSE Listed Company Search):
<https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>

(Please access the above TSE website, search for the Company either by entering “Joshin” in the “Issue name (company name)” bar or the Company’s securities code “8173” in the “Code” bar, and select “Basic information” followed by “Documents for public inspection/PR information” in order to review the “Notice of General Shareholders Meeting/Informational Materials for a General Shareholders Meeting” under “Filed information available for public inspection.”)

Takara Printing website (Annual General Meeting of Shareholders page): <https://s.srdb.jp/8173/>
(Available in Japanese only)

If you are unable to attend the meeting, you can exercise your voting rights either via the Internet or in writing. Please review the Reference Documents for the General Meeting of Shareholders described in the matters for electronic provision, and exercise your voting rights by 5:00 p.m. Japan time on Thursday, June 25, 2026.

- 1. Date and time:** Friday, June 26, 2026 at 10:00 a.m. Japan time
- 2. Venue:** Banquet room Snowberry, 21F of the Hotel Monterey Grasmere Osaka at 2-3, Minatomachi 1-chome, Naniwa-ku, Osaka City, Japan
- 3. Meeting agenda:**
- Matters to be reported:**
1. Business report, consolidated financial statements and non-consolidated financial statements for the 78th fiscal year (April 1, 2025 - March 31, 2026)
 2. The results of audits of the consolidated financial statements for the 78th fiscal year by the accounting auditor and the Audit and Supervisory Committee
- Proposals to be resolved:**
- Proposal 1:** Distribution of Surplus
- Proposal 2:** Election of Five (5) Directors (Excluding Directors who are Audit and Supervisory Committee Members)

- Following an amendment to the Companies Act, the Company has decided, in principle, to ask shareholders to access the above-mentioned Company website to review matters subject to electronic provision (such as reference documents for the General Meeting of Shareholders). Shareholders who have not requested a paper copy by the record date stipulated by laws and regulations (March 31) will be sent a summary version of the documents.
- If there are any revisions to the matters subject to electronic provision, details of the revisions will be posted on each of the designated websites.
- Among the matters subject to electronic provision, the following are not included in the documents sent to shareholders who have requested a paper copy, in accordance with laws and regulations and the provisions of the Company's Articles of Incorporation. The Audit and Supervisory Committee and the accounting auditor have audited the documents subject to audit, including the following matters.
 - 1) "System and Operational Status to Ensure the Appropriateness of Operations" and "Basic Policy Regarding Control of the Company" in the Business Report
 - 2) "Consolidated Statements of Changes in Equity" and "Notes to Consolidated Financial Statements" in the Consolidated Financial Statements
 - 3) "Non-consolidated Statements of Changes in Equity" and "Notes to Non-consolidated Financial Statements" in the Non-consolidated Financial Statements
- In the future, if there are any major changes to the operation of the General Meeting of Shareholders, details will be posted on the Company's website. (<https://www.joshin.co.jp/en/ir.html>)
- Please note that no commemorative gifts will be provided for shareholders at this General Meeting of Shareholders. We thank you for your understanding.

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal 1: Distribution of Surplus

The Group recognizes that enhancing the return of profits to shareholders is one of its highest management priorities. Our basic policy is to maintain stable and continuous dividend payments, taking into consideration business results and the balance between dividends and internal reserves. In addition to this basic policy, the Group has established a target consolidated dividend payout ratio of 40% or higher and dividend on equity ratio (DOE) of 2.5% or higher.

Upon comprehensively taking into account factors such as the business results for the fiscal year under review, future business development, and the business environment, the Group proposes to pay the following year-end dividends for the fiscal year under review. Combined with the interim dividend of 50 yen per share paid in December, 2025, the Company's annual dividend for the fiscal year under review will total 100 yen per share.

Items Related to the Year-end Dividend

(1) Type of dividend property

Cash

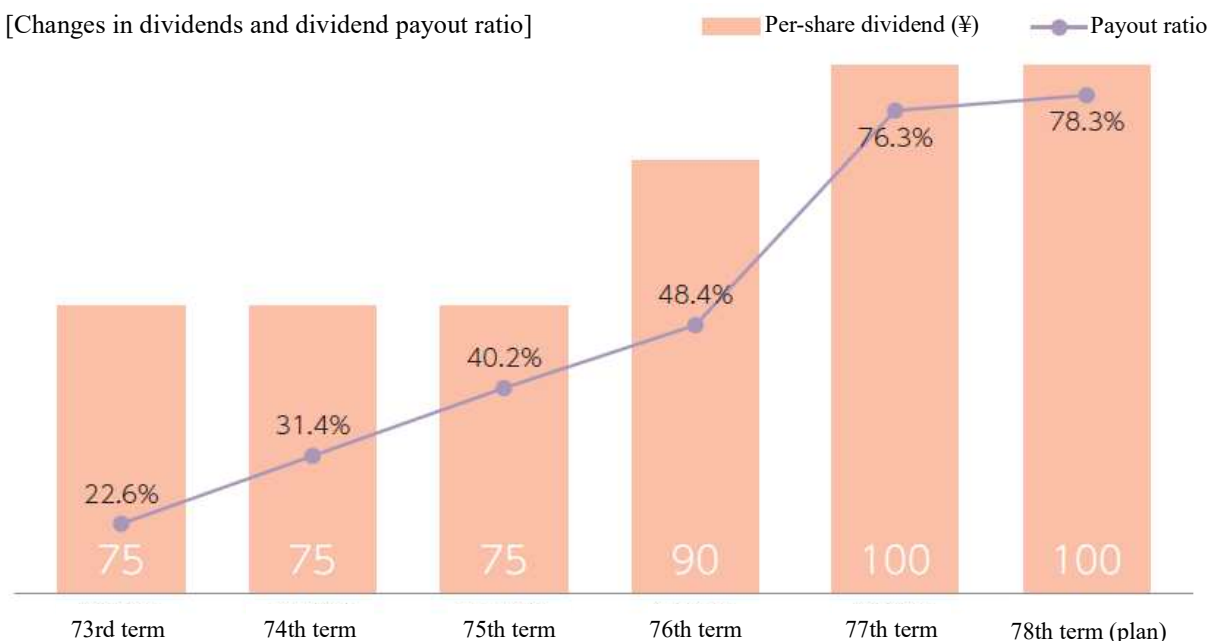
(2) Allotment of dividend property to shareholders and its total amount

50 yen per share of common stock at a total of 1,327,306,400 yen

(3) Effective date of the dividend of surplus:

June 29, 2026

[Changes in dividends and dividend payout ratio]



Proposal 2: Election of Five (5) Directors (Excluding Directors who are Audit and Supervisory Committee Members)


The terms of office of all current five (5) Directors (excluding Directors who are Audit and Supervisory Committee Members) will expire at the conclusion of this Meeting. Accordingly, the Company proposes the election of five (5) Directors (excluding Directors who are Audit and Supervisory Committee Members).


The candidates for Directors (excluding Directors who are Audit and Supervisory Committee Members) are as follows.

No.	Name	Gender	Age	Years in office as Director	Current positions and responsibilities at the Company		Attendance at the Board of Directors meetings
					Duties of the Committee	Current positions and responsibilities at the Company	
1	Ryuhei Kanatani [Reappointment]	Male	70	28	Nomination and Compensation Committee Member	Chairman and Representative Director	17/17 (100%)
2	Tetsuya Takahashi [Reappointment]	Male	63	9		Representative Director President and Chief Executive Officer	17/17 (100%)
3	Junko Kawano [Reappointment] [Outside] [Independent]	Female	62	5	Nomination and Compensation Committee Member Board of Directors Evaluation Committee Member	Outside Director	17/17 (100%)
4	Norihiro Itano [New appointment] [Outside] [Independent]	Male	62	-		-	-/- (-%)
5	Michiko Funamoto [New appointment] [Outside] [Independent]	Female	59	-		-	-/- (-%)


Notes:

1. [Outside] indicates a candidate for Outside Director, and [Independent] indicates a candidate for Independent Director.
2. "Years in office" shows the number of years in office as of the conclusion of this Meeting.
3. "Duties of the Committee" indicates members of the Nomination and Compensation Committee and the Board of Directors' the Effectiveness Evaluation Committee.

No.	Name (Date of birth)	Career summary (positions, responsibilities, and significant concurrent positions)
1	 <p>Ryuhei Kanatani Male (January 30, 1956) 70 [Reappointment]</p>	<p>March 1979 Joined the Company July 1993 Manager of General Affairs Department June 1998 Director, Manager of General Affairs Department March 2002 Director, General Manager of Sales Planning Division June 2002 Managing Director, General Manager of Sales Division April 2006 Managing Director, General Manager of Management Planning Division October 2006 Senior Managing Director, General Manager of Management Planning Division July 2008 Representative Director, Senior Managing Director, General Manager of Management Planning Division June 2011 Representative Director, Vice President, General Manager of Management Planning Division June 2016 Representative Director, Vice President and Executive Officer, General Manager of Business Administration Headquarters and Manager of Management Planning Department June 2019 Representative Director, President and Executive Officer June 2025 Chairman and Representative Director (to present)</p>
	Years in office	28
	Attendance at the Board of Directors meetings	17 out of 17 meetings (100%)
	Number of shares of the Company held [of which, number of shares to be issued under stock compensation plan]	73,158 [34,958]
	<p>[Reason for nomination as candidate for Director] Since joining the Company, Ryuhei Kanatani has primarily been engaged in general affairs and human resources operations. Since his appointment as Representative Director, President and Executive Officer in June 2019, he has demonstrated strong leadership in driving the Company's management while providing appropriate oversight. After appointed as Chairman and Representative Director in June 2025, he has been offering advice regarding overall management from a broad perspective and has been appropriately supervising the Group management from the standpoint of becoming a long-lasting company in line with the management philosophy. The Company believes that his management experience and high-level insight will enable him to continue supervising business execution, strengthen corporate governance, and contribute to the enhancement of corporate value. The Company, therefore, nominated him as a candidate for Director. If he is elected as Director, he is expected to be appointed Chairman and Representative Director at the Board of Directors meeting to be held following this Meeting.</p>	

No.	Name (Date of birth)	Career summary (positions, responsibilities, and significant concurrent positions)
2	 <p>Tetsuya Takahashi Male (November 24, 1962) 63 [Reappointment]</p>	<p>March 1986 Joined the Company June 2013 Manager of Tokyo & Tokai Sales Department June 2016 Executive Officer, Assistant General Manager in charge of Store Sales of Sales Division and Assistant General Manager of Local Sales Support Division October 2016 Executive Officer, General Manager of Sales Division and Manager of Kansai Sales Department June 2017 Director and Executive Officer, General Manager of Sales Division June 2019 Director and Managing Executive Officer, General Manager of Sales Division March 2020 Director and Managing Executive Officer, General Manager of Sales Division and Manager of Internet Sales Department April 2021 Director and Senior Managing Executive Officer, in charge of Sales Strategy June 2021 Representative Director and Senior Managing Executive Officer, in charge of Sales Strategy April 2023 Representative Director, Vice President and Executive Officer, in charge of Sales Strategy June 2025 Representative Director, President and Chief Executive Officer (to present)</p>
	Years in office	9
	Attendance at the Board of Directors meetings	17 out of 17 meetings
	Number of shares of the Company held [of which, number of shares to be issued under stock compensation plan]	36,787 [25,987]
	<p>[Reason for nomination as candidate for Director] Tetsuya Takahashi has extensive experience in sales since joining the Company. He has served as Executive Officer since June 2016 and as Representative Director, Vice President and Executive Officer since April 2023. As the executive in charge of sales strategy, he has led the formulation of the medium-term management plan, contributed to the expansion of the Group's business foundation, and promoted its growth strategy. Since his appointment as Representative Director, President and Chief Executive Officer in June 2025, he has contributed to the growth of the Company from the position of supervising overall management by overseeing all important in-house projects such as risk management, sustainability, and environmental management, and demonstrated strong leadership in driving the Company's management while providing appropriate oversight. The Company believes that his management experience and high-level insight will enable him to continue supervising business execution, strengthen corporate governance, and contribute to the enhancement of corporate value. The Company, therefore, nominated him as a candidate for Director. If he is elected as Director, he is expected to be appointed Representative Director, President and Chief Executive Officer at the Board of Directors meeting to be held following this Meeting.</p>	

No.	Name (Date of birth)	Career summary (positions, responsibilities, and significant concurrent positions)
3	 <p>Junko Kawano (Family name in the family register: Yamanouchi) Female (September 30, 1963) 62</p> <p>[Reappointment]</p> <p>[Outside]</p> <p>[Independent]</p>	<p>April 1986 Joined Recruit Co., Ltd.</p> <p>January 1997 Head Editor of “Travail,” Japan’s first career change magazine for women</p> <p>July 2008 Joined Sumitomo Corporation</p> <p>February 2013 Director, Institute of Global Human Capital Strategies Co., Ltd.</p> <p>March 2018 Established Kawano Junko Office (to present)</p> <p>Executive Officer and Chief Marketing Officer, Life Shift Japan Co., Ltd.</p> <p>September 2019 Board Member, Non-Profit Organization Tokyo International Progressive School (to present)</p> <p>April 2020 Senior Researcher, Keio Research Institute at SFC (to present)</p> <p>June 2021 Outside Director, the Company (to present)</p> <p>December 2021 Director and Chief Marketing Officer, Life Shift Japan Co., Ltd. (to present)</p> <p>April 2022 Outside Director, DyDo Group Holdings, Inc. (to present)</p>
	Years in office	5
	Attendance at the Board of Directors meetings	17 out of 17 meetings (100%)
	Number of shares of the Company held	—
<p>[Reason for nomination as candidate for Outside Director and outline of expected roles]</p> <p>Junko Kawano has been engaged in consulting services focused on promoting women’s empowerment and providing management advice aimed at enhancing customer value. She also has experience in corporate management. Since June 2021, she has been involved in the Company’s management and has fulfilled her duties as an Outside Director. In particular, she provides supervision and advice on the execution of Directors’ duties from a professional perspective in the areas of sales, marketing and diversity. The Company believes that her experience and achievements will enable her to continue to play an important role in supervising management from an independent and objective standpoint and to contribute to enhancing corporate value. The Company, therefore, nominated her as a candidate for Outside Director.</p>		

No.	Name (Date of birth)	Career summary (positions, responsibilities, and significant concurrent positions)
4	 <p>Norihiro Itano Male (November 21, 1963) 62</p> <p>[New appointment] [Outside] [Independent]</p>	<p>April 1989 Joined Mitsubishi Kasei Corporation (currently Mitsubishi Chemical Corporation)</p> <p>October 2012 General Manager of Information Systems Department, Mitsubishi Chemical Corporation; Director (part-time), Ryoka Systems Inc. General Manager of Group Infrastructure Strengthening Office, Mitsubishi Chemical Holdings Corporation (currently Mitsubishi Chemical Group Corporation) (concurrent position)</p> <p>April 2015 Head of Information Systems Department, Mitsubishi Chemical Holdings Corporation (currently Mitsubishi Chemical Group Corporation)</p> <p>October 2018 Manager of Information Systems Department, Mitsubishi Chemical Corporation</p> <p>April 2021 Chief Information Officer (CIO) and General Manager of Systems Strategy, Mitsubishi Materials Corporation Director (part-time), MBS Corporation (currently Mitsubishi Materials IT Solutions Co., Ltd.) (concurrent position)</p> <p>April 2024 Chief Information Officer (CIO) and General Manager of Systems Strategy, Mitsubishi Materials Corporation President and Representative Director, Mitsubishi Materials IT Solutions Co., Ltd. (concurrent position) (to present)</p>
	Years in office	—
	Attendance at the Board of Directors meetings	— out of — meetings (— %)
	Number of shares of the Company held	—
<p>[Reason for nomination as candidate for Outside Director and outline of expected roles] Norihiro Itano has wide-ranging insights gained from his key roles in the information systems divisions of a major operating company in addition to his corporate management experience as a director and president of its affiliates. The Company believes that his extensive experience and achievements will enable him to fulfill his role in making important decisions regarding business execution and supervising the execution from an independent standpoint and that he is appropriate for promoting its growth strategy. The Company, therefore, nominated him as a candidate for new Outside Director. In particular, the Company expects that he will supervise and offer advice from a professional perspective regarding Directors' execution of duties related to ICT and DX, and participate, as a Nomination and Compensation Committee Member, in the selection of officer candidates and deciding their compensation, etc. from an objective and neutral standpoint.</p>		

No.	Name (Date of birth)	Career summary (positions, responsibilities, and significant concurrent positions)
5	 Michiko Funamoto Female (January 19, 1967) 59 [New appointment] [Outside] [Independent]	April 1989 Joined Nippon Telegraph and Telephone Corporation (currently NTT, Inc.) November 2006 Director, CFO & CIO, Tower Records Japan Inc. July 2008 ITS General Manager, Ubiquitous Services Department, NTT DOCOMO, INC. July 2013 Chairman of the Board, DoCoMo interTouch Pte. Ltd.; President and Representative Director, InterTouch Japan Co., Ltd. July 2014 General Manager, Dimension Data Holdings Ltd. July 2015 IR Department Manager, NTT Urban Development Corporation October 2017 Chief Researcher, InfoCom Research, Inc. (to present)
	Years in office	—
	Attendance at the Board of Directors meetings	— out of — meetings (— %)
	Number of shares of the Company held	—
<p>[Reason for nomination as candidate for Outside Director and outline of expected roles] Michiko Funamoto has wide-ranging knowledge gained from her tenure in the ICT field of a major telecommunication company as well as her experience in retail and real estate industries. She has also served as a director and president of affiliated companies in these fields. The Company believes that her extensive experience and achievements will enable her to fulfill her role in making important decisions regarding business execution and supervising the execution from an independent standpoint and that she is appropriate for promoting its growth strategy. The Company, therefore, nominated her as a candidate for new Outside Director. In particular, the Company expects that she will supervise and offer advice from a professional perspective regarding Directors' execution of duties related to diversity, ICT and DX, and participate, as a Board of Directors Evaluation Committee Member, from an objective and neutral standpoint.</p>		

Notes:

1. There are no special interests between any of the candidates for Director and the Company.
2. [Outside] indicates a candidate for Outside Director, and [Independent] indicates a candidate for Independent Director.
3. Junko Kawano's name in the family registry is Junko Yamanouchi.
4. Junko Kawano, Norihiro Itano, and Michiko Funamoto are candidates for Outside Directors. The Company has registered them with the Tokyo Stock Exchange as independent directors.
5. Junko Kawano will have served as the Company's Outside Director for five years at the conclusion of this Meeting.
6. The Company has entered into agreements with Junko Kawano to limit her liability provided in Article 427, Paragraph 1 of the Companies Act. The maximum amount of liability pursuant to these agreements is the minimum amount stipulated by laws and regulations. If this proposal is approved as originally proposed at this Meeting, the Company intends to continue the existing agreements with her. If this proposal is approved as originally proposed at this Meeting, the Company intends to conclude the said agreements with new Director candidates Norihiro Itano and Michiko Funamoto.
7. The Company has entered into a directors and officers liability insurance contract as provided by Article 430-3, Paragraph 1 of the Companies Act to insure all Directors. The contract covers damages that may arise due to insured Directors assuming liability for their execution of duties, or receiving claims for the pursuit of such liability. If the candidates are appointed as Director, each of them will be insured under the insurance contract, which is to be renewed during their terms of office under the same terms and conditions.

Reference: Skills Matrix of Director Candidates

This is the management structure in the event that Proposal 2 is approved as initially proposed.
Areas of specialization and experience of the Director candidates are as follows.

Position	Name	Management Skills							Skills related to Business Specialization			
		Corporate management	Finance & Accounting/ Capital policies	Legal affairs/ Governance	Management planning / Business strategy	Personnel & Labor Diversity	ICT/DX	Environment/ Energy	Home appliance retail business	Living environment business	Marketing	Logistics
Chairman and Representative Director	Ryuhei Kanatani	•	•	•	•	•		•	•		•	
Representative Director President and Chief Executive Officer	Tetsuya Takahashi	•		•	•		•	•	•	•	•	•
Outside Director	Junko Kawano	•			•	•					•	
Outside Director	Norihiro Itano	•			•	•	•					
Outside Director	Michiko Funamoto	•	•		•	•	•					
Outside Director (Audit and Supervisory Board Member)	Kinya Naito	•		•		•						
Outside Director (Audit and Supervisory Board Member)	Kazumi Yoshikawa	•	•	•		•						
Outside Director (Audit and Supervisory Board Member)	Kazuko Otsuki	•	•	•		•						

Reasons for selection of skill sets

Skill Sets		Reason for selection
Management Skills	Corporate management	To achieve the sustainable growth of the Group and increase corporate value through the realization of the management philosophy, “Connecting People and Society to the Future with a Smile,” the Company needs a broad range of knowledge and experience to identify changes in the business environment and formulate appropriate management strategies from a long-term perspective.
	Finance & Accounting/ Capital policies	The Company requires abundant knowledge and experience to ensure financial soundness and balance for growth investments and shareholder return through efficient fund management and creating new social value that will lead to the Group’s sustainable growth and increase corporate value.
	Legal affairs/ Governance	To enhance corporate value through the stable operation of the Group’s business, the Company requires a broad range of legal knowledge, including social norms and corporate ethics, and the skills to build an effective corporate governance system that will lead the implementation of management strategies to sustainable growth of the Group.
	Management planning/ Business strategy	Toward sustainable growth and enhancement of the Group’s corporate value, the Company needs knowledge and experience to build a solid revenue base through effective reorganization of its business portfolio and to establish an alliance system to create new social value.
	Personnel & Labor Diversity	The Company needs skills leading the fostering of “human resources,” the source of the Group’s organizational capability to manage risks brought by social changes, seize new business opportunities, and lead the Group to sustainable growth. The Company demands knowledge and experience in managing “diverse human resources” to connect the advancement of employee engagement with the creation of new customer value and the enhancement of corporate value.
	ICT/DX	To optimize data flow from the perspectives of customer convenience, new experience value, improving operational efficiency, prompt and accurate management decisions, business continuity, and security, the Company demands knowledge and experience to be well-versed in digital technology and lead innovation.
	Environment/ Energy	The Company needs knowledge and experience to promptly incorporate medium- to long-term “risks” and “opportunities” brought by environmental issues, such as climate change and energy problems into its management strategies and create new social value by “Achieving carbon neutrality in the home,” which is the goal of the Group.
Skills related to Business Specialization	Home appliance retail business	The Company requires knowledge and experience in the “home appliance retail business,” its original business and largest revenue base, to position it as our core business over the medium to long term and to develop highly compatible related businesses that can leverage its infrastructure to foster new revenue-generating businesses.
	Living environment business	The Company demands knowledge and experience in its living environmental business, which is highly compatible with its home appliance retail business regarding product functionality and business infrastructure such as delivery, installation, and construction (at customers’ homes). This business is also a pillar of new social value, “Helping to strengthen the resilience of an aging society,” which the Group strives to achieve.
	Marketing	The Company needs industry-specific marketing skills to implement varied marketing strategies that match customers of all generations and lifestyles but also accumulate a vast amount of customer information and providing product information based on recalls and other “product safety” measures, in addition to after-sales service. The Company also values the ability to promote marketing automation and OMO (Online Merges with Offline) based on customer purchase trends and profiling.
	Logistics	The Company demands knowledge and experience in industry-specific logistics to handle large and heavy products and products requiring installation and construction, stockpile products, and supply to business locations such as operating stores and distribution centers. The Company values the necessary knowledge and experience to supervise a logistics infrastructure with complex functions, such as home delivery in the EC business, and take charge of the arteries of the “home appliance retail business.”

Policies and Procedures for Election of Directors

- The selection of Directors is based on their knowledge, understanding, and experience of the Company's management policies, business operations, and issues, and on their potential to contribute to the enhancement of the Company's corporate value over the medium to long term. The Nomination and Compensation Committee, chaired by an independent outside director with a majority of the members, deliberates in consultation with the Board of Directors, and the Board of Directors decides candidates based on the Committee's report. Candidates of Directors who are Audit and Supervisory Committee Members shall be determined by the Board of Directors with the consent of the Audit and Supervisory Committee.
- With respect to Outside Directors, from the perspective of strengthening the supervisory function of the execution of duties or appropriately auditing the execution of duties by Directors, the Company places importance on the fact that they are independent human resources with no risk of conflict of interest with general shareholders and have abundant experience and deep insight in their respective fields of expertise.
- In our company, the criteria for determining independence are based on satisfying both the requirements of the Companies Act for outside officers and the criteria for independence required by the Stock Exchange, and appropriate persons who can contribute to the enhancement of corporate value and shareholder interests are nominated as candidates for outside directors and registered with the Stock Exchange as independent officers.
The criteria for determining independence are deliberated by the Nomination and Compensation Committee, which receives advice from the Board of Directors from time to time, and the Board of Directors decides on the criteria based on the report of the Committee.

Approach to the Skills of Directors

- The Joshin Group's core businesses include retail business in the home appliance, mobile telecommunications, and entertainment fields in the Kansai, Tokai, Kanto, and Hokushinetsu areas, as well as the living environment business, including the construction of in-home infrastructure. The Group aims to achieve sustainable growth and increase corporate value over the medium to long term by establishing a sound and highly transparent corporate governance and internal control system.
- The Company is a Company with an Audit and Supervisory Committee. Following the transition, the Board of Directors will make decisions on management policies and strategies, while significantly delegating authority over business execution. By strengthening the supervisory function over the execution of duties by Directors, the Company seeks to achieve sustainable growth and enhance corporate value.
In order for the Board of Directors to properly fulfill its role, the Board of Directors as a whole must have the necessary skills based on the business content, operating organization, and governance structure of the Group, and these skills are constantly changing with the business environment.
- In order for the Board of Directors to appropriately make decisions on management policies and strategies and supervise the execution of duties by Directors, its members must have experience in "corporate management" as well as possess the skills necessary for management such as "finance and accounting, and capital policies," "legal affairs and governance," "management planning and business strategy," "personnel and labor, and diversity," "ICT/DX," and "environment and energy." In addition, industry-specific expertise is required in the "home appliance retail business," the "living environment business," and "marketing" and "logistics" that support their development.
- In addition to fulfilling their supervisory roles as Directors, the Company believes it is important that Directors who are Audit and Supervisory Committee Members possess the skills required of the Board of Directors mentioned above, particularly those related to "legal affairs" and "finance and accounting," in order for the Audit and Supervisory Committee to properly audit the execution of duties by Directors.

Using the Skills Matrix to Improve the Effectiveness of the Board of Directors

Based on the belief that the diversity of the directors who compose the Board of Directors determines the effectiveness of the Board of Directors and has a significant impact on sustainable growth and enhancement of corporate value over the medium to long term, the Board of Directors regularly deliberates on the balance and diversity of the composition of the Board of Directors, including the knowledge, experience, and abilities of Directors, and identifies the skills required of Directors, which are published in the “Skills Matrix.”

The Company considers the “Skills Matrix” as a tool to appropriately ensure the skills and diversity of the Board of Directors by recruiting a wide range of human resources with strengths in specific fields. When appointing Directors, the Company will select candidates with the necessary skills and experience in light of the “Skills Matrix” and follow the procedures to be approved at the Annual General Meeting of Shareholders.

The Company uses the “Skills Matrix” as follows.

1. Identification of the necessary skills for the Board of Directors in light of the business strategy
2. Understanding the gap between the ideal composition of the Board of Directors and the current situation
3. Appointment of human resources with skills that Directors lack
4. Enhanced Director training for deficient skills
5. Utilization in succession plans for Directors
6. Utilization in succession plans for Executive Officers and other senior management

We believe that the “Skills Matrix” will play an important role in our Succession Plan, and we use it as a criterion for evaluating core human resources in order to develop candidates for executive director and CEO positions. We continuously provide training for current Directors, Executive Officers, and senior management in order to develop candidates for the next term. In particular, Executive Officers share a wide range of skills and knowledge required of Directors, including legal and governance issues, sales strategies, financial strategies, human resources strategies, and Group management at Executive Officer meetings, Sustainability Committee meetings, and Risk Management Committee meetings attended by Directors. In addition, the Board of Directors regularly receives reports on the results of the Executive Officers’ performance of their duties, and the Company takes sufficient time to evaluate and develop them as human resources capable of serving as Directors and CEO in the future.