

Translation

Notes: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

Securities Code: 9843

June 3, 2024

(Date of commencement of electric provision measures: May 22, 2024)

To our shareholders:



Toshiyuki Shirai,
Representative Director & President
Nitori Holdings Co., Ltd.
1-2-39 Shinkotoni 7-jo, Kita-ku,
Sapporo-shi, Hokkaido

Notice of the 52nd Annual General Meeting of Shareholders

Please be informed that the 52nd Annual General Meeting of Shareholders of Nitori Holdings Co., Ltd. (the “Company”) will be held as indicated below.

- 1.Date and Time:** Thursday, June 20, 2024, at 10.00 a.m. (JST)
- 2.Venue:** Conference Room, 6th floor, Sapporo Head Office of the Company
1-2-39 Shinkotoni 7-jo, Kita-ku, Sapporo-shi, Hokkaido
- 3.Purpose of the Meeting**
- Matters to be reported:**
1. The Business Report and the Consolidated Financial Statements for the 52nd fiscal year (from April 1, 2023 to March 31, 2024), and the results of audits of the Consolidated Financial Statements by the Financial Auditor and the Audit & Supervisory Committee
 2. The Non-consolidated Financial Statements for the 52nd fiscal year (from April 1, 2023 to March 31, 2024)
- Matters to be resolved:**
- Proposal No. 1**
Election of Eight (8) Directors (Excluding Directors who are Audit & Supervisory Committee Members)
- Proposal No. 2**
Election of Three (3) Directors who are Audit & Supervisory Committee Members

When convening this General Meeting of Shareholders, the Company has taken measures for providing information in electronic format (the “electronic provision measures”) and has posted matters subject to the electronic provision measures on the following Company website under the title “Notice of the 52nd Annual General Meeting of shareholders.”

The Company’s website	Tokyo Stock Exchange website (TSE) (Listed Company Search)
https://www.nitorihd.co.jp/en/ir/shareholder/shareholder_meeting.html	https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show
	
<p>Please access The Company’s website above, click on “Notice of the 52nd Annual General Meeting of Shareholders”.</p>	<p>Please access the TSE website above, enter “Nitori Holdings” in the “Issue name (company name)” field or our stock exchange code “9843” in the “Code” field, and click on “Search” to find search results. Then, click on “Basic information” and “Documents for public inspection/PR information” in this order to find “[Notice of General Shareholders Meeting /Informational Materials for a General Shareholders Meeting].”</p>

Instead of attending the Meeting in person, you may exercise your voting rights in writing, via the internet. Please review the attached Reference Documents for the General Meeting of Shareholders, and exercise your voting rights by 6:00 p.m. on Wednesday, June 19, 2024 (JST).

- In the event that a shareholder provides no indication of approval or disapproval with regard to the proposals in writing, the shareholder shall be considered to have expressed approval, which shall be handled accordingly.
- In the event that a vote is exercised in duplicate via both the writing and the internet, the vote cast via the internet shall be effective.
- In the event that more than one vote is exercised via the internet, the latest vote shall be effective.
- The original Japanese version of the paper copy to be delivered to shareholders who made a request for delivery of documents does not include the “Consolidated Statement of Changes in Equity,” “Notes to Consolidated Financial Statements,” “Non-consolidated Statement of Changes in Equity” and “Notes to Non-consolidated Financial Statements” pursuant to the provisions of laws and regulations and the Article 16, paragraph 2 of the Company’s Articles of Incorporation. Accordingly, the said paper copy constitutes only part of the documents audited by the Audit & Supervisory Committee and the Financial Auditor in preparing audit reports.
- If any corrections are made to the matters subject to electronic provision measures, the original and revised versions of those matters will be posted (in Japanese only) on each website where the documents are posted.

Reference Documents for the General Meeting of Shareholders

Proposal No.1: Election of Eight (8) Directors (Excluding Directors who are Audit & Supervisory Committee Members)

The terms of office of all 8 Directors (excluding Directors who are Audit & Supervisory Committee Members; applicable to the rest of this proposal) will expire at the conclusion of this General Meeting. Therefore, the Company proposes the election of eight (8) Directors. Regarding this proposal, the Audit & Supervisory Committee has judged that all the candidates for Directors are qualified for the role.

The candidates for Directors are as follows:

Candidate No.	Name	Current positions and responsibilities in the Company	Attendance at meetings of the Board of Directors
1	[Reappointment] Akio Nitori	Representative Director & Chairperson	13 out of 13 meetings (100%)
2	[Reappointment] Toshiyuki Shirai	Representative Director & President	13 out of 13 meetings (100%)
3	[Reappointment] Fumihiko Sudo	Director, Executive Officer & Vice President	13 out of 13 meetings (100%)
4	[Reappointment] Masanori Takeda	Director, Executive Officer & Vice President General Manager of Global Merchandising Division General Manager of Global Sales Promotion Office In charge of Overseas Business	13 out of 13 meetings (100%)
5	[Reappointment] Hiromi Abiko	Director General Manager of HR Education Division	13 out of 13 meetings (100%)
6	[Reappointment] Takaaki Okano	Director	13 out of 13 meetings (100%)
7	[Reappointment] [Outside] [Independent] Yoshihiko Miyauchi	Outside Director	13 out of 12 meetings (92.3%)
8	[Reappointment] [Outside] [Independent] Naoko Yoshizawa	Outside Director	13 out of 13 meetings (100%)

Candidate No		Name (Date of birth)	Number of the Company's shares owned	Attendance at meetings of the Board of Directors
1	[Reappointment]	Akio Nitori (March 5, 1944)	3,410,482 shares	13 out of 13 meetings (100%)

Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	
Mar. 1972	Founded the Company, Senior Managing Director
May 1978	Representative Director & President of the Company
Feb. 2003	Director of Marumitsu Co., Ltd. (currently Nitori Furniture Co., Ltd.)
Nov. 2009	Representative Director & Chairperson of Nitori Public Co., Ltd.
May 2010	Chairperson of DECOHOME CHINA Co., Ltd.
Aug. 2010	Representative Director & President of Nitori Co., Ltd. Representative Director & President of Home Logistics Co., Ltd.
Aug. 2011	Representative Director & President of Nitori Facility Co., Ltd.
May 2012	Director & Chairperson of Nitori USA, Inc.
May 2014	Representative Director & Chairperson of Nitori Co., Ltd. Representative Director & Chairperson of Home Logistics Co., Ltd. Representative Director & Chairperson of Nitori Facility Co., Ltd.
Feb. 2016	Representative Director & Chairperson (CEO) of the Company (current position)
May 2016	Outside Director of KOHNAN SHOJI CO., LTD.
June 2016	Chairperson of NITORI (CHINA) HOLDING Co., Ltd.
Mar. 2017	Director & Senior Advisor of Nitori Public Co., Ltd.
May 2017	Director & Senior Advisor of Home Logistics Co., Ltd. (current position) Outside Director of IZUMI Co., Ltd.
Apr. 2018	Director & Senior Advisor of HOME DECO CO., LTD. (current position)
Dec. 2018	Director & Senior Advisor of N Plus Co., Ltd.
Feb. 2020	Representative Director & Chairperson of N Plus Co., Ltd. (current position) Representative Director & Chairperson of Nitori Furniture Co., Ltd.
Mar. 2020	Representative Director & Chairperson of Nitori Public Co., Ltd. (current position)
Apr. 2022	Representative Director & Chairperson of Nitori Digital Base Co., Ltd.
Sep. 2023	Director & Senior Advisor of Nitori Digital Base Co., Ltd. (current position)
Dec. 2023	Representative Director, Chairperson & President of Nitori Furniture Co., Ltd. (current position)
Feb. 2024	Representative Director, Chairperson & President of Nitori Co., Ltd. (current position)

Reasons for nomination as candidate for Director:

The candidate founded the Company in 1972 and since then, aiming to achieve the Company's Roman (vision) and while always making the most of his excellent foresight and strong leadership, has led Nitori to grow from being one furniture store to one of Japan's top home furnishing chains. The Company proposes the election of the candidate for Director, considered him to be qualified to continue as a Director that takes responsibility of decision making related to management policies and corporate strategy and supervisory functions regarding business execution.

Special interest between the candidate and the Company:

There is no special interest between Akio Nitori and the Company

Candidate No		Name (Date of birth)	Number of the Company's shares owned	Attendance at meetings of the Board of Directors
2	[Reappointment]	Toshiyuki Shirai (December 21, 1955)	42,308 shares	13 out of 13 meetings (100%)

Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	
Apr. 1979	Joined the Company
May 2001	Director of the Company
May 2004	Managing Director of the Company
May 2008	Senior Managing Director of the Company
May 2010	Director & Senior Managing Executive Officer of the Company
Aug. 2010	Director of Nitori Co., Ltd. Director of Home Logistics Co., Ltd.
Dec. 2010	Director & General Manager of Merchandising Division of Nitori Co., Ltd.
May 2012	Director of Nitori USA, Inc.
May 2014	Representative Director & Executive Vice President of the Company Representative Director & President of Nitori Co., Ltd. Representative Director & President of Home Logistics Co., Ltd. Representative Director & President of Nitori Facility Co., Ltd.
Mar. 2015	Representative Director & President of Nitori Public Co., Ltd.
May 2015	Representative Director & Chairperson of Home Logistics Co., Ltd.
Feb. 2016	Representative Director & President of the Company (current position)
Mar. 2017	Representative Director & Chairperson of Nitori Public Co., Ltd. Chairperson of NITORI (CHINA) HOLDING Co., Ltd. Representative Director & Chairperson of HOME DECO CO., LTD.
Apr. 2017	Chairperson of Nitori Taicang Trading & Logistics Co. Ltd.
June 2017	Director of KATITAS Co., Ltd. (current position)
Dec. 2018	Director of N Plus Co., Ltd. (current position)
Mar. 2019	Director of Nitori Furniture Co., Ltd. (current position)
Feb. 2020	Director of Nitori Co., Ltd. (current position) Chairperson of SIAM NITORI CO., LTD.
Mar. 2020	Director of Nitori Public Co., Ltd. (current position)
July 2020	Director of Home Logistics Co., Ltd.
June 2023	Director of SHIMACHU CO., LTD. (current position)
Aug. 2023	Representative Director & Chairperson of Home Logistics Co., Ltd. (current position)
Sep. 2023	Director of Nitori Digital Base Co., Ltd. (current position)

Reasons for nomination as candidate for Director:

The candidate has had a broad range of business experience such as being involved in store operations, personnel, product development, logistics, and overseas business, and has abundant experience and knowledge related to overall management of the Group gained from serving positions such as Representative Director & President of Nitori Co., Ltd. from May 2014 to February 2020, and Representative Director & President of the Company from February 2016. Accordingly, the Company proposes the election of the candidate for Director.

Special interest between the candidate and the Company:

There is no special interest between Toshiyuki Shirai and the Company

Candidate No		Name (Date of birth)	Number of the Company's shares owned	Attendance at meetings of the Board of Directors
3	[Reappointment]	Fumihiko Sudo (May 5, 1956)	11,325 shares	13 out of 13 meetings (100%)

Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	
Mar. 1979	Joined SHIMACHU CO., LTD.
Sept.2000	Representative Director of KANSAI SHIMACHU CO., LTD.
Apr. 2001	Joined the Company
May 2005	Executive Officer of the Company
May 2008	Managing Director of the Company
May 2010	Managing Executive Officer of the Company General Manager of Store Development Division of the Company
May 2014	Senior Managing Director of the Company
Aug. 2018	Director & Vice President of the Company
Apr. 2019	In charge of Store Development and National Sales Business of the Company
May 2019	Director of Nitori Co., Ltd. (current position)
Feb. 2020	Director, Executive Officer & Vice President of the Company (current position) General Manager of Business System Improvement Office
Jan. 2021	Chairperson of SHIMACHU CO., LTD.
Mar. 2021	Representative Director & Chairperson of SHIMACHU CO., LTD. (current position)

Reasons for nomination as candidate for Director:

The candidate has abundant business experience, including store development operations, and has abundant experience and knowledge related to overall management gained from serving positions such as Director & Vice President of the Company from August 2018. As the Chairperson and Representative Director of SHIMACHU CO., LTD., he is currently tasked with executing a smooth integration of business and creating synergies that would maximize the corporate value of both companies. Accordingly, the Company proposes the election of the candidate for Director.

Special interest between the candidate and the Company:

There is no special interest between Fumihiko Sudo and the Company

Candidate No		Name (Date of birth)	Number of the Company's shares owned	Attendance at meetings of the Board of Directors
4	[Reappointment]	Masanori Takeda (January 10, 1966)	10,663 shares	13 out of 13 meetings (100%)

Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	
Mar. 2004	Joined the Company
May 2014	Executive Officer of the Company Merchandising Manager of Furniture Department of Merchandising Division of Nitori Co., Ltd.
Oct. 2015	General Manager of Merchandising Division of Nitori Co., Ltd.
May 2016	Senior Executive Officer of the Company
May 2017	Managing Director of the Company Managing Director of Nitori Co., Ltd.
Aug. 2018	Director of Nitori Co., Ltd.
Oct. 2018	General Manager of Global Merchandising Division of the Company
Dec. 2018	Representative Director & President of N Plus Co., Ltd.
Apr. 2019	In charge of Global Product Development, Inventory Control, Procurement Division and Deco Home Business of the Company
Feb. 2020	Director of the Company Representative Director & President of Nitori Co., Ltd.
July 2020	General Manager of Global Merchandising Division, General Manager of Global Sales Promotion Office of the Company (current position) In charge of Overseas Sales Business Representative Director & Chairperson of HOME DECO CO., LTD. Chairperson of NITORI (CHINA) HOLDING Co., Ltd. (current position) Chairperson of Nitori Taicang Trading & Logistics Co. Ltd. (current position) Chairperson of SIAM NITORI CO., LTD. (current position)
Mar. 2023	Chairperson of NITORI HONG KONG CO., LTD. (current position) Chairperson of NITORI KOREA CO., LTD. (current position)
Feb. 2024	Director, Executive Officer & Vice President of the Company (current position) In charge of Overseas Business (current position) Director of Nitori Co., Ltd. (current position)

Reasons for nomination as candidate for Director:

The candidate has abundant business experience and knowledge owing to his broad experience in major operations of the Store Operations Division, Recruitment Division, and Merchandising Division, etc. and contributes to the promotion of product development and the expansion of overseas product procurement and sales channels as Director & General Manager of Global Merchandising Division of the Company. In addition, he assumed the position of Director, Executive Officer & Vice President of the Company since February 2024 and continues to be responsible for the Company's overseas business. Accordingly, the Company proposes the election of the candidate for Director.

Special interest between the candidate and the Company:

There is no special interest between Masanori Takeda and the Company

Candidate No		Name (Date of birth)	Number of the Company's shares owned	Attendance at meetings of the Board of Directors
5	[Reappointment]	Hiromi Abiko (February 13, 1961)	5,358 shares	13 out of 13 meetings (100%)

Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	
Nov. 1984	Joined the Company
May 2007	Seasonal Buyer Manager of Merchandising Division of the Company
July 2015	Executive Officer of the Company Manager of Coordinated Merchandise Planning Section, Merchandising Division of Nitori Co., Ltd.
May 2017	Senior Executive Officer of the Company
Nov. 2018	In charge of Global Coordinated Merchandise Planning, Global Merchandising Division of the Company Acting General Manager and Manager of Coordinated Merchandise Planning Section, Merchandising Division of Nitori Co., Ltd.
Feb. 2019	In charge of Coordinated Merchandise Planning, Global Merchandising Division of the Company Manager of Planning Group and Manager of Coordinated Product Planning Section, Merchandising Division of Nitori Co., Ltd.
May 2020	Managing Executive Officer of the Company
Mar. 2021	General Manager of HR Education Division of the Company (current position)
May 2021	Director of the Company (current position)

Reasons for nomination as candidate for Director:

The candidate has abundant business experience and knowledge gained from her extensive work experience in the planning, development and coordination of products as well as her engagement in the activities of the Sustainable Management Promotion Committee. The candidate is also currently responsible for promoting HR education and cultivating corporate culture towards achieving the medium- to long-term management plan of the Company. Accordingly, the Company proposes the election of the candidate for Director.

Special interest between the candidate and the Company:

There is no special interest between Hiromi Abiko and the Company

Candidate No		Name (Date of birth)	Number of the Company's shares owned	Attendance at meetings of the Board of Directors
6	[Reappointment]	Takaaki Okano (December 25, 1972)	99 shares	13 out of 13 meetings (100%)

Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	
July 2003	Joined SHIMACHU HOME'S CO., LTD.
Sept. 2007	Joined SHIMACHU CO., LTD.
Aug. 2009	General Manager of Furniture Sales Department of SHIMACHU CO., LTD.
Mar. 2010	General Manager of Furniture Product Department of SHIMACHU CO., LTD.
July 2012	General Manager of Human Resources Department of SHIMACHU CO., LTD.
Sept. 2013	Executive Officer of SHIMACHU CO., LTD.
Nov. 2014	Director of SHIMACHU CO., LTD.
Sept. 2015	General Manager of General Affairs Department of SHIMACHU CO., LTD.
Aug. 2017	General Manager of President's Office of SHIMACHU CO., LTD.
Nov. 2017	Representative Director & President of SHIMACHU CO., LTD. (current position)
May 2021	Director of the Company (current position)

Reasons for nomination as candidate for Director:

The candidate has abundant business experience and knowledge gained from his engagement in sales and administrative divisions at SHIMACHU CO., LTD., and has also displayed his capability for overall management as its President and Representative Director since November 2017. Accordingly, the Company proposes the election of the candidate for Director, considered that he will continue to be needed to achieve a smooth integration of the management of SHIMACHU CO., LTD. and the Company.

Special interest between the candidate and the Company:

There is no special interest between Takaaki Okano and the Company

Candidate No		Name (Date of birth)	Number of the Company's shares owned	Attendance at meetings of the Board of Directors
7	[Reappointment] [Outside] [Independent]	Yoshihiko Miyauchi (September 13, 1935)	512 shares	12 out of 13 meetings (92.3%)

Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	
Aug. 1960	Joined Nichimen & Co., Ltd. (currently Sojitz Corporation)
Apr. 1964	Joined Orient Leasing Co., Ltd. (currently ORIX Corporation)
Mar. 1970	Director of Orient Leasing Co., Ltd.
Dec. 1980	Representative Executive Officer, President and Chief Executive Officer of Orient Leasing Co., Ltd., Group CEO
Apr. 2000	Representative Executive Officer, Chairman and Chief Executive Officer of ORIX Corporation, Group CEO
June 2003	Director, Representative Executive Officer, Chairman and Chief Executive Officer of ORIX Corporation, Group CEO
Apr. 2006	Outside Director of ACCESS CO., LTD. (current position)
June 2014	Senior Chairman of ORIX Corporation (current position)
June 2017	Outside Director of Calbee, Inc. (current position)
Oct. 2019	Outside Director of RAKSUL INC. (current position)
May 2020	Outside Director of the Company (current position)

Reasons for nomination as candidate for Outside Director and expected role:

The candidate has abundant experience and deep insight in corporate management gained from his extensive years of engaging in management of ORIX Corporation. He has been actively expressing his opinions from a broader perspective on our medium- to long-term plan, management strategies, and other matters, at meetings of the Board of Directors of the Company and thereby playing his proper role as an Outside Director.

For these reasons, the Company proposes the election of the candidate for Outside Director, considered that he will continue to fulfill his duties as an Outside Director appropriately.

Tenure as Outside Director: 4 years (at the conclusion of this meeting)

Special interest between the candidate and the Company:

There is no special interest between Yoshihiko Miyauchi and the Company

Candidate No		Name (Date of birth)	Number of the Company's shares owned	Attendance at meetings of the Board of Directors
8	[Reappointment] [Outside] [Independent]	Naoko Yoshizawa (May 29, 1964)	—	13 out of 13 meetings (100%)

Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	
Aug. 1988	Joined Fujitsu Limited
Sept. 2009	Vice President of Mobile Phones Unit of Fujitsu Limited
Oct. 2011	Head of Global Research & Development Center of Fujitsu Laboratories of America, Inc.
Apr. 2016	Deputy Head of Advanced System Research & Development Unit and Head of AI Promotion Office of Fujitsu Limited
Apr. 2017	Corporate Executive Officer and Head of AI Platform Business Unit of Fujitsu Limited
Apr. 2018	Corporate Executive Officer, EVP and Vice Head of Digital Services Business of Fujitsu Limited
Sept. 2018	Corporate Executive Officer, EVP of Fujitsu Limited, CEO of FUJITSU Intelligence Technology Ltd.
Nov. 2019	Corporate Executive Officer, EVP and Evangelist of Digital Software & Solutions Business Group of Fujitsu Limited
May 2021	Outside Director of the Company (current position)
June 2021	Outside Director of Yamaha Corporation (current position)

Reasons for nomination as candidate for Outside Director and expected role:

The candidate has abundant experience and deep insight in corporate management gained from her years of holding key positions in a range of business fields at Fujitsu Limited, including driving the company's DX (digital transformation). She has been actively expressing her opinions from a professional insight on improving the Company's IT readiness for promoting DX, and other matters, at meetings of the Board of Directors of the Company and thereby playing her proper role as an Outside Director.

For these reasons, the Company proposes the election of the candidate for Outside Director, considered that he will continue to fulfill her duties as an Outside Director appropriately.

Tenure as Outside Director: 3 years (at the conclusion of this meeting)

Special interest between the candidate and the Company:

There is no special interest between Naoko Yoshizawa and the Company

- Notes:
1. Yoshihiko Miyauchi and Naoko Yoshizawa are candidates for Outside Director and each of them meets the “Independence Criteria for Outside Directors” established by the Company. Please refer to page 20 for the “Independence Criteria for Outside Directors.”
 2. The Company registered Yoshihiko Miyauchi and Naoko Yoshizawa as independent officers with the Tokyo Stock Exchange and the Sapporo Securities Exchange pursuant to the regulations of the Exchanges. If their reelections are approved, the Company plans to continue their designation as independent officers.
 3. Pursuant to the provisions of Article 427, paragraph 1 of the Companies Act, the Company has entered into agreements with Yoshihiko Miyauchi and Naoko Yoshizawa to limit their liability for damages under Article 423, paragraph 1 of the Companies Act to the minimum liability amount provided for by Article 425, paragraph 1 of the same Act. If their reelections are approved, the Company plans to renew the limited liability agreements with them.
 4. The Company has concluded a directors and officers liability insurance contract provided for in Article 430-3, paragraph (1) of the Companies Act with an insurance company. The insurance contract shall cover damages, legal expenses, etc. (except for causes for exemptions stipulated under the contract) in the event where a claim for damages is made during the insurance period as a result of the execution of duties by directors and officers. However, as a measure to ensure the appropriateness of the execution of duties by the insured is not impaired, there are certain causes for exemptions, including no coverage for damage arising from acts committed by the insured while being aware that they were in violation of laws and regulations. The insureds under the said insurance contract are directors and executive officers of the Company and its domestic and overseas subsidiaries (excluding some). In addition, the insurance premiums are fully borne by the Company. All candidates will be insured under the said insurance contract. In addition, the Company plans to renew the insurance contract with the same terms and conditions in February 2025, and all candidates will continue to be insured under the said insurance contract if their reelections are approved.
 5. The “Number of the Company’s shares owned” by each candidate indicates the actual number of shares, including the shares held by the Officers’ Shareholding Association of the Company.

Proposal No.2: Election of Three (3) Directors who are Audit & Supervisory Committee Members

The terms of office of 3 Directors (Takao Kubo, Yoshiyuki Izawa, Hisayoshi Ando) who are Audit & Supervisory Committee Members will expire at the conclusion of this General Meeting. Therefore, the Company proposes the election of three (3) Directors who are Audit & Supervisory Committee Members. The Audit & Supervisory Committee has given its approval to this proposal.

The candidates for Directors who is Audit & Supervisory Committee Member are as follows:

Candidate No.	Name		Current positions and responsibilities in the Company	Attendance at meetings of the Board of Directors	Attendance at meetings of the Audit & Supervisory Committee
1	[Reappointment]	Takao Kubo	Director (Full-time Member of Audit & Supervisory Committee)	13 out of 13 meetings (100%)	14 out of 14 meetings (100%)
2	[Reappointment] [Outside] [Independent]	Yoshiyuki Izawa	Outside Director (Audit & Supervisory Committee Member)	13 out of 13 meetings (100%)	14 out of 14 meetings (100%)
3	[Reappointment] [Outside] [Independent]	Hisayoshi Ando	Outside Director (Audit & Supervisory Committee Member)	13 out of 13 meetings (100%)	14 out of 14 meetings (100%)

Candidate No		Name (Date of birth)	Number of the Company's shares owned	Attendance at meetings of the Board of Directors	Attendance at meetings of the Audit & Supervisory Committee
1	[Reappointment]	Takao Kubo (January 14, 1946)	20,407 shares	13 out of 13 meetings (100%)	14 out of 14 meetings (100%)

Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	
Dec. 1977	Joined the Company
Feb. 1989	General Manager of Management Policy Office of the Company
May 1993	Full-time Corporate Auditor of the Company.
May 2001	Director & General Manager of Management Planning Office of the Company
Apr. 2003	Director & General Manager of President's Office of the Company
May 2004	Full-time Corporate Auditor of the Company
Aug. 2010	Corporate Auditor of Nitro Co., Ltd. (current position) Corporate Auditor of Home Logistics Co., Ltd. (current position)
May 2016	Director (Full-time Member of Audit & Supervisory Committee) of the Company (current position)
Apr. 2021	Corporate Auditor of SHIMACHU CO., LTD (current position)

Reasons for nomination as candidate for Director:

The candidate has considerable knowledge regarding finance and accounting and has abundant experience covering the overall management gained from serving positions of Director & Corporate Auditor at the Company. Accordingly, the Company proposes the election of the candidate for Director who is Audit & Supervisory Committee Member.

Special interest between the candidate and the Company:

There is no special interest between Takao Kubo and the Company

Candidate No		Name (Date of birth)	Number of the Company's shares owned	Attendance at meetings of the Board of Directors	Attendance at meetings of the Audit & Supervisory Committee
2	[Reappointment] [Outside] [Independent]	Yoshiyuki Izawa (February 10, 1948)	330 shares	13 out of 13 meetings (100%)	14 out of 14 meetings (100%)

Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	
Apr. 1970	Joined Mitsui & Co., Ltd.
Sept. 1997	President of MITSUI & CO. DEUTSCHLAND GMBH
June 2000	Director and General Manager of Informative Industry Division of Mitsui & Co., Ltd.
June 2004	Executive Managing Officer and General Manager of Osaka Office of Mitsui & Co., Ltd.
Apr. 2007	Senior Executive Managing Officer of Mitsui & Co., Ltd.
June 2007	Representative Director, Senior Executive Managing Officer of Mitsui & Co., Ltd.
Apr. 2008	Representative Director, Executive Vice President of Mitsui & Co., Ltd.
Dec. 2009	President and Representative Executive Officer of JAPAN POST BANK Co., Ltd.
May 2015	Representative Director & Chairperson of BlackRock Japan Co., Ltd.
Apr. 2021	Chairperson of the Board of BlackRock Japan Co., Ltd.
May 2022	Outside Director of the Company (current position) Outside Director of Seven & i Holdings Co., Ltd. (current position)
June 2022	Outside Director of Sanoh Industrial Co., Ltd. (current position)

Reasons for nomination as candidate for Outside Director and expected role:

The candidate has abundant experience in corporate management gained from his extensive years of engaging in management of Mitsui & Co., Ltd. In addition, based on the deep insight not only from the perspective of a manager but also from the perspective of an investor gained while leading the management of BlackRock Japan Co., Ltd., he has been actively expressing his opinions on our financial strategies, investment strategies, and other matters, at meetings of the Board of Directors of the Company and playing his proper role as an Outside Director in the supervision of business execution.

For these reasons, the Company proposes the election of the candidate for Outside Director who is Audit & Supervisory Committee Member, considered that he will continue to fulfill his duties as Outside Director appropriately.

Tenure as Outside Director: 2 years (at the conclusion of this meeting)

Special interest between the candidate and the Company:

There is no special interest between Yoshiyuki Izawa and the Company

Candidate No		Name (Date of birth)	Number of the Company's shares owned	Attendance at meetings of the Board of Directors	Attendance at meetings of the Audit & Supervisory Committee
3	[Reappointment] [Outside] [Independent]	Hisayoshi Ando (April 24, 1960)	—	13 out of 13 meetings (100%)	14 out of 14 meetings (100%)

Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	
Apr. 1983	Joined the Ministry of International Trade and Industry
July 2005	Head of Iron and Steel Division of Manufacturing Industries Bureau of Ministry of Economy, Trade and Industry
July 2007	Head of Secretariat General Policy Division, Commissioner of Agency for Natural Resources and Energy of Ministry of Economy, Trade and Industry
July 2008	Head of Economic and Industrial Policy Division of Economic and Industrial Policy Bureau of Ministry of Economy, Trade and Industry
Dec. 2008	Head of Policy Planning and Coordination Division of Minister's Secretariat of Ministry of Economy, Trade and Industry
Sept. 2009	Executive Secretary to the Prime Minister
July 2010	Head of Natural Resources and Fuel Department of Agency for Natural Resources and Energy of Ministry of Economy, Trade and Industry
June 2013	Head of Kanto Bureau of Economy, Trade and Industry of Ministry of Economy, Trade and Industry
July 2015	Director-General of Commerce and Information Policy Bureau of Ministry of Economy, Trade and Industry
July 2017	Commissioner of Small and Medium Enterprise Agency of Ministry of Economy, Trade and Industry
July 2019	Vice-Minister of Economy, Trade and Industry of Ministry of Economy, Trade and Industry
July 2021	Retired from Ministry of Economy, Trade and Industry
May 2022	Outside Director of the Company (current position)
June 2022	Outside Director of Marubeni Corporation (current position)

Reasons for nomination as candidate for Outside Director and expected role:

The candidate has abundant experience and professional insight gained from held important positions including Vice-Minister of Economy, Trade and Industry. He has been actively expressing his opinions on global strategies, security measures, and other matters, at meetings of the Board of Directors of the Company and playing his proper role as an Outside Director in the supervision of business execution.

For these reasons, although the candidate has never directly taken part in corporate management, the Company proposes the election of the candidate for Outside Director who is Audit & Supervisory Committee Member, considered that he will continue to fulfill his duties as Outside Director appropriately.

Tenure as Outside Director: 2 years (at the conclusion of this meeting)

Special interest between the candidate and the Company:

There is no special interest between Hisayoshi Ando and the Company

- Notes:
1. Yoshiyuki Izawa and Hisayoshi Ando are candidates for Outside Director and both of them meet the “Independence Criteria for Outside Directors” established by the Company. Please refer to page 20 for the “Independence Criteria for Outside Directors.”
 2. The Company registered Yoshiyuki Izawa and Hisayoshi Ando as independent officers with the Tokyo Stock Exchange and the Sapporo Securities Exchange pursuant to the regulations of the Exchanges. If their reelections are approved, the Company plans to continue their designation as independent officers.
 3. Pursuant to the provisions of Article 427, paragraph 1 of the Companies Act, the Company has entered into agreements with Takao Kubo, Yoshiyuki Izawa and Hisayoshi Ando to limit their liability for damages under Article 423, paragraph 1 of the Companies Act to the minimum liability amount provided for by Article 425, paragraph 1 of the same Act. If their reelections are approved, the Company plans to renew the limited liability agreements with them.
 4. The Company has concluded a directors and officers liability insurance contract provided for in Article 430-3, paragraph (1) of the Companies Act with an insurance company. The insurance contract shall cover damages, legal expenses, etc. (except for causes for exemptions stipulated under the contract) in the event where a claim for damages is made during the insurance period as a result of the execution of duties by directors and officers. However, as a measure to ensure the appropriateness of the execution of duties by the insured is not impaired, there are certain causes for exemptions, including no coverage for damage arising from acts committed by the insured while being aware that they were in violation of laws and regulations. The insureds under the said insurance contract are directors and executive officers of the Company and its domestic and overseas subsidiaries (excluding some). In addition, the insurance premiums are fully borne by the Company. All candidates will be insured under the said insurance contract. In addition, the Company plans to renew the insurance contract with the same terms and conditions in February 2025, and all candidates will continue to be insured under the said insurance contract if their reelections are approved.
 5. The “Number of the Company’s shares owned” by each candidate indicates the actual number of shares, including the shares held by the Officers’ Shareholding Association of the Company.

For reference (1)

Composition of officers after the proposals are approved (management structure from June 20, 2024)

Of the skills, etc. held by each Director, maximum of six main skills are marked with ●.

Proposal	Candidate No.	Name		Audit & Supervisory Committee	Knowledge and experience the Company expects of Directors				
					(1) Corporate Management	(2) Rejecting Status Quo	(3) Product Development	(4) Supply Chain Management	(5) IT and DX
No.1	1	Akio Nitori	[Reappointment]		●	●	●	●	
	2	Toshiyuki Shirai	[Reappointment]		●	●		●	●
	3	Fumihito Sudo	[Reappointment]		●	●	●	●	●
	4	Masanori Takeda	[Reappointment]		●	●	●	●	
	5	Hiromi Abiko	[Reappointment]			●	●		
	6	Takaaki Okano	[Reappointment]		●	●		●	
	7	Yosihiko Miyauchi	[Reappointment] [Independent] [Outside]		●			●	
	8	Naoko Yoshizawa	[Reappointment] [Independent] [Outside]		●				●
No.2	1	Takao Kudo	[Reappointment]	○		●		●	
	2	Yoshiyuki Izawa	[Reappointment] [Independent] [Outside]	○	●				●
	3	Hisayoshi Ando	[Reappointment] [Independent] [Outside]	○					●
	—	Masahito Kanetaka	[Independent] [Outside]	○					

[Summary of each skill]

(1) Corporate Management:	Having experience in company management as a manager.
(2) Rejecting Status Quo:	Equipped with a mindset essential for our management team, which is to constantly reject the status quo and repeatedly observe, analyze, and judge in order to make improvements and reforms.
(3) Product Development:	Having the skills to develop attractive products that can create “offering the unexpected” value by totally coordinating them.
(4) Supply Chain Management:	Having the skills to develop our unique business model of integrating manufacturing, distribution, IT, and retail and optimize the structure from procurement to sales.
(5) IT and DX:	Having the skills to drive company-wide business process improvements through IT utilization and DX.

Proposal	Candidate No.	Name	Knowledge and experience the Company expects of Directors					(10) Finance	(11) Sustainability
			(6) Global Management	(7) HR Development	(8) Legal Affairs Risk Management	(9) Internal Control Governance	(10) Finance		
No.1	1	Akio Nitori	●	●					
	2	Toshiyuki Shirai		●				●	
	3	Fumihito Sudo			●				
	4	Masanori Takeda	●		●				
	5	Hiromi Abiko		●		●		●	
	6	Takaaki Okano		●					
	7	Yosihiko Miyauchi	●		●		●	●	
	8	Naoko Yoshizawa	●	●	●				
No.2	1	Takao Kudo			●	●	●		
	2	Yoshiyuki Izawa	●		●	●	●		
	3	Hisayoshi Ando	●		●	●	●	●	
	—	Masahito Kanetaka	●	●	●	●		●	

[Summary of each skill]

(6) Global Management:	Having macroeconomic views and knowledge of global business, and the skills to drive overseas business.
(7) HR Development:	Having extensive experience in human resource training and development, and the skills to augment human capital.
(8) Legal Affairs / Risk Management:	Having knowledge of legal affairs, compliance, etc., and the skills to identify and control potential risks to the business.
(9) Internal Control Governance:	Having experience of operating a large organization and knowledge of internal controls, and the skills to optimize an organization's management and supervision system.
(10) Finance:	Having knowledge of accounting, finance, taxation, etc., and the skills to support corporate management.
(11) Sustainability:	Equipped with a sustainability management perspective, which is essential for the sustainable development and growth of a company.

For reference (2)
Independence Criteria for Outside Directors

The Company designates Outside Directors who do not fall under any of the following items as independent Directors.

- 1) A person who is currently or was in the past ten years an executive director, executive officer, manager, or any other employee (hereinafter collectively referred to as “Executive”) of the Company or a subsidiary of the Company.
- 2) A person or the Executive of a corporation who holds either directly or indirectly 10% or more of the total number of the voting rights of the Company.
- 3) A person or the Executive of a corporation for whom the Company or a subsidiary of the Company is a major business partner (Note 1), and a person or the Executive of a corporation who is a major business partner (Note 2) of the Company or a subsidiary of the Company.
- 4) The financial auditor or one of their employees, etc., for the Company or for a subsidiary of the Company.
- 5) A consultant, attorney at law, certified public accountant, certified public tax accountant, etc., who received from the Company or a subsidiary of the Company monetary payment or other property benefits exceeding 10 million yen annually other than director/corporate auditor remuneration (referring to the person belonging to the organization if the one who received the relevant property is an organization such as a corporation or partnership).
- 6) A person or the Executive of a corporation who received donations or aid funds exceeding 10 million yen annually from the Company or a subsidiary of the Company.
- 7) A person who has fallen under any of 2) through 6) in the past three years.
- 8) A person whose spouse or relative who is within the second degree of kinship falls under any of 1) through 7). However, in the event that the person who falls under 1) through 7) is the Executive, this is limited to the important Executive (Note 3).
- 9) Any other person, even if they do not fall under 1) through 8), for whom there is potential for constant conflict of interests with general shareholders as a whole.

- Notes:
1. A business partner for whom 2% or more of its annual consolidated net sales in the most recent fiscal year was paid by the Company or a subsidiary of the Company.
 2. A business partner who paid 2% or more of the annual consolidated net sales of the Company to the Company or a subsidiary of the Company in the most recent fiscal year, or a business partner who loaned money that makes up 2% or more of the consolidated total assets of the Company to the Company or a subsidiary of the Company at the end of the most recent fiscal year.
 3. A person, among the Executives, who executes important business such as a director (excluding an outside director), executive officer, manager or a person in charge of a department.

Current Status of the Corporate Group

(1) Business Progress and Results

During the fiscal year under review (from April 1, 2023 to March 31, 2024), the Japanese economy faced downside risks from weaker-than-expected overseas economies amid the effects of global monetary tightening and concern over China's economic outlook; however, in an improving employment and income environment and buoyed by government policy measures, Japan's economy is expected to pick up. In the furniture and interior goods industry, the operating environment remained challenging, with the intensification of sales competition beyond industry and business format boundaries, increases in personnel expenses driven by labor shortages, supply constraints, and rising raw material prices. The main results of operations for the fiscal year under review are as shown below.

Note that the previous fiscal year is a transitional period for the change in fiscal year-end and so covered a period of 13 months and 11 days from February 21, 2022 to March 31, 2023. Since the fiscal year under review is a 12-month period, the length of the periods being compared is different. Nevertheless, the amount of change and the percentage change are disclosed for reference purposes.

	For the fiscal year ended March 31, 2023 (millions of yen)	For the fiscal year ended March 31, 2024 (millions of yen)	Increase / Decrease (millions of yen)	Percentage change (%)
Net sales	948,094	895,799	(52,295)	(5.5)
Operating profit	140,076	127,725	(12,350)	(8.8)
Profit ratio	14.8%	14.3%		
Ordinary profit	144,085	132,377	(11,707)	(8.1)
Profit attributable to owners of parent	95,129	86,523	(8,605)	(9.0)

Operating results by business segment are as follows.

		For the fiscal year ended March 31, 2023 (millions of yen)	For the fiscal year ended March 31, 2024 (millions of yen)	Increase / Decrease (millions of yen)	Percentage change (%)
NITORI Business	Net sales	821,782	785,404	(36,377)	(4.4)
	Sales to external customers	813,734	776,835	(36,899)	(4.5)
	Segment profit	135,329	125,075	(10,254)	(7.6)
SHIMACHU Business	Net sales	134,664	119,263	(15,400)	(11.4)
	Sales to external customers	134,360	118,964	(15,395)	(11.5)
	Segment profit	4,112	2,108	(2,003)	(48.7)

1) NITORI Business

In terms of the general sales situation in Japan, we opened 41 NITORI stores and 17 Deco Home stores during the fiscal year under review. As a result, with the opening of the NITORI Tsuruga Store on March 29, 2024, the number of NITORI Group stores reached 1,000. As for measures for generating sales, we actively implemented measures to increase the number of customer visits, including refurbishing existing stores and also using opportunities for TV coverage to promote products. Regarding cost of sales, the cost of imports rose due to the depreciation of the yen, but we continued combating the weaker yen through improvement of gross margin. In February 2024, we launched a barcode payment service as a new payment method at NITORI, Deco Home and N+ stores, in response to feedback from customers who wanted the option of barcode payment. To satisfy even more customers, we also provided certain products at a limited-time-only price through various campaigns including an anniversary campaign and a campaign to celebrate the number of Group stores worldwide reaching 1,000. Turning to SG&A expenses, we have sought to curb expenses, including reducing delivery expenses by making logistics in-house and redeploying logistics centers.

As for actual sales for the fiscal year under review, products such as the three-layer adjustable NITORI Pillow for Easy Side Sleeping (Natural Fit), the N-Polda series of no-drill wall storage solutions, and the Trolley series adjustable height steel wagon all sold well. Furthermore, in the Good Design Award 2023 organized by Japan Institute of Design Promotion, we won awards for four items, namely Upcycle Personal Carpet, Hybrid Organic Cotton Bedding Series, Deodorizing Fabric Series and Futon Washing Service with Storage. With these awards, we have now been Good Design Award winners for 11 consecutive years from FY2013.

In initiatives related to new ways of shopping, we exhibited for the first time at the camping festival Go Out Jamboree 2023 and did our first livestream from an outdoor event about this season's outdoor goods on NITORI Live, a customer-participatory live commerce site. We also used NITORI Live to deliver regular seminars on storage and interior coordination, which were well received. NITORI Live draws in a large audience, with the total number of viewers exceeding 6.33 million in the fiscal year under review. Going forward, we will continue to implement measures combining online and offline marketing, and work on continually building relationships with customers and improving shopping convenience.

On the logistics measures front, during the fiscal year under review, we started construction of a distribution center (DC) in Fukuoka in September 2023, and completed a DC in Nagoya in November 2023. We implemented a strategic logistics project aimed at optimizing the entire supply chain, from upstream to downstream, and made progress optimizing the DC network and consolidating functions. In addition, we expanded our own road-based container transport network in Japan and our last mile logistics network and, through a combination of initiatives such as relay transportation, modal shift, a review of delivery frequency, and changes to loading and unloading times, we also implemented measures to address the trucker overtime curbs known as the 2024 problem. Furthermore, we introduced Fujitsu Limited's delivery optimization technology to the Group's vehicle allocation system, putting this into full-scale operation at delivery centers across Japan and, through the digital transformation of last mile deliveries, we optimized delivery routes and improved delivery efficiency.

Looking at the general sales situation overseas, during the fiscal year under review, we opened stores for the first time in Thailand, Hong Kong, South Korea and Vietnam in quick succession. We also accelerated store openings in the other Asia region, opening 10 stores in Taiwan, 30 stores in Mainland China and 4 stores in Malaysia. Especially in Taiwan, we reopened our newly refurbished Taipei Dunbei Store as a flagship store with the largest floor area in Taiwan, to build recognition for the NITORI brand. Going forward, we will continue actively expanding our store network to include countries and regions where we have yet to open stores in line with our mission to "enrich homes of people all over the world."

2) SHIMACHU Business

In the SHIMACHU Business, we opened the Homes Yokohama Tsurumi Store in December 2023, our first store opening since the management integration. Built on the site of SHIMACHU Yokohama Store that was frequented by local customers for the past 34 years, the new store offers a wide product lineup, with home center products on the first floor, and furniture, home fashion products and household goods on the second floor, and with more than 2,200 SHIMACHU brand products including bicycles, pet sheets and casual clothing, plus NITORI own-brand products and an array of national brand products. With a full lineup of counters selling medicines and cosmetics and even a supermarket attached to the venue, the new store will be used to inform new shop openings as a model for a one-stop shopping store. Meanwhile, as a priority measure within the Group, we are working to develop more own brand products closely related to customers' daily lives under the slogan "offering the unexpected," which means "quality beyond its price," and to enhance product strength. In a new initiative, employees actually use the products themselves so that the customer perspective is reflected in the development of better products. We also completed construction of Noda-Seto DC (Noda City, Chiba Prefecture) to ensure the inventory storage space necessary to expand sales of own-brand products. Moving forward, we will continue helping enrich the lives of the local customers.

3) Entire Group

Progress on the indicators set as targets up to 2025 is as follows.

		Targets up to 2025	As of March 31, 2024
Group total	Number of customers (per year)	Over 200 million	142 million
	Number of stores (end of term)	1,400	1,001
Domestic in Japan	Number of App members (end of term)	25 million	19.33 million
	EC Sales (per year)	150 billion yen	87.1 billion yen

The status of store openings and closures is as follows.

	Number of stores (March 31, 2023)	Open	Close	Number of stores (March 31, 2024)
Nitori (including Nitori EXPRESS)	523	41	8	556
Deco Home	167	17	10	174
N Plus	30	15	7	38
Domestic Subtotal	720	73	25	768
Taiwan	53	10	2	61
Mainland China	67	30	2	95
U. S	1	-	1	-
Malaysia	7	4	-	11
Singapore	1	1	-	2
Thailand	-	5	-	5
Hong Kong	-	1	-	1
Korea	-	3	-	3
Vietnam	-	1	-	1
Overseas Subtotal	129	55	5	179
NITORI Business	849	128	30	947
SHIMACHU Business	53	1	-	54
Total	902	129	30	1,001

We believe that continued growth in the number of customers that shop with us is a barometer of our social contribution, and we are expanding our store network in Japan and globally to develop a global chain, with the goal of enriching the lives of more customers. Going forward, we will continue to expand our business domains and store network, to increase customer numbers and improve shopping convenience.

In terms of sustainability initiatives during the fiscal year under review, we implemented renewable energy measures as action on climate change and began generating solar power at some stores. The stores with solar panels generate more electricity than they use and supply the surplus electricity to other stores in the Group. We plan to gradually roll this circular framework out to logistics centers as well. In addition, we plan to improve customer convenience and help reduce greenhouse gas emissions through the development of an EV charging infrastructure powered by 100% renewable energy at the Group's 300 or so NITORI and SHIMACHU stores.

In resource recycling initiatives, we have been running a curtain collection campaign, encouraging customers to bring in their unwanted curtains regardless of where they bought them from or what state they are in and, from June 2023, all NITORI and SHIMACHU stores began accepting donated curtains at all times. We also ran a down duvet collection campaign from October to December 2023. The down duvets made from recycled down, which we began selling at the same time, had a much higher recycled down content per duvet than previous products, further helping to conserve finite resources. Furthermore, in an initiative launched in January 2024, we began collecting unwanted towels at certain stores for a limited time only. This was NITORI's first attempt at collecting towels. The towels brought in by customers were recycled into waste cloth (cloth products for removing oil and grime) and we plan to reuse them at our logistics centers, etc. Through this, we will build our own in-house circular framework whereby we avoid using new resources as much as possible and conserve finite resources. In the 72nd Nikkei Advertising Awards sponsored by Nikkei, Inc., our advertising campaign for carpets made from recycled raw materials and the curtain collection campaign was selected out of more than 8,000 entries for the Excellence Award in the Environmental Category and the Minister of the Environment Award.

As for "Contribution to local communities," which is one of the Group's material issues on sustainability, we are providing livelihood support and employment support to ensure that Ukrainian refugees who fled to Japan because of the war can lead independent lives. In terms of livelihood support, money donated by NITORI Co., Ltd. and our Chairman Akio Nitori is used to pay financial assistance of 80,000 yen per month per person (40,000 yen per month for persons under 20 years of age) to Ukrainian refugees via the NITORI International Scholarship Foundation. In terms of employment support, we offer them employment opportunities at the Group's stores and logistics centers across Japan. Moreover, in the immediate aftermath of the Noto Peninsular Earthquake in January 2024, we donated essential items such as futons, pillows and slippers in coordination with the local governments of the affected areas, and in March 2024, we worked with Credit Saison Co., Ltd. to establish a 120-million yen support framework for the affected areas funded by donations from Credit Saison Co., Ltd. and its credit card members and money donated by us. Under this same framework, we plan to provide support in the form of NITORI products that are an integral part of daily life, for use in the temporary housing that is gradually being built in the affected areas.

Going forward, we will continue developing sustainably as a company while at the same time seeking to contribute to a better future by solving social and environmental problems through our end-to-end business model.

(2) Capital investment

Total capital investment in the fiscal year amounted to 132,146 million yen, mainly for the construction of new stores and distribution centers and for the opening of new stores in the next fiscal year and beyond.

(3) Issues to be addressed

<Figure omitted>

(4) Status of assets and income

	49th fiscal year	50th fiscal year	51st fiscal year	52nd fiscal year (Fiscal year under review)
Net sales (million yen)	716,900	811,581	948,094	895,799
Ordinary profit (million yen)	138,426	141,847	144,085	132,377
Profit attributable to owners of parent (million yen)	92,114	96,724	95,129	86,523
Earnings per share (yen)	817.01	856.71	841.90	765.62
Total assets	930,884	983,840	1,133,771	1,238,679
Total net assets	685,392	732,813	818,096	896,308
Net assets per share	5,691.11	6,489.57	7,239.04	7,931.07

- Notes: 1. The business combination with Shimachu Corporation was accounted for tentatively in the 49th fiscal year, but was finalized in the 50th fiscal year. The figures for the 49th fiscal year reflect the finalization of the provisional accounting treatment..
2. Due to the change in fiscal year end, the 51st fiscal year is 13 months and 11 days from February 21, 2022 to March 31, 2023, while the 50th and earlier fiscal years are 12 months from February 21 to February 20 of the following year.

(5) Major offices and plants (As of March 31, 2024)

◆Major Locations in Japan

(i) Offices

Sapporo, Tokyo, Toyonaka (Osaka), Saitama

(ii) Logistics centers

Ishikari (Hokkaido), Shiraoka (Saitama), Goka (Ibaraki), Yokohama, Kawasaki,
Ibaraki (Osaka), Kobe, Sasaguri (Fukuoka)

◆Major Overseas Locations

(i) Offices

Shanghai (Mainland China), Taipei (Taiwan)

(ii) Logistics centers

Taicang (Mainland China)

(iii) Factories

Hanoi (Vietnam), Ba Ria - Vung Tau (Vietnam)

(6) Status of principal subsidiaries (As of March 31, 2024)

(i) Principal subsidiaries

Company Name	Share Capital	Voting rights ratio	Principal business
Nitori Co., Ltd.	1,000 million yen	100.0%	Sales of furniture and interior goods
Home Logistics Co., Ltd.	490 million yen	100.0%	Logistics Services
SHIMACHU Co., Ltd.	101 million yen	100.0%	Sales of furniture, interior goods, and home improvement products.
NITORI TAIWAN CO., LTD.	2,768 million yen	100.0%	Sales of furniture and interior goods
NITORI (CHINA) HOLDING Co., Ltd.	6,614 million yen	100.0%	Management of group companies
DECOHOME CHINA Co., Ltd.	693 million yen	100.0% [100.0%]	Sales of furniture and interior goods
NITORI (SHANGHAI) HOME FURNISHING CO., LTD	1,657 million yen	100.0% [100.0%]	Sales of furniture and interior goods
NITORI (SHANGHAI) HOME FURNISHING SALES CO., LTD	50 million yen	100.0% [100.0%]	Sales of furniture and interior goods
Nitori Taicang Trading & Logistics Co., Ltd.	6,421 million yen	100.0%	Logistics Services and Commodity Input
NITORI FURNITURE VIETNAM EPE	18,237 million yen	100.0% [100.0%]	Furniture Manufacturing
Nitori Public Co., Ltd.	150 million yen	100.0%	Advertising Business
HOME DECO CO., LTD.	28 million yen	100.0%	Curtain Manufacturing

- Notes: 1. Figures in square brackets in the Voting rights ratio column represent indirect holdings.
2. At the Board of Directors meeting held on August 30, 2017, the Board resolved to liquidate P. T. NITORI FURNITURE INDONESIA, a consolidated subsidiary of the Company, and the company is currently in the process of liquidation.
3. The status of specified wholly owned subsidiaries as of the end of the current fiscal year is as follows.

Company Name	Address	Book value of shares	Total assets of the Company
SHIMACHU Co., Ltd.	8-3-32, Kamiochiai, Chuo-ku, Saitama-shi, Saitama	1216,038 million yen	576,173 million yen

(ii) Principal affiliated company

Company Name	Share Capital	Voting rights ratio	Principal business
KATITAS Co., Ltd.	3,778 million yen	34.3%	Pre-Owned Housing Revitalization

(7) Principal business (As of March 31, 2024)

The Group consists of the Company, 37 consolidated subsidiaries and one equity-method affiliate, and is distinguished between NITORI Business and SHIMACHU Business. NITORI Business involves the development, manufacture, and sale of furniture and interior goods, as well as other activities such as real estate leasing, advertising services, and logistics services. SHIMACHU Business includes the sale of furniture, interior goods, and home improvement products.

(8) Status of employees (As of March 31, 2024)

Division	Number of Employees		Increase / Decrease	
NITORI Business	17,514	16,968	43	1,268
SHIMACHU Business	1,420	2,638	(18)	(82)
Total	18,934	19,606	25	1,186

Notes: The number of employees is the number of full-time employees, and the number of temporary employees is the average number of employees per year (converted to 8 hours per day) in the right column.

(9) Principal lenders and amount of borrowings (As of March 31, 2024)

Lender	Loan balance
Sumitomo Mitsui Banking Corporation	41,500 million yen
Sumitomo Mitsui Trust Holdings, Inc	31,500 million yen
Mizuho Bank, Ltd.	31,500 million yen
North Pacific Bank, Ltd.	20,500 million yen
MUFG Bank, Ltd.	11,500 million yen
Saitama Resona Bank, Limited	830 million yen

Status of the Company

(1) Matters Regarding Shares (As of March 31, 2024)

(i) Total number of authorized shares

288,000,000 shares

(ii) Total number of issued shares

114,443,496 shares

*The number stated above includes 1,044,184 shares of treasury stock.

(iii) Number of shareholders

25,898

(iv) Status of the top 10 shareholders

Name	Number of shares owned (thousands)	Ratio to the total number of issued shares (%)
NITORI Trading Ltd.	20,799	18.34
The Master Trust Bank of Japan, Ltd. (trust account)	17,768	15.66
Custody Bank of Japan, Ltd. (trust account)	8,637	7.61
NITORI International Scholarship Foundation	4,000	3.52
North Pacific Bank, Ltd.	3,860	3.40
Akio Nitōri	3,410	3.00
Momoyo Nitōri	3,078	2.71
National Mutual Insurance Federation of Agricultural Cooperatives	2,411	2.12
JP MORGAN CHASE BANK 385632	2,351	2.07
Nippon Life Insurance Company	2,056	1.81

Notes: 1. The numbers presented in "Number of shares held" above are calculated based on the list of shareholders.
 2. The Company's 1,044,184 shares of treasury stock are excluded from the above list of major shareholders.
 3. Calculations of equity positions exclude holdings of treasury stock.
 4. The number of shares owned by The Master Trust Bank of Japan, Ltd. and Custody Bank of Japan, Ltd. are shares held in securities investment trusts and retirement benefit trusts.

(v) Matters regarding shares granted to Company officers during the fiscal year as consideration for performance of duties

	Number of shares	Number of grantees
Directors (excluding Directors who are Audit & Supervisory Committee Members and Outside Director)	260	5

(2) Matters Regarding Company Officers (As of March 31, 2024)

(i) Status of the Directors

Position in the Company	Name	Responsibility in the Company and Significant concurrent positions outside the Company
Representative Director & Chairperson	Akio Nitori	Representative Director, Chairperson & President of Nitori Co., Ltd.
		Director & Senior Advisor of Home Logistics Co., Ltd.
		Representative Director & Chairperson of Nitori Public Co., Ltd.
		Director & Senior Advisor of HOME DECO CO., LTD.
		Representative Director & Chairperson of N Plus Co., Ltd.
		Representative Director, Chairperson & President of Nitori Furniture Co., Ltd.
		Director & Senior Advisor of Nitori Digital Base Co., Ltd.
Representative Director & President	Toshiyuki Shirai	Director of Nitori Co., Ltd.
		Representative Director & Chairperson of Home Logistics Co., Ltd.
		Director of Nitori Public Co., Ltd.
		Director of Nitori Furniture Co., Ltd.
		Director of N plus Co., Ltd.
		Director of KATITAS Co., Ltd.
		Director of SHIMACHU CO., LTD.
		Director of Nitori Digital Base Co., Ltd.
Director, Executive Officer & Vice President	Fumihiro Sudo	Director of Nitori Co., Ltd.
		Representative Director & Chairperson of SHIMACHU CO., LTD.
Director, Executive Officer & Vice President	Fumiaki Matsumoto	General Manager of Purchasing Control Office
Director, Executive Officer & Vice President	Masanori Takeda	General Manager of Global Merchandising Division
		General Manager of Global Sales Promotion Office
		In charge of Overseas Business
		Director of Nitori Co., Ltd.
		Chairperson of NITORI (CHINA) HOLDING Co., Ltd.
		Chairperson of Nitori Taicang Trading & Logistics Co., Ltd.
		Chairperson of SIAM NITORI CO., LTD.
		Chairperson of NITORI HONG KONG CO., LTD.
		Chairperson of NITORI KOREA CO., LTD.
Director	Hiromi Abiko	General Manager of HR Education Division
Director	Takaaki Okano	Representative Director & President of SHIMACHU CO., LTD.
Director	Yoshihiko Miyauchi	Senior Chairman of ORIX Corporation
		Outside Director of ACCESS CO., LTD.
		Outside Director of Calbee, Inc.
		Outside Director of RAKSUL INC.
Director	Naoko Yoshizawa	Outside Director of Yamaha Corporation

Director (Full-time Member of Audit & Supervisory Committee)	Takao Kubo	Corporate Auditor of Nitori Co., Ltd.
		Corporate Auditor of Home Logistics Co., Ltd.
		Corporate Auditor of SHIMACHU CO., LTD.
Director (Member of Audit & Supervisory Committee)	Yoshiyuki Izawa	Outside Director of Seven & i Holdings Co., Ltd.
		Outside Director of Sanoh Industrial Co., Ltd.
Director (Member of Audit & Supervisory Committee)	Hisayoshi Ando	Outside Director of Marubeni Corporation
Director (Member of Audit & Supervisory Committee)	Masahito Kanetaka	—

- Notes:
1. In the 51st Annual General Meeting of Shareholders held on June 22, 2023, Masahito Kanetaka was elected and took office as a director.
 2. Yoshihiko Miyauchi, Naoko Yoshizawa, Yoshiyuki Izawa, Hisayoshi Ando and Masahito Kanetaka are Outside Directors.
 3. Takao Kubo is appointed as a Full-time Member of Audit & Supervisory in order to enhance the effectiveness of auditing and supervisory functions by collecting and sharing information from Directors and strengthening cooperation with the Internal Audit Department and other departments. He has many years of experience in his duties at the Company and has considerable knowledge of finance and accounting.
 4. The Company registered Yoshihiko Miyauchi, Naoko Yoshizawa, Yoshiyuki Izawa, Hisayoshi Ando and Masahito Kanetaka as independent officers with the Tokyo Stock Exchange and the Sapporo Securities Exchange pursuant to the regulations of the Exchanges, and each of them meets the “Independence Criteria for Outside Directors” established by the Company. Please refer to page 20 for the “Independence Criteria for Outside Directors.”
 5. Pursuant to the provisions of Article 427, paragraph 1 of the Companies Act, the Company has entered into agreements with Yoshiko Miyauchi, Naoko Yoshizawa, Takao Kubo, Yoshiyuki Izawa, Hisayoshi Ando and Masahito Kanetaka to limit their liability for damages under Article 423, paragraph 1 of the Companies Act to the minimum liability amount provided for by Article 425, paragraph 1 of the same Act.
 6. The Company has concluded a directors and officers liability insurance contract provided for in Article 430-3, paragraph (1) of the Companies Act with an insurance company. The insurance contract shall cover damages, legal expenses, etc. (except for causes for exemptions stipulated under the contract) in the event where a claim for damages is made during the insurance period as a result of the execution of duties by directors and officers. However, as a measure to ensure the appropriateness of the execution of duties by the insured is not impaired, there are certain causes for exemptions, including no coverage for damage arising from acts committed by the insured while being aware that they were in violation of laws and regulations. The insureds under the said insurance contract are directors and executive officers of the Company and its domestic and overseas subsidiaries (excluding some). In addition, the insurance premiums are fully borne by the Company.
 7. The Company has introduced an executive officer system to clearly separate management’s decision-making function and business execution function for more efficient and expedited management and to respond to changes in the business environment promptly and appropriately.

Executive Vice President: Fumihiko Sudo, Fumiaki Matsumoto, Masanori Takeda
Managing Executive Officers: Mitsuru Oki, Naoshi Takei, Manabu Nakamura, Hiroshi Nagai, Kazuyuki Hashimoto, Junichi Yoshima, Tadashi Kudo
Senior Executive Officers: Isao Arai, Tsuyoshi Okamura, Hiroki Murabayashi, Kenichiro Aoya, Soichi Oda, Kazuya Tsukada
Executive Officers: Akio Igarashi, Toshinao Matsushima, Ei Sugiura, Harumi Sawai, Akihiro Kushida, Toshinori Arai, Masaomi Zenji, Tetsuya Okuda, Takuya Ono, Tetsuo Yamamoto, Masatoshi Sano, Yuichi Maruhashi, Hiroyuki Tajiri, Noriaki Hase, Hideki Sasaki, Ryo Takahashi, Katsunori Kobayashi

(ii) Matters regarding the policy for determination of the amount and calculation method of the compensation, etc. of Directors

The Company has established a policy for determining the compensation, etc. for Directors, as set out below, and determine the amount of compensation, etc. for Directors and the calculation methods thereof in accordance with this policy. The Company has also established the Nominating and Compensation Committee, made up of a majority of independent Outside Directors, as a voluntary advisory organ for the Board of Directors, to ensure the appropriateness of compensation, etc. for Directors and the transparency of the determination process.

(a) Matters regarding the policy for determination of the compensation, etc. of Directors

The Company considers sustainable growth and improvement of corporate value in the medium and long term to be management priorities and believes that the system of compensation for Directors should be a system that contributes to the growth and enhancement of its corporate value. Specifically, compensation for Directors (excluding non-executive Directors, for example, Directors who are Audit & Supervisory Committee Members) (hereafter “Executive Directors”) consists of fixed basic compensation and performance-based compensation, and the Company has made the link between performance-based compensation and business results even clearer and set the percentage of performance-based compensation in total compensation at an appropriate level, in order to make Directors more aware of contributing to sustainable enhancement of its corporate value through medium-and long-term improvement in business results and their shared interest with shareholders.

The compensation of non-executive Directors such as Directors who are Audit & Supervisory Committee Members (hereinafter, “Non-executive Directors”) consists of fixed basic compensation, in principle. Non-executive Directors are not paid performance-based compensation.

Furthermore, based on a report obtained from the Nominating and Compensation Committee, the Company resolved, at the Board of Directors meeting held on March 5, 2021, to adopt a policy on determining compensation, etc. for each Director.

(b) Matters regarding shareholders meeting resolutions pertaining to the compensation, etc. of Directors

Division	Date of resolution at the General Meeting of Shareholders	Details
Monetary compensation of Directors (excluding Directors who are Audit & Supervisory Committee Members) •Basic compensation •Performance-based monetary compensation (short-term incentive compensation)	May 13, 2016; 44th Annual General Meeting of Shareholders *As of the close of this Annual General Meeting of Shareholders, the Company had seven Directors (excluding Directors who are Audit & Supervisory Committee Members) (including two Outside Directors).	◆The maximum amount of compensation for Directors (excluding Directors who are Audit & Supervisory Committee Members) shall be 600 million yen per year (including the maximum amount of compensation for Outside Directors of 100 million yen per year). ◆Details such as the actual amount to be paid to each Director (excluding Directors who are Audit & Supervisory Committee Member) and the timing of payment shall be determined by resolution of the Board of Directors.
Compensation for Directors who are Audit & Supervisory Committee Members	May 13, 2016; 44th Annual General Meeting of Shareholders *As of the close of this Annual General Meeting of Shareholders, the Company had four Directors who are Audit & Supervisory Committee Members (including three Outside Directors).	◆The maximum amount of compensation for Directors who are Audit & Supervisory Committee Members shall be 120 million yen per year. ◆Details such as the actual amount to be paid to each Director who is an Audit & Supervisory Committee Member and the timing of payment shall be determined by discussion among the Directors who are Audit & Supervisory Committee Members.
Stock compensation for Executive Directors •Performance-based stock compensation (medium- to long-term incentive compensation)	May 11, 2017; 45th Annual General Meeting of Shareholders *As of the close of this Annual General Meeting of Shareholders, the Company had six Executive Directors (including no Outside Directors).	◆Separate from the maximum amount of monetary compensation for Directors (excluding Directors who are Audit & Supervisory Committee Members), the maximum amount of stock compensation for Executive Directors shall be 300 million yen per year.

(c) Composition of the compensation and overview of procedures for determination of the compensation

Details of the Company's compensation for Directors such as the composition of compensation, evaluation of the appropriateness of the design of the performance-based compensation system, the setting of targets and the evaluation of results are deliberated by the Nominating and Compensation Committee and determined by the Board of Directors based on the Committee's report of its deliberations submitted to the Board of Directors.

(1) Executive Directors

Compensation for Executive Directors is composed of fixed basic compensation and performance-based compensation whose amount varies based on the company's business performance and other factors. Performance-based compensation consists of performance-based monetary compensation-based to each fiscal year's business performance, etc. (short-term incentive compensation) and performance-based stock compensation that is based on targets set in advance every two fiscal years for the company's business performance during a target period and that is paid in the Company's common shares after the end of the target period according to the degree of achievement of these targets (medium- to long-term incentive compensation). The pay structure is such that basic compensation accounts for 75% and performance-based monetary compensation (short-term incentive compensation) accounts for 25%, and performance-based stock compensation (medium- to long-term incentive compensation) are 10% of a cumulative two-year total of the above single fiscal year compensation (which gives the effective composition ratio of performance-based compensation of 31.8%).

The amount of basic compensation is determined by a resolution, etc. of the Board of Directors, etc. within a maximum amount approved by the General Meeting of Shareholders.

The performance-based monetary compensation (short-term incentive compensation) is linked to business performance in a single fiscal year and is positioned as monetary compensation that reflects key performance indicators (KPIs) in order to increase awareness of improving business results each fiscal year. It is calculated based on the achievement of business performance targets such as consolidated operating profit for each fiscal year (the company-wide targets and targets assigned to each individual reflecting performance of department in charge, etc.) and is variable between 0% and 150% of the base amount. Based on consideration of the rate of achievement of business performance targets such as consolidated operating profit for each fiscal year (the company-wide targets and targets assigned to each individual reflecting performance of department in charge, etc.), among other factors, the amount to be paid to each Director is calculated and determined by a resolution, etc. of the Board of Directors, etc. with reference to a report by the Nominating and Compensation Committee and within the maximum amount approved by the General Meeting of Shareholders.

To strengthen the link between performance-based stock compensation and medium- to long-term enhancement of corporate value, the Company has adopted Performance Share Units. Compensation is calculated based on the achievement of business performance targets such as consolidated profit for every two fiscal years (company-wide targets and targets assigned to each individual reflecting performance of department in charge, etc.) and is variable between 0% and 200% of the basic amount. After the end of the target period, based on consideration of the rate of achievement of business performance targets such as consolidated profit for every two fiscal years (company-wide targets and targets assigned to each individual reflecting performance of department in charge, etc.), among other factors, and using the number of shares to be delivered determined with reference to the report of the Nominating and Compensation Committee as a basis for the calculation, the amount of monetary compensation claims to be contributed in kind by each Director and the amount equivalent to tax expenses that will be borne by each Director as a result of acquisition of the Company's common shares are determined by a resolution, etc. of the Board of Directors, etc. within the maximum amount approved by the General Meeting of Shareholders.

For the above stock compensation, the number of shares to be delivered to each Director is calculated by adding together the number of shares for each respective numerical target obtained by multiplying the "basic number of shares to be delivered" determined for each applicable Director (determined taking into consideration factors such as the position of each Director and the rate of achievement of single fiscal year performance targets during the target period) by an allocation percentage for "each respective numerical target" set for each Director (set from among company-wide targets (consolidated profit, etc.), individual targets (performance of department in charge, etc.) and "each respective performance-based coefficient" determined based on the rate of achievement of each respective numerical target (determined in the range 0% to 200%). Furthermore, Executive Directors (including Directors who retire after delivery of shares under the system) are required to continue holding the shares delivered under the system for a certain period in accordance with the shareholding guidelines established by the Company's Board of Directors to promote medium- to long-term profit sharing with shareholders. The shareholding guidelines set forth that a three-year restriction shall be imposed on the transfer of shares delivered under the system.

(2) Non-executive Directors

The compensation of Non-executive Directors is composed of fixed basic compensation, in principle. Executive Directors are not paid performance-based monetary compensations (short-term incentive compensation) or performance-based stock compensation (medium- to long-term compensation).

The basic compensation for Non-executive Directors (excluding Directors who are Audit & Supervisory Committee Members) is determined by resolution, etc. by the Board of Directors, etc. within the maximum amount of compensation, etc. for such Directors approved by the General Meeting of Shareholders. The basic compensation for Directors who are Audit & Supervisory Committee Members is determined through discussion among Directors who are Audit & Supervisory Committee Members within the maximum amount of compensation, etc. for Directors who are Audit & Supervisory Committee Members approved by the General Meeting of Shareholders.

(d) Matters regarding delegation pertaining to the decision of compensation, etc. to each Director

Determination of the specific amounts allocated to each Director (excluding Directors who are Audit & Supervisory Committee Members) for basic compensation and for performance-based monetary compensation (short-term incentive compensation) and performance-based stock compensation (medium- to long-term incentive compensation) that reflects achievement of company-wide targets and individual targets is delegated to Chairman Akio Nitōri based on a resolution of the Board of Directors, on the assumption that such amounts will be within the maximum amounts of compensation, etc. approved by the General Meeting of Shareholders. Mr. Nitōri is delegated this authority based on the judgment that he is the most suitable person to make a comprehensive evaluation of each Director (excluding Directors who are Audit & Supervisory Committee Members), including their professional ability. Furthermore, when delegating determination of specific allocations of compensation to each Director (excluding Directors who are Audit & Supervisory Board Members), the Board of Directors consults with and obtains a report from the Nominating and Compensation Committee, which consists of a majority of independent Outside Directors, regarding the performance evaluation process used to determine the amounts of performance-based compensation paid, in order to ensure that the delegated authority is exercised in an appropriate manner, and Mr. Nitōri gives utmost respect to this report when determining the specific amounts of compensation allocated.

The amount of compensation, etc. for each Director who is Audit & Supervisory Committee Member is determined through discussion among Directors who are Audit & Supervisory Committee Members within the maximum amount of compensation, etc. for Directors who are Audit & Supervisory Committee Members approved by the General Meeting of Shareholders.

(e) Amounts of compensation, etc. paid to Directors in the fiscal year under review

Division		Total amount of compensation, etc.	Total amount by type of compensation, etc.			Number of Applicable Directors
			Basic compensation	Performance-based compensation		
				monetary compensation (short-term incentive compensation)	stock compensation (medium- to long-term incentive compensation)	
Directors (excluding Directors who are Audit & Supervisory Committee Members)	Directors (excluding Outside Directors)	185 million yen	185 million yen	-	-	6
	Outside Director	21 million yen	21 million yen			2
Directors who are Audit & Supervisory Committee Members	Directors (excluding Outside Directors)	16 million yen	16 million yen			1
	Outside Director	33 million yen	33 million yen			3

- Notes:
- As of March 31, 2024, Directors (excluding Directors who are Audit & Supervisory Committee Members) consist of seven Directors (excluding Outside Directors) and two Outside Directors. Directors who are Audit & Supervisory Committee Members consist of one Director (excluding Outside Directors) and three Outside Directors.
 - The amounts of compensation, etc. paid to each Director in the fiscal year under review were determined by the process described in (d), and the Board of Directors deems that the amounts of compensation, etc. paid to each Director in the fiscal year under review are in line with the determination policy.

The Company selected consolidated operating profit as the indicator for performance-based monetary compensation in the fiscal year under review, in order to clarify the link between compensation and business performance and shareholders' interests. Performance targets and results in the fiscal year under review were as follows.

	Target	Results	Achievement rate
Consolidated Operating Income	145,100 million yen	127,725 million yen	88.0%

(iii) **Matters Regarding Outside Directors**

(a) Matters regarding significant concurrent positions as executives of other corporations

Not applicable.

(b) Matters regarding significant concurrent positions as outside directors (and other officers) of other corporations

Position in the Company	Name	Significant concurrent positions of other corporations	Relationship between the Company and the company where he/she holds concurrent positions
Director	Yoshihiko Miyauchi	Senior Chairman of ORIX Corporation	There are no material business relationships.
		Outside Director of ACCESS CO., LTD.	There are no material business relationships.
		Outside Director of Calbee, Inc.	There are no material business relationships.
		Outside Director of RAKSUL INC.	There are no material business relationships.
Director	Naoko Yoshizawa	Outside Director of Yamaha Corporation	There are no material business relationships.
Director (Member of Audit & Supervisory Committee)	Yoshiyuki Izawa	Outside Director of Seven & i Holdings Co., Ltd.	There are no material business relationships.
		Outside Director of Sanoh Industrial Co., Ltd.	There are no material business relationships.
Director (Member of Audit & Supervisory Committee)	Hisayoshi Ando	Outside Director of Marubeni Corporation	There are no material business relationships.
Director (Member of Audit & Supervisory Committee)	Masahito Kanetaka	—	—

(c) Status of the main activities of each outside director (excluding Directors who are Audit & Supervisory Committee Members)

Name	the Board of Directors meeting (13 times)		Summary of duties performed with respect to major activities and expected roles
	Number of Attendances	Attendance ratio	
Director Yoshihiko Miyauchi	12 times	92.3%	He attended 12 of the 13 meetings of the Board of Directors held during the fiscal year under review. During the period under review, he appropriately fulfilled his expected role by actively providing advice, etc. on the Company's medium- to long-term plans, management strategies, etc. from a broad perspective based on his extensive experience and high-level insight on corporate management derived from his long years of involvement in the management of global companies.
Director Naoko Yoshizawa	13 times	100%	She attended all 13 meetings of the Board of Directors held during the fiscal year under review. During the period under review, she appropriately fulfilled his expected role by actively providing advice, etc. from a professional perspective on IT enhancement measures, etc. to promote the Company's DX, based on her extensive experience and high-level insight on corporate management derived from his experience in important positions in a variety of business fields.

Notes: In addition to the above number of Board of Directors meetings, there were two resolutions in writing that were deemed to have been approved by the Board of Directors pursuant to Article 370 of the Companies Act and Article 22 of the Company's Articles of Incorporation.

(d) Status of the main activities of each outside director who are Audit & Supervisory Committee Members

Name	the Board of Directors meeting (13 times)		Audit & Supervisory Committee meeting (14 times)		Summary of duties performed with respect to major activities and expected roles
	Number of Attendances	Attendance ratio	Number of Attendances	Attendance ratio	
Director (Member of Audit & Supervisory Committee) Yoshiyuki Izawa	13 times	100%	14 times	100%	He attended all 13 meetings of the Board of Directors and all 14 meetings of the Audit Committee held during the fiscal year under review. During the fiscal year under review, he appropriately fulfilled his expected role by actively making comments on the Company's financial and investment strategies, etc., and by supervising the Company's business execution, etc., based on his extensive experience in corporate management and his high-level insight, which is not only as a manager but also from an investor's perspective.
Director (Member of Audit & Supervisory Committee) Hisayoshi Ando	13 times	100%	14 times	100%	He attended all 13 meetings of the Board of Directors and all 14 meetings of the Audit Committee held during the fiscal year under review. During the period under review, he appropriately fulfilled his expected role by supervising the execution of the Company's business operations, etc., including proactively making comments on the Company's global strategies and security measures, based on his abundant experience and professional insight derived from having served in various important positions, including Administrative Vice Minister of Economy, Trade and Industry.
Director (Member of Audit & Supervisory Committee) Masahito Kanetaka	10 times	100%	10 times	100%	He attended all 10 meetings of the Board of Directors and all 10 meetings of the Audit Committee held after his appointment as Director. During the period under review, he appropriately fulfilled the expected role by supervising the execution of the Company's business operations, etc., including proactively making comments on the Company's risk management system and policies for dealing with misconduct, based on his abundant experience and professional insight derived from having served in various important positions, including Commissioner of the National Police Agency. The Company has been fulfilling its expected role.

- Notes:
1. As Masahito Kanetaka was elected at the 51st Annual General Meeting of Shareholders held on June 22, 2023, the status after his appointment is shown. The number of meetings of the Board of Directors and the Audit Committee held after his appointment was 10.
 2. In addition to the above number of Board of Directors meetings, there were two resolutions in writing that were deemed to have been approved by the Board of Directors pursuant to Article 370 of the Companies Act and Article 22 of the Company's Articles of Incorporation.

(3) Matters Regarding Accounting Auditors

(i) Name

Deloitte Touche Tohmatsu LLC

(ii) Amount of remuneration of accounting auditor

Division	Amount of payment
Amount of compensation, etc. for the current fiscal year	58 million yen
Total amount of monetary and other financial benefits payable by the Company and its subsidiaries to the Accounting Auditor	150 million yen

- Notes:
1. The audit contract between the Company and the accounting auditor does not clearly distinguish between the amount of remuneration, etc. for audits based on the Companies Act and the amount of remuneration, etc. for audits based on the Financial Instruments and Exchange Act, and it is practically impossible to do so; therefore, the total of these amounts is shown in the amount of remuneration, etc. for the current fiscal year.
 2. The Company's overseas subsidiaries are audited by auditing firms other than the Company's accounting auditor.
 3. With respect to the remuneration of the accounting auditor, the Audit Committee, after obtaining the necessary materials and reports from the directors, relevant internal departments and the accounting auditor, verified the results of previous activities of the accounting auditor, and conducted necessary verification and deliberation on the appropriateness of the activity plan of the accounting auditor for the current fiscal year and the basis for calculating the remuneration estimate, determined that these are appropriate and, as a result, gave its consent under Article 399, Paragraph 1 of the Companies Act with respect to the amount of remuneration, etc. of the accounting auditor.
 4. The Company commissions and pays an accounting auditor for "advisory services on accounting standards," which are services other than those stipulated in Article 2, Paragraph 1 of the Certified Public Accountants Act (non-audit services).

(iii) Policies for determination of dismissal or refusal of reelection

The Audit Committee shall dismiss the accounting auditor with the unanimous consent of all members if it is reasonably anticipated that the audit of the financial statements will be seriously impaired for any of the reasons specified in each item of Article 340, Paragraph 1 of the Companies Act or for any other reason. In addition, the Audit Committee may submit a proposal for non-reappointment of the accounting auditor to the General Meeting of Shareholders if it determines that the system for execution of duties, auditing ability, expertise, etc. of the accounting auditor is insufficient for the Company, or that a more appropriate auditing system can be established for the Company by replacing the accounting auditor. The Audit Committee will submit a proposal for non-reappointment of the accounting auditor to the General Meeting of Shareholders..

(4) Systems to Ensure the Appropriateness of Business Activities and Status of Operations of the Systems

1. Systems to ensure that the performance of the duties of Directors and employees of the Company and its subsidiaries (hereafter, the “Group”) conforms to laws and regulations and the Articles of Incorporation
 - (a) The Company shall establish the NITORI Group Code of Conduct and thoroughly familiarize all officers and employees with this so that officers and employees of the Group perform their duties in compliance with laws and regulations and the Articles of Incorporation and fulfil their social responsibility and exercise corporate ethics.
 - (b) The Company shall appoint an officer in charge of compliance and establish a department in charge of compliance. The department in charge of compliance periodically shall formulate a compliance program from a groupwide perspective and implement this program.
 - (c) The Company shall have its officers and employees increase knowledge about compliance and raise awareness of respecting compliance through initiatives such as providing compliance training to officers and employees of the Group and preparing and distributing a compliance manual.
 - (d) The Company shall ensure that employees of the Group have a means of directly reporting doubts about practices that are not in accordance with laws and regulations and shall establish and operate a whistleblowing hotline supported by outside lawyers as one such means.
 - (e) To eliminate antisocial forces, the Company shall develop a response policy, etc. within the Group and put a system in place and thoroughly familiarize all officers and employees with the system.
2. System to store and manage information about the Directors’ performance of their duties
 - (a) Directors shall prepare important documents about performance of their duties and properly store and manage information based on internal regulations and in accordance with their respective duties.
 - (b) Documents about important decisions and reports shall be prepared, stored and destroyed appropriately in accordance with the Document Handling Regulations.
3. System to report matters regarding the execution of duties by the Directors, etc. of subsidiaries to the Company
 - (a) The Company shall require each Group company to report periodically to the Company on its operating results, financial position and other important matters through reports, etc. at the Company’s Board of Directors meetings.
 - (b) In the event of a situation at any Group company that might cause serious damage to that company, the Director, etc. of the respective Group company shall report immediately to the Company’s officer in charge of risk management and relevant departments at the Company.
4. Regulations and other systems to manage the risk of loss of the Group
 - (a) The Company shall appoint an officer in charge of risk management and establish a department in charge of risk management. The department in charge of risk management shall establish the Risk Management Regulations, and develop and operate a system to assess and manage risks from a groupwide perspective.
 - (b) Each of the Company’s departments and Group companies shall manage their own risks and the head of each of the Company’s departments and the president of each Group company shall report on the status of risk management periodically to the Risk Compliance Committee.
5. Systems to ensure the effective and efficient execution of duties by the Group’s Directors
 - (a) Based on a medium-term management plan, which clarifies targets for the entire Group to be achieved as a company, the Company shall clarify performance targets for each Director of the Group and clearly set out how Directors will be evaluated.
 - (b) The Company shall break down the system of execution of duties of each department to clarify responsibility for performance within the Group and also seek to improve human capital efficiency through the use of specialists.
 - (c) The Company shall seek to speed up the decision-making through simplifying its process while at the same time ensuring a careful decision-making process on important matters through discussions at the In-house Directors meeting to be held a collegial basis. The Company shall also require each Group company to follow the same practice.
 - (d) The Company shall develop intra-group transaction standards to maintain fairness in intra-group transactions and endeavor to have each Group company conduct such transactions in an appropriate manner.

6. Matters regarding Directors and employees who are assigned to assist the duties of the Audit & Supervisory Committee, matters regarding the independence of such Directors and employees from other Directors (excluding Directors who are Audit & Supervisory Committee Members), and matters for ensuring the effectiveness of the Audit & Supervisory Committee's instructions to such Directors and employees
 - (a) When the Audit & Supervisory Committee requires employees to assist it in its duties, the Company shall assign the necessary number of staff members to assist the Audit & Supervisory Committee.
 - (b) In the event that the Company assigns staff members to assist the duties of the Audit & Supervisory Committee, it shall obtain the consent of the Audit & Supervisory Committee for the personnel authority of such staff members including job assignment and evaluation to ensure their independence.
 - (c) Employees who are assigned to assist the duties of the Audit & Supervisory Committee shall follow the directions and orders of the Audit & Supervisory Committee.
7. System through which Directors (excluding Directors who are Audit & Supervisory Committee Members), Corporate Auditors and employees, etc. of the Group or persons who have received reports therefrom make reports to the Company's Audit & Supervisory Committee and system to ensure that persons who made reports to the Audit & Supervisory Committee do not suffer disadvantageous treatment for having made such reports
 - (a) Directors (excluding Directors who are Audit & Supervisory Committee Members) and employees, etc. of the Group shall make reports as necessary at the Board of Directors meeting on the status of execution of their duties and shall also promptly make appropriate reports when asked to make reports by the Company's Audit & Supervisory Committee.
 - (b) Directors (excluding Directors who are Audit & Supervisory Committee Members), Corporate Auditors and employees, etc. of the Group who have discovered a fact that might cause serious damage to the Company or the Group such as a violation of laws and regulations shall make a report immediately to the Company's Audit & Supervisory Committee, either directly or through the relevant department, for example, the department in charge of internal audits.
 - (c) The department in charge of internal audits shall carry out audits of the Group periodically and report the audit results as necessary to the Company's Audit & Supervisory Committee.
 - (d) The department in charge of the whistleblowing hotline shall report on its operation status and details of whistleblowing reports, etc. as necessary to the Company's Audit & Supervisory Committee.
 - (e) The Group shall prohibit the dismissal or other disadvantageous treatment of persons who made a report to the Audit & Supervisory Committee or persons who made a whistleblowing report to the whistleblowing hotline on the grounds that they made such report or whistleblowing report; the Group shall stipulate to this effect in its internal regulations and thoroughly familiarize all officers and employees with this matter.
8. Matters regarding procedural policies for prepayments or reimbursement of expenses arising in relation to the execution of duties by Audit & Supervisory Committee Members and other processing of expenses or obligations arising in relation to the execution of duties by Audit & Supervisory Committee Members
 - (a) The Audit & Supervisory Committee Members may seek the opinion of lawyers, certified public accountants, certified public tax accounts and other experts when deemed necessary for execution of their duties, and may claim these expenses from the company. In addition, if an Audit & Supervisory Committee Member has requested the prepayment of expenses in relation to the execution of his or her duties, the Company shall bear such expenses unless deemed unnecessary for the execution of duties by such Audit & Supervisory Committee Member.
9. Other systems to ensure that audits by the Audit & Supervisory Committee are performed effectively
 - (a) Directors (excluding Directors who are Audit & Supervisory Committee Members) and employees shall deepen their understanding of audits by the Audit & Supervisory Committee and endeavor to develop an environment for audits by the Audit & Supervisory Committee, and the full-time Audit & Supervisory Committee Member shall attend important meetings such as In-house Directors meeting.
 - (b) The Audit & Supervisory Committee shall exchange opinions periodically with the Representative Directors and seek to communicate with them appropriately and execute audit operations effectively.
 - (c) The Audit & Supervisory Committee shall be afforded the opportunity to obtain advice from lawyers and certified public accountants where necessary for the execution of its audit operations.

The following is an outline of the status of operations of internal control systems within the Group implemented in the fiscal year under review based on the systems to ensure the appropriateness of business activities described above.

The Company reports to the Board of Directors periodically on the status of operations of the systems to ensure the appropriateness of business activities and makes revisions as necessary.

1. Status of initiatives for compliance

The Company sought to strengthen the Group's internal control systems by providing compliance training according to each company's business format and role, periodically distributed information on the intranet, etc. to share information and raise awareness internally about amendments to laws relevant to operations, and otherwise sought to raise compliance awareness. Furthermore, the Company formulated the NITORI Group Code of Conduct, which reflects recent social developments and values, as a means of indicating the Group's corporate stance. The Company translated the code into many languages and engaged in activities to instill it and raise awareness about it across the entire Group. In addition, the Company established various policies based on the Code of Conduct including the Human Rights Policy, Anti-competition Law Compliance Policy, Anti-corruption Policy and NITORI Group Procurement Policy, and sought to raise awareness about each of these policies. For overseas subsidiaries, in addition to training on the laws and regulations of each country delivered by legal experts and activities to raise awareness about the foregoing, the Company held the Global Administration Departments meetings to share risk information specific to overseas operations and share information about changes to laws.

The Company has also established internal and external whistleblowing disclosure hotlines in accordance with the provisions of the Group Whistleblowing Regulations. Through periodic internal newsletters, surveys and other means, the Company has sought to raise awareness of the whistleblowing hotline, thereby implementing whistleblowing measures covering overseas subsidiaries, and increased the effect of early detection of issues and improvement measures.

2. Status of initiatives for ensuring that duties are executed appropriately and efficiently

The Company holds the In-house Directors meeting every week to deliberate matters in advance to expedite decision-making at the Board of Directors meeting. At the Board of Directors meeting, Directors including Outside Directors held lively discussions and had a lively exchange of opinions when deliberating proposals or when the status of execution of duties was reported. Furthermore, the Company sought to delegate authority for decisions on key aspects of important business execution to the Representative Directors. Through such measures, the Company believes that the appropriateness and efficiency of decision-making and the effectiveness of supervision (monitoring) was ensured. As for reports on the operating results, financial position and other important matters of each Group company, the Company appropriately supervised the status of execution of duties by Directors, etc. at each Group company by setting operational targets to be achieved by each company and then requiring each Group company to report periodically to the Company's Board of Directors.

3. Status of initiatives for the management of risk of loss

The Company has formulated regulations on risk management and a business continuity plan (BCP) to minimize losses or disadvantages suffered by the Group and has developed a risk management system center on the Risk Compliance Committee. In accordance with the business continuity plan (BCP), the Company conducted a range of drills, and the Risk Compliance Committee, which meets every month, also promoted subcommittee activities for each individual material risk determined by the Board of Directors to review the risk prevention system, strengthen the training system and implement measures to address new issues, thus strengthening the Group's risk management system.

4. Status of initiatives for ensuring effective audits by the Audit & Supervisory Committee

The Company's Audit & Supervisory Committee held both regular and ad hoc meetings to exchange information about audits, and the full-time Audit & Supervisory Committee Member attended the In-house Directors meetings, meetings to discuss progress on issues and other important meetings. As regards compliance and the status of development of internal control, audit results were shared regularly with internal control operations and the internal control system was used to conduct audits. The Company also ensured the effectiveness of audits by appointing full-time employees to assist audit operations in accordance with the instructions of the Audit & Supervisory Committee. In addition, the exchange of opinions necessary for audits was made through regular meetings with Representative Directors and the Accounting Auditor.

(5) Basic Policy Regarding Control of the Company

In light of the "Basic Policy Regarding Control of the Company" formulated based on the Company's Corporate Philosophy, Corporate Governance Policy, Code of Corporate Conduct and Management Strategy, and as one of the measures to prevent decisions on the Company's financial and business policies from being controlled by inappropriate parties, the Company has introduced "Countermeasures for Large-Scale Acquisitions of the Company's Shares" (hereinafter referred to as "Anti-Takeover Measures") based on a resolution at the Company's Annual General Meeting of Shareholders to be held on May 17, 2007.

However, since the introduction of the Anti-Takeover measures, the Board of Directors has repeatedly discussed the pros and cons of their continuation, taking into consideration the opinions of institutional investors and other shareholders, recent trends in takeover defense measures, and changes in the environment, including the spread of the Corporate Governance Code. As a result of these discussions, the Company has determined that the need for takeover defense measures in the Company has relatively decreased and has abolished Anti-takeover measures as of the close of the 47th Annual General Meeting of Shareholders to be held on May 16, 2019.

We will continue to take appropriate measures to the extent permitted by the Financial Instruments and Exchange Law, the Companies Act, and other applicable laws and regulations, such as requesting that any person who intends to make a large-scale acquisition of our shares provide necessary and sufficient information for our shareholders to make an appropriate judgment as to whether or not the acquisition is appropriate, and disclosing the opinions of our Board of Directors to ensure that our shareholders have the time and information necessary to consider the acquisition and will continue to strive to enhance corporate value and ensure the common interests of shareholders.

(6) Policy on exercise of authority when the Articles of Incorporation provide that the Board of Directors shall determine the dividends of surplus

The Company considers it an important management policy to pay stable dividends in the future in response to the trust of its shareholders. It is our policy to use retained earnings for effective investment to further enhance and strengthen our management base to cope with the expected intensification of competition in the retail industry.

Regarding the year-end dividend for the fiscal year ending March 31, 2024, The Company have decided to reduce the year-end dividend by 3 yen from the previous forecast to 72 yen per share, because the net profit to shareholders of parent company fell short of the forecast announced on May 9, 2023. The Company paid an interim dividend of 75 yen per share in the first half of the fiscal year, this will bring the annual dividend for the fiscal year under review to 147 yen per share.

Consolidated Financial Statements

Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	131,928	137,943
Notes and accounts receivable – trade	57,408	79,247
Merchandise and finished goods	112,401	101,206
Work in process	479	520
Raw materials and supplies	7,496	6,802
Other	20,641	22,018
Allowance for doubtful accounts	(1)	(2)
Total current assets	330,353	347,736
Non-current assets		
Property, plant and equipment		
Buildings and structures	422,887	490,324
Accumulated depreciation	(219,531)	(234,477)
Buildings and structures, net	203,356	255,847
Machinery, equipment and vehicles	20,792	25,531
Accumulated depreciation	(13,978)	(16,072)
Machinery, equipment and vehicles, net	6,813	9,458
Tools, furniture and fixtures	29,773	34,037
Accumulated depreciation	(18,417)	(20,237)
Tools, furniture and fixtures, net	11,356	13,799
Land	377,009	403,228
Leased assets	4,414	4,408
Accumulated depreciation	(2,894)	(3,163)
Leased assets, net	1,519	1,244
Right of use assets	15,333	18,632
Accumulated depreciation	(4,203)	(6,637)
Right of use assets, net	11,129	11,995
Construction in progress	38,294	41,323
Total property, plant and equipment	649,479	736,897
Intangible assets		
Goodwill	19,619	17,060
Software	5,267	4,128
Software in progress	1,740	3,463
Leasehold interests in land	6,272	6,406
Other	107	102
Total intangible assets	33,005	31,162
Investments and other assets		
Investment securities	39,089	42,439
Long-term loans receivable	562	520
Guarantee deposits	16,893	16,646
Leasehold deposits	30,313	30,982
Deferred tax assets	21,765	21,513
Other	12,379	10,851
Allowance for doubtful accounts	(72)	(72)
Total investments and other assets	120,932	122,882
Total non-current assets	803,417	890,942
Total assets	1,133,771	1,238,679

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable – trade	38,459	48,294
Short-term borrowings	83,068	107,557
Lease obligations	1,602	1,895
Accounts payable – other	24,058	45,933
Income taxes payable	28,351	20,366
Contract liabilities	23,774	29,091
Provision for bonuses	8,380	6,604
Provision for point card certificates	11	11
Provision for shareholder benefit program	422	318
Provision for loss on business liquidation	220	-
Other	13,419	16,264
Total current liabilities	221,769	276,336
Non-current liabilities		
Long-term borrowings	57,330	30,000
Lease liabilities	4,598	4,519
Provision for retirement benefits for directors (and other officers)	228	145
Retirement benefit liability	5,886	5,558
Asset retirement obligations	14,800	14,748
Other	11,060	11,061
Total non-current liabilities	93,905	66,033
Total liabilities	315,674	342,370
Net assets		
Shareholders' equity		
Share capital	13,370	13,370
Capital surplus	30,711	30,715
Retained earnings	771,743	841,541
Treasury shares	(10,111)	(10,113)
Total shareholders' equity	805,714	875,513
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,769	4,711
Deferred gains or losses on hedges	(1,829)	-
Foreign currency translation adjustment	12,479	15,816
Remeasurements of defined benefit plans	(36)	262
Total accumulated other comprehensive income	12,382	20,790
Non-controlling interests	-	4
Total net assets	818,096	896,308
Total liabilities and net assets	1,133,771	1,238,679

Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Millions of yen)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Net sales	948,094	895,799
Cost of sales	469,988	439,850
Gross profit	478,106	455,949
Selling, general and administrative expenses	338,029	328,223
Operating profit	140,076	127,725
Non-operating income		
Interest income	638	1,323
Dividend income	275	521
Foreign exchange gains	853	680
Share of profit of entities accounted for using equity method	929	542
Subsidy income	298	180
Vending machine income	363	341
Gain on sales of goods	303	281
Other	1,097	1,477
Total non-operating income	4,760	5,349
Non-operating expenses		
Interest expenses	401	521
Other	349	176
Total non-operating expenses	751	697
Ordinary profit	144,085	132,377
Extraordinary income		
Gain on sale of non-current assets	17	1,784
Total extraordinary income	17	1,784
Extraordinary losses		
Loss on sale and retirement of non-current assets	139	25
Impairment losses	4,769	10,230
Loss on change in equity	61	0
Provision for loss on business liquidation	218	-
Total extraordinary losses	5,189	10,257
Profit before income taxes	138,913	123,904
Income taxes – current	47,503	39,293
Income taxes – deferred	(3,720)	(1,912)
Total income taxes	43,783	37,381
Profit	95,129	86,523
Profit attributable to owners of parent	95,129	86,523

Consolidated Statements of Comprehensive Income

(Millions of yen)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Profit	95,129	86,523
Other comprehensive income		
Valuation difference on available-for-sale securities	542	2,941
Deferred gains or losses on hedges	(1,829)	1,829
Foreign currency translation adjustment	5,888	3,337
Remeasurements of defined benefit plans, net of tax	151	298
Total other comprehensive income	4,751	8,407
Comprehensive income	99,881	94,931
Comprehensive income attributable to		
Owners of parent	99,881	94,931