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Securities Code: 9882

June 5, 2026

To Our Shareholders:

Akio Kimura, Representative Director and President

Yellow Hat Ltd.

1-4-6 Kitasenzoku, Ota-ku, Tokyo

Notice of the 68th Annual General Meeting of Shareholders

We would like to hereby inform you of the 68th Annual General Meeting of Shareholders (the “Meeting”) of Yellow Hat Ltd. (the “Company”) as described below.

When convening the Meeting, the Company takes measures for providing information including reference documents for the general meeting of shareholders, etc. (items for which measures for providing information in electronic format are to be taken) in electronic format, and posts this information on the Company’s website. Please access the Company’s website by using the Internet address shown below to review the information.

The Company’s website:

<https://www.yellowhat.jp/corp/foreignlanguage/ir/>

(From the above website, select “IR News” to confirm.)

In addition to the Company’s website mentioned above, the items subject to measures for electronic provision are also posted on the websites of the Tokyo Stock Exchange (TSE). Please confirm accessing the following URL.

TSE website (Listed Company Search):

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

(Access the TSE website by using the internet address shown above, enter “Yellow Hat” in “Issue name (company name)” or the Company’s securities code “9882” in “Code,” and click “Search.” Then, click “Basic information” and select “Documents for public inspection/PR information.” Under “Filed information available for public inspection,” click “Click here for access” under “[Notice of General Shareholders Meeting /Informational Materials for a General Shareholders Meeting].”)

Shareholders may exercise voting rights either in writing (via mail) or via the Internet and other means. We kindly request you to read through the following Reference Documents for the General Meeting of Shareholders and exercise your voting rights by 6 p.m. (JST) on Tuesday, June 23, 2026.

Exercising voting rights in writing (via mail)

Please indicate whether you are for or against each proposal on the voting form sent with this notice and return it to be received by 6 p.m. (JST) on Tuesday, June 23, 2026.

Exercising voting rights via the Internet

Please cast your vote by entering whether you are for or against each proposal on the Company’s designated website for exercising voting rights (<https://evote.tr.mufg.jp/>) (in Japanese) by 6 p.m. (JST) on Tuesday, June 23, 2026.

1. Date and Time: Wednesday, June 24, 2026 at 10 a.m. (JST)

2. Venue: The Green Hall, 2nd floor, Sunrise Bldg.
11-12 Nihonbashi-Tomizawa-cho, Chuo-ku, Tokyo

3. Purposes

Items to be reported:

1. Business Report and Consolidated Financial Statements for the 68th fiscal year (April 1, 2025 to March 31, 2026), and audit results of the Consolidated Financial Statements by the Financial Auditor and the Audit & Supervisory Board
2. Non-consolidated Financial Statements for the 68th fiscal year (April 1, 2025 to March 31, 2026)

Items to be resolved:

<Company Proposals>

- Proposal No. 1** Election of Six Directors
Proposal No. 2 Election of Two Audit & Supervisory Board Members

<Shareholder Proposals>

- Proposal No. 3** Partial Amendment of the Articles of Incorporation Concerning the Decision-Making Body for Dividends of Surplus
Proposal No. 4 Appropriation of Surplus
Proposal No. 5 Revision of Remuneration for the Purpose of Granting Restricted Share-Based Remuneration to Directors (Excluding Outside Directors)

4. Guidance on exercising voting rights

Please refer to “Guidance on exercising voting rights” on page 4 (in Japanese only).

- When you exercise your voting rights in writing (via mail) and did not indicate if you are for or against each proposal on the voting form, it is regarded that you indicated “for” for company proposals and “against” for shareholder proposals.
- For those attending the Meeting on the day, please submit the voting form sent with this notice at the reception desk. In order to save resources, please bring this “Notice of the Meeting.”
- If you exercise your voting rights by proxy, please have your proxy hand to the receptionist at the venue a written document that proves the authority to act on your behalf such as a letter of proxy along with the proxy’s own voting form. (Pursuant to the Articles of Incorporation of the Company, such proxy must be another shareholder who is entitled to exercise voting rights at the Meeting.)
- Measures for electronic provision of informational materials for the general meeting of shareholders were introduced, however, no matter if we received a request for delivery of paper-based documents or not, the Company uniformly sends paper-based documents as before.
- Any revisions to the items subject to measures for electronic provision will be posted on the websites of the Company (<https://www.yellowhat.jp/corp/ir/>) (in Japanese) and the TSE website (<https://www2.jpx.co.jp/tseHpFront/JJK010010Action.do?Show=Show>) (in Japanese).
- Among the items subject to measures for electronic provision, in accordance with the provisions of laws and regulations and Article 15 of the Articles of Incorporation of the Company, the following items are not provided in the paper-based documents delivered to shareholders who have made a request for delivery of such documents. Accordingly, the Consolidated Financial Statements and Non-Consolidated Financial Statements are part of the documents included in the scope of audits by the Audit & Supervisory Board Members and the Financial Auditor when they create their respective audit reports.
 1. Notes to the Consolidated Financial Statements
 2. Notes to the Non-consolidated Financial Statements

Reference Documents for the General Meeting of Shareholders

Proposals and Reference Information

<Company Proposals (from Proposal 1 to Proposal 2)>

Proposal No. 1 Election of Six Directors

At the conclusion of this Meeting, the terms of office of all nine Directors will expire. Therefore, based on the decision of the Nominating and Remuneration Committee, the Company proposes the election of six Directors.

The candidates for Director are as follows:

Candidate No.	Name	Current positions and responsibilities	Attributes
1	Yasuo Horie	Representative Director and Chairperson	Reelection
2	Akio Kimura	Representative Director and President	Reelection
3	Tadasu Shiraishi	Senior Managing Director In charge of finance and accounting, system, internal audit and subsidiaries (excluding Yellow Hat business and wholesale business) Representative Director and Chairperson of 2Rinkan Yellow Hat Co., Ltd. Representative Director and Chairperson of Bike Kan Yellow Hat Co., Ltd. Representative Director and Chairperson of Bike Kan Yellow Hat KP Ltd.	Reelection
4	Taeko Kubo	Outside Director	Reelection Outside Independent
5	Chiemi Kanda	Outside Director Lawyer of Kasuga and Kunizuka Law Firm	Reelection Outside Independent
6	Yoshihito Sato	Representative of Yoshihito Sato CPA Office	New election Outside Independent

New election: Candidate for Director to be newly elected

Reelection: Candidate for Director to be reelected

Outside: Candidate for Outside Director

Independent: Independent officer as defined by the securities exchange

Candidate No.	Name (Date of birth)	Career summary and positions and responsibilities in the Company	Number of the Company's shares owned
1	<p style="text-align: center;">Yasuo Horie (January 27, 1952)</p> <p style="text-align: center;">Reelection</p> <p style="text-align: center;">Attendance at Board of Directors meetings 14/14</p>	<p>Oct. 1976 Joined the Company</p> <p>June 1997 Director and Manager of Sales Management Department</p> <p>Oct. 2000 Director, Deputy General Manager of Sales Division and Manager of Sales Management Department</p> <p>June 2001 Managing Director, General Manager of Sales Division and Manager of Sales Management Department</p> <p>June 2003 Managing Director, Senior Executive Officer and Deputy General Manager of Yellow Hat Business Division</p> <p>June 2004 Director, Senior Executive Officer and Manager of Sales Management Office</p> <p>Apr. 2005 Director, Senior Executive Officer, General Manager of Store Operations Division and Manager of Wholesale Department</p> <p>July 2005 Director, Senior Executive Officer and Manager of Accounting Department</p> <p>Jan. 2008 Director and Senior Executive Officer in charge of accounting</p> <p>June 2008 Managing Director</p> <p>Sept. 2008 Representative Director</p> <p>Oct. 2008 Representative Director and President</p> <p>June 2024 Representative Director and Chairperson (current position)</p> <p>[Significant concurrent positions outside the Company]</p> <p style="text-align: center;">-</p>	583,400
<p>Reasons for nomination as candidate for Director</p> <p>Yasuo Horie has served in important positions in corporate management divisions over the years and brought about successful outcomes during his tenure as President of the Company from October 2008 until June 2024. The Company judges that his abundant knowledge and skills in overall corporate management are essential to the management of the Company and thus nominates him as candidate for Director.</p> <p>Notes: 1. There is no special interest between Yasuo Horie and the Company.</p> <p>2. The Company has concluded a directors and officers liability insurance (“the D&O insurance”) policy provided for by Article 430-3, paragraph (1) of the Companies Act with an insurance company to cover damages incurred by the insured. The candidate will be the insured of the insurance policy. The Company plans to renew the policy with the same terms and conditions for the next policy renewal.</p>			

Candidate No.	Name (Date of birth)	Career summary and positions and responsibilities in the Company	Number of the Company's shares owned
2	<p style="text-align: center;">Akio Kimura (February 7, 1974)</p> <p style="text-align: center;">Reelection</p> <p style="text-align: center;">Attendance at Board of Directors meetings 14/14</p>	<p>Apr. 1996 Joined the Company</p> <p>Mar. 2011 Section Manager of Finance Section of Accounting Department</p> <p>Apr. 2012 Section Manager of Accounting Section of Accounting Department</p> <p>Apr. 2013 Section Manager of Planning Section of Accounting Department</p> <p>May 2017 Manager of Accounting Department</p> <p>June 2022 Director and Manager of Accounting Department</p> <p>June 2024 Representative Director and President (current position)</p> <p>[Significant concurrent positions outside the Company]</p> <p style="text-align: center;">-</p>	34,300
<p>Reasons for nomination as candidate for Director</p> <p>Akio Kimura has abundant business experience in management planning, internal control, accounting and finance, etc. In June 2022, he was appointed as Director, and in June 2024, he assumed the position of President of the Company. As he has demonstrated leadership and sped up practical steps that improve corporate value, the Company nominates him as candidate for Director.</p> <p>Notes: 1. There is no special interest between Akio Kimura and the Company.</p> <p>2. The Company has concluded a directors and officers liability insurance (“the D&O insurance”) policy provided for by Article 430-3, paragraph (1) of the Companies Act with an insurance company to cover damages incurred by the insured. The candidate will be the insured of the insurance policy. The Company plans to renew the policy with the same terms and conditions for the next policy renewal.</p>			

Candidate No.	Name (Date of birth)	Career summary and positions and responsibilities in the Company	Number of the Company's shares owned
3	<p>Tadasu Shiraishi (October 13, 1959)</p> <p>Reelection</p> <p>Attendance at Board of Directors meetings 14/14</p>	<p>Mar. 1982 Joined the Company</p> <p>Feb. 2001 Manager of Marketing Strategy Office</p> <p>Apr. 2004 Senior Manager of Overseas Businesses Department</p> <p>June 2004 Executive Officer and Manager of Yellow Hat Business Division</p> <p>Apr. 2005 Executive Officer and Manager of Store Operations Division</p> <p>July 2005 Executive Officer and Deputy General Manager of Store Operations Division</p> <p>Apr. 2006 Executive Officer and General Manager of Store Operations Division</p> <p>June 2006 Director, Executive Officer, General Manager of Store Operations Division and Manager of Pit Operations Department</p> <p>June 2008 Director</p> <p>June 2009 Managing Director</p> <p>June 2011 Senior Managing Director</p> <p>In charge of finance and accounting, system, internal audit and subsidiaries (excluding Yellow Hat business and wholesale business) (current position)</p> <p>[Significant concurrent positions outside the Company]</p> <p>Representative Director and Chairperson of 2Rinkan Yellow Hat Co., Ltd.</p> <p>Representative Director and Chairperson of Bike Kan Yellow Hat Co., Ltd.</p> <p>Representative Director and Chairperson of Bike Kan Yellow Hat KP Ltd.</p>	109,240
<p>Reasons for nomination as candidate for Director</p> <p>Tadasu Shiraishi has experienced important positions in administration divisions over the years, and the Company judges he will be able to leverage his abundant experience and knowledge of business and thus nominates him as candidate for Director.</p> <p>Notes: 1. There is no special interest between Tadasu Shiraishi and the Company.</p> <p>2. The Company has concluded a directors and officers liability insurance (“the D&O insurance”) policy provided for by Article 430-3, paragraph (1) of the Companies Act with an insurance company to cover damages incurred by the insured. The candidate will be the insured of the insurance policy. The Company plans to renew the policy with the same terms and conditions for the next policy renewal.</p>			

Candidate No.	Name (Date of birth)	Career summary and positions and responsibilities in the Company	Number of the Company's shares owned
	<p style="text-align: center;">Taeko Kubo (April 25, 1953)</p> <p style="text-align: center;">Independent Outside Reelection</p> <p style="text-align: center;">Attendance at Board of Directors meetings 14/14</p>	<p>Apr. 1976 Kinki Land and Construction Industry Co., Ltd. (Design Department)</p> <p>Feb. 1985 First-class architect</p> <p>Apr. 1989 Research Associate of Nara Women's University</p> <p>Oct. 1991 Lecturer (full time) of Seibo Jogakuin Junior College</p> <p>Apr. 2002 Professor of Seibo Jogakuin Junior College</p> <p>Apr. 2010 Lecturer (part time) of Kyoto Tachibana University</p> <p>Mar. 2012 Resigned from Kyoto Tachibana University</p> <p>Apr. 2017 Project Professor of Konan Women's University</p> <p>June 2017 Professor Emeritus of Kyoto Seibo Jogakuin Junior College</p> <p>Mar. 2021 Resigned from Konan Women's University</p> <p>June 2021 Outside Director of the Company (current position)</p> <p>[Significant concurrent positions outside the Company]</p> <p style="text-align: center;">-</p>	6,900
4	<p>Reasons for nomination as candidate for Outside Director and outline of the expected roles</p> <p>Taeko Kubo has never been involved in the management of a company. However, as a university professor whose primary areas of research are living environment planning and interior design, she has broad expertise centering on the said areas. Furthermore, as a first-class architect and first-class interior architect, she has been engaged in architectural designing and has abundant experience and insight. Based on the aforementioned reasons, the Company judges she will sufficiently perform decision-making of important matters and supervise execution of business, and thus nominates her as candidate for Outside Director. If she is re-elected, she will be engaged in selecting candidates for the Company's officers and decision-making on matters including officers' remuneration as a Nominating and Remuneration Committee member from an objective and neutral position.</p> <p>Notes: 1. There is no special interest between Taeko Kubo and the Company.</p> <p>2. She is a candidate for Outside Director.</p> <p>3. She is currently an Outside Director of the Company, and at the conclusion of the Meeting, her tenure will have been five years.</p> <p>4. The Company has entered into an agreement limiting liability for damages provided for by the provisions of Article 423, paragraph (1) of the Companies Act with her, pursuant to the provisions of Article 427, paragraph (1) of the same Act. The maximum amount of limited liability is the amount stipulated by the applicable laws and regulations, and if she is re-elected, the Company plans to renew the agreement with her.</p> <p>5. The Company has submitted notification to the TSE concerning her designation as an independent officer as stipulated in the rules of the TSE, and if she is re-elected, the Company will continue to designate her as an independent officer.</p> <p>6. The Company has concluded a directors and officers liability insurance ("the D&O insurance") policy provided for by Article 430-3, paragraph (1) of the Companies Act with an insurance company to cover damages incurred by the insured. The candidate will be the insured of the insurance policy. The Company plans to renew the policy with the same terms and conditions for the next policy renewal.</p>		

Candidate No.	Name (Date of birth)	Career summary and positions and responsibilities in the Company	Number of the Company's shares owned
5	<p>Chiemi Kanda (January 4, 1976)</p> <p>Independent Outside Reelection</p> <p>Attendance at Board of Directors meetings 14/14</p>	<p>June 2000 Part-time doctor of Gunma University Hospital</p> <p>Apr. 2005 Entered Waseda Law School, Waseda University as a student</p> <p>Nov. 2008 Legal apprentice</p> <p>Mar. 2010 Registered as a lawyer</p> <p>Mar. 2010 Lawyer, Kasuga and Kunizuka Law Firm (current position)</p> <p>Apr. 2012 Visiting Lecturer of Teikyo University Medical Information and System Research Center (current position)</p> <p>Apr. 2013 Part-time Lecturer of Faculty of Medicine Gunma University</p> <p>Sept. 2014 Resigned from Faculty of Medicine Gunma University</p> <p>Aug. 2017 Chairperson of Japan Medical Peer Support Association Heals (current position)</p> <p>Apr. 2020 Part-time Lecturer of Waseda Law School, Waseda University</p> <p>Sept. 2020 Resigned from Waseda Law School, Waseda University</p> <p>Feb. 2022 Chairperson of Japan Association of Healthcare Mediators (current position)</p> <p>June 2023 Outside Director of the Company (current position)</p> <p>[Significant concurrent positions outside the Company] Lawyer of Kasuga and Kunizuka Law Firm</p>	0
<p>Reasons for nomination as candidate for Outside Director and outline of the expected roles Chiemi Kanda has never been involved in the management of a company. However, the Company judges she will sufficiently perform decision-making of important matters and supervise execution of business from the viewpoint of the protection of general shareholders because she has abundant experience in and broad knowledge about law, economy and society as a lawyer. Accordingly, the Company nominates her as candidate for Outside Director. If she is re-elected, she will be engaged in selecting candidates for the Company's officers and decision-making on matters including officers' remuneration as a Nominating and Remuneration Committee member from an objective and neutral position.</p> <p>Notes: 1. There is no special interest between Chiemi Kanda and the Company. 2. She is a candidate for Outside Director. 3. She is currently an Outside Director of the Company, and at the conclusion of the Meeting, her tenure will have been three years. 4. The Company has entered into an agreement limiting liability for damages provided for by the provisions of Article 423, paragraph (1) of the Companies Act with her, pursuant to the provisions of Article 427, paragraph (1) of the same Act. The maximum amount of limited liability is the amount stipulated by the applicable laws and regulations, and if she is re-elected, the Company plans to renew the agreement with her. 5. The Company has submitted notification to the TSE concerning her designation as an independent officer as stipulated in the rules of the TSE, and if she is re-elected, the Company will continue to designate her as an independent officer. 6. The Company has concluded a directors and officers liability insurance ("the D&O insurance") policy provided for by Article 430-3, paragraph (1) of the Companies Act with an insurance company to cover damages incurred by the insured. The candidate will be the insured of the insurance policy. The Company plans to renew the policy with the same terms and conditions for the next policy renewal.</p>			

Candidate No.	Name (Date of birth)	Career summary and positions and responsibilities in the Company	Number of the Company's shares owned
6	<p>Yoshihito Sato (August 23, 1968)</p> <p>Independent Outside New election</p> <p>Attendance at Board of Directors meetings -/-</p>	<p>Oct. 1992 Joined Asahi Shinwa & Co. (currently KPMG AZSA LLC)</p> <p>Apr. 1996 Registered as a Certified Public Accountant</p> <p>Oct. 1998 Transferred to the Sapporo Office of KPMG AZSA & Co. (currently KPMG AZSA LLC)</p> <p>Oct. 1999 Appointed Manager of KPMG AZSA & Co. (currently KPMG AZSA LLC)</p> <p>Apr. 2004 Seconded to Development Bank of Japan (currently Development Bank of Japan Inc.)</p> <p>Oct. 2007 Returned to KPMG AZSA LLC, Senior Manager</p> <p>June 2010 Appointed Partner of KPMG AZSA LLC</p> <p>Sep. 2021 Retired from KPMG AZSA LLC</p> <p>Oct. 2021 Representative of Yoshihito Sato CPA Office (current position)</p> <p>Oct. 2021 Advisor, Karukozaka Partners Co., Ltd. (current position)</p> <p>Nov. 2021 Training Instructor for Small and Medium Enterprises, College for Small & Medium Enterprises (current position)</p> <p>May 2023 Appointed Representative Partner, Izumi Audit Co. (current position)</p> <p>[Significant concurrent positions outside the Company] Representative of Yoshihito Sato CPA Office</p>	0
<p>Reasons for nomination as candidate for Outside Director and outline of the expected roles Yoshihito Sato has experience at the Development Bank of Japan (currently Development Bank of Japan Inc.) and has a wide range of achievements including statutory audits, M&A advisory, IPO support, restructuring, enhancement of internal controls, and strengthening of compliance frameworks and internal auditing. The Company has nominated him as a candidate for Director with the expectation of leveraging his expertise to enhance the Company's corporate value and strengthen its oversight functions.</p> <p>Notes: 1. There is no special interest between Yoshihito Sato and the Company. 2. He is a candidate for Outside Director. 3. If his election is approved, the Company plans to enter into an agreement limiting liability for damages provided for by the provisions of Article 423, paragraph (1) of the Companies Act with him, pursuant to the provisions of Article 427, paragraph (1) of the same Act. 4. If his election is approved, the Company plans to designate him as an independent officer as stipulated in the rules of the TSE. 5. The Company has concluded a directors and officers liability insurance ("the D&O insurance") policy provided for by Article 430-3, paragraph (1) of the Companies Act with an insurance company to cover damages incurred by the insured. The candidate will be the insured of the insurance policy. The Company plans to renew the policy with the same terms and conditions for the next policy renewal.</p>			

Proposal No. 2 Election of Two Audit & Supervisory Board Members

At the conclusion of this Meeting, the terms of office of Audit & Supervisory Board Members Yoshimi Kimura and Akira Tamura will expire. Therefore, the Company proposes the election of two Audit & Supervisory Board Members. The consent of the Audit & Supervisory Board has been obtained for the submission of this proposal.

The candidates for Audit & Supervisory Board Member are as follows:

Candidate No.	Name (Date of birth)	Career summary and positions in the Company	Number of the Company's shares owned
1	<p>Yoshimi Kimura (July 27, 1961)</p> <p>Reelection</p> <p>Attendance at Board of Directors meetings 14/14</p> <p>Attendance at Audit & Supervisory Board meetings 18/18</p>	<p>Mar. 1984 Joined the Company</p> <p>Sep. 1999 Manager of Fuji Business Office</p> <p>Mar. 2004 Manager of Kinki and Shikoku Business Department</p> <p>Apr. 2005 Area Manager of Kinki and Shikoku</p> <p>Apr. 2007 Manager of Product Department</p> <p>Apr. 2009 Manager of Maintenance and Accessories Product Department</p> <p>June 2009 Director Manager of Maintenance and Accessories Product Department</p> <p>Mar. 2011 Director In charge of product procurement, logistics, and sales promotion and advertising</p> <p>June 2022 Audit & Supervisory Board Member of the Company (current position)</p> <p>[Significant concurrent positions outside the Company]</p> <p>-</p>	100,400
<p>Reasons for nomination as candidate for Audit & Supervisory Board Member</p> <p>Yoshimi Kimura has experienced important positions including the sales division and the product strategy division over the years, and the Company judges he will fulfill his role of auditing the execution of duties by Directors by leveraging his abundant experience in and knowledge about overall sales and product strategy and thus nominates him as candidate for Audit & Supervisory Board Member.</p> <p>Notes: 1. There is no special interest between Yoshimi Kimura and the Company.</p> <p>2. He is a candidate for Audit & Supervisory Board Member.</p> <p>3. The Company has entered into an agreement limiting liability for damages provided for by the provisions of Article 423, paragraph (1) of the Companies Act with him, pursuant to the provisions of Article 427, paragraph (1) of the same Act. The maximum amount of limited liability is the amount stipulated by the applicable laws and regulations, and if he is re-elected, the Company plans to renew the agreement with him.</p> <p>4. The Company has concluded a directors and officers liability insurance (“the D&O insurance”) policy provided for by Article 430-3, paragraph (1) of the Companies Act with an insurance company to cover damages incurred by the insured. The candidate will be the insured of the insurance policy. The Company plans to renew the policy with the same terms and conditions for the next policy renewal.</p>			

Candidate No.	Name (Date of birth)	Career summary and positions in the Company	Number of the Company's shares owned
2	<p>Akira Tamura (July 2, 1948)</p> <p>Independent Outside Reelection</p> <p>Attendance at Board of Directors meetings 14/14</p> <p>Attendance at Audit & Supervisory Board meetings 18/18</p>	<p>Apr. 1972 Joined Japan Storage Battery Co., Ltd. June 2000</p> <p>Director, Deputy General Manager of Storage Battery Sales Division</p> <p>Apr. 2004 Executive of GS Yuasa Corporation Managing Director of GS Yuasa Battery Ltd.</p> <p>June 2006 Representative Director of GS Yuasa Battery Ltd.</p> <p>June 2008 Representative Director of GS Yuasa Technology Ltd.</p> <p>Oct. 2010 Representative Director of GS Yuasa Power Electronics Ltd.</p> <p>June 2012 Resigned from GS Yuasa Corporation June 2022 Outside Audit & Supervisory Board Member of the Company (current position)</p> <p>[Significant concurrent positions outside the Company]</p> <p>-</p>	0
<p>Reasons for nomination as candidate for Outside Audit & Supervisory Board Member</p> <p>The Company judges Akira Tamura will fulfill his role of auditing the execution of duties by Directors by leveraging his abundant experience in and knowledge about management nurtured in the automotive industry and thus nominates him as candidate for Outside Audit & Supervisory Board Member. If he is elected, he will be engaged in selecting candidates for the Company's officers and decision-making on matters including officers' remuneration as a Nominating and Remuneration Committee member from an objective and neutral position.</p> <p>Notes: 1. There is no special interest between Akira Tamura and the Company. 2. He is a candidate for Outside Audit & Supervisory Board Member. 3. He is currently an Outside Audit & Supervisory Board Member of the Company, and at the conclusion of the Meeting, his tenure will have been four years. 4. The Company has entered into an agreement limiting liability for damages provided for by the provisions of Article 423, paragraph (1) of the Companies Act with him, pursuant to the provisions of Article 427, paragraph (1) of the same Act. The maximum amount of limited liability is the amount stipulated by the applicable laws and regulations, and if he is re-elected, the Company plans to renew the agreement with him. 5. If his election is approved, the Company plans to designate him as an independent officer as stipulated in the rules of the TSE. 6. The Company has concluded a directors and officers liability insurance ("the D&O insurance") policy provided for by Article 430-3, paragraph (1) of the Companies Act with an insurance company to cover damages incurred by the insured. The candidate will be the insured of the insurance policy. The Company plans to renew the policy with the same terms and conditions for the next policy renewal.</p>			

Skill matrix of the Board of Directors after the Meeting (planned)

The following is the skill matrix of the Board of Directors in the case that the candidates shown in this notice of the Meeting are elected as proposed.

Name	Positions in the Company (Planned)	Attributes	Corporate management	Sales	Product strategy Product manufacturing	Marketing Store development	Sustainability ESG	Human resources /Labor Human resource development, Legal matters Risk management	Finance/ Accounting Tax
Yasuo Horie	Representative Director and Chairperson		●	●		●	●	●	●
Akio Kimura	Representative Director and President		●	●		●	●	●	●
Tadasu Shiraishi	Senior Managing Director		●	●	●		●	●	●
Taeko Kubo	Director	Outside Independent				●	●		
Chiemi Kanda	Director	Outside Independent					●	●	
Yoshihito Sato	Director	Outside Independent	●				●	●	●
Yoshimi Kimura	Audit & Supervisory Board Member			●	●				
Akira Tamura	Audit & Supervisory Board Member	Outside Independent	●	●	●				
Jun Ounabara	Audit & Supervisory Board Member	Outside Independent	●						●

1. If this Proposal is approved as originally proposed, the Company will have a Board of Directors structure consisting of six members, including three outside directors (50%) and two female directors (approximately 33.3% female representation).

<Shareholder Proposals (from Proposal 3 to Proposal 5)>

Proposal 3 to Proposal 5 were made by one shareholder.

Proposal No. 3 Partial Amendment of the Articles of Incorporation Concerning the Decision-Making Body for Dividends of Surplus

Proposal

With regard to Proposal 1. below (the “Articles Amendment Proposal”), if, as a result of the approval or rejection of the Articles Amendment Proposal and any other proposals (including those proposed by the Company) at the Annual General Meeting of Shareholders, formal adjustment of any chapter or article set forth in the Articles Amendment Proposal is required (including, but not limited to corrections to discrepancies in numbering of chapter or articles), such provisions in the Articles Amendment Proposal shall be deemed to be replaced with the text as adjusted accordingly. For detailed explanations of the following shareholder proposals, please refer to <https://stracap.jp/9882-YELLOWHAT/> or the dedicated site linked at top right of the Strategic Capital website, <https://stracap.jp/>. All companies figures presented in each shareholder proposal are based on the consolidated financial statements, unless otherwise stated as non-consolidated. In addition, treasury shares are deducted from the total number of issued shares for the calculation of market capitalization.

1. Partial Amendment of the Articles of Incorporation Concerning the Decision-Making Body for Dividends of Surplus
Amend Articles 43 and 44 of the current Articles of Incorporation as follows.

Current Articles of Incorporation

Article 43 (Decision-making Body for Dividends of Surplus, etc.)

Unless otherwise provided by laws and regulations, the Company shall determine matters set forth in each item of Article 459, paragraph (1) of the Companies Act, including dividends of surplus, by resolution of the Board of Directors, rather than resolution of the General Meeting of Shareholders.

Article 44 (Record Date for Dividends of Surplus)

1. The record date for year-end dividends of the Company shall be March 31 of each year.
2. The record date for interim dividends of the Company shall be September 30 of each year.
3. In addition to the two preceding paragraphs, the Company may distribute dividends of surplus by setting a record date.

Proposed Amendment (changes indicated by underlining)

Article 43 (Dividends of Surplus)

1. The Company may, by resolution of the General Meeting of Shareholders, pay year-end dividends to shareholders or registered pledgees of shares recorded or registered in the final register of shareholders as of the last day of each fiscal year.
2. In addition to the previous paragraph, by resolution of the Board of Directors, the Company may pay interim dividends to shareholders or registered pledgees of shares recorded or registered in the final register of shareholders as of September 30 of each year.
3. In addition to the two preceding paragraphs, the Company may distribute dividends of surplus by setting a record date.

Article 44 Deleted

Rationale for the Proposal

The objective of this proposal is to make the General Meeting of Shareholders the decision-making body for year-end dividends.

The Company determines dividends by resolution of the Board of Directors, without requiring a resolution by the General Meeting of Shareholders. However, in the past, the Company’s restriction of dividend payments has caused its equity ratio to rise, leading to the stagnation of its share price. It is therefore difficult to conclude that the Board of Directors’ capital and shareholder return policies have sufficiently contributed to the enhancement of shareholder value.

The medium-term plan announced by the Company in January 2025 has set a target dividend payout ratio of 45% and states that, with the addition of share repurchases, the cumulative total shareholder return ratio over the three-year period will be 100% or more. It also states that the equity ratio will be reduced to less than 60% by the end of the fiscal year ending March 31, 2028, the final year of the medium-term plan, and to around 50% in the long term. With this, while a certain reduction in equity ratio can be recognized in the immediate term, if, subsequent to the current medium-term plan, only the 45% dividend payout ratio were to be maintained, there is a possibility that the equity ratio would rise once more, leading to a decline in ROE.

The Company's P/B ratio has never exceeded the TSE Prime Market average P/B ratio. The Proposing Shareholders believe that one cause of this lies in its dividend policy. In addition, to lower the equity ratio to around 50%, it will be necessary to continue shareholder returns at the current level going forward.

For this reason, it is necessary to strengthen shareholders' involvement in capital and shareholder return policies by making the General Meeting of Shareholders the decision-making body for dividends and encourage management that will contribute to the enhancement of shareholder value, including the improvement of ROE and the optimization of the equity ratio.

Opinion of the Board of Directors Concerning this Proposal

(1) Opinion of the Company's Board of Directors

The Board of Directors is against this proposal.

(2) Reasons for Opposition

(i) To ensure timely and flexible execution of capital policies and speed of decision-making

The Company believes that, in a rapidly changing market environment, it is essential for the enhancement of medium- to long-term corporate value to execute capital policies, including shareholder returns, with optimal timing, taking current business performance and cash flow conditions and investments for future growth (e.g. renovation of existing stores, new store openings, and systems investments), as well as financial soundness, into comprehensive consideration.

Determining that such matters require extremely sophisticated management judgments and that making timely and flexible judgments in the Board of Directors represents a reasonable, effective approach to decision-making from the perspective of sustained improvement of corporate value, the Company has adopted the Board of Directors as the decision-making body for dividends of surplus.

(ii) Reasonableness of returns that combine dividends and share repurchases

In its medium-term plan covering the three years from the fiscal year ended March 31, 2026 to the fiscal year ending March 31, 2028, the Company has set out a shareholder return policy of "a total shareholder return ratio of 100% (45% dividend payout ratio and 55% share repurchases)." As such, in the pursuit of management that is conscious of capital efficiency, the Company has determined that an appropriate combination (total shareholder return ratio of 100% or more) of direct returns through stable, continuous dividends (45% dividend payout ratio) and timely share repurchases (55%) to respond to the market environment and share price levels and maintain an optimal capital composition would at present most contribute to the interests of shareholders.

In addition, the execution of timely share repurchases is a useful means of improving return on equity (ROE) and earnings per share (EPS). It also offers the benefit of enabling flexible responses in terms of the method and scale of returns by constantly monitoring liquidity conditions and trends in the cost of equity.

The Company has determined that the most rational option is for the Board of Directors, which is highly knowledgeable about the Company's business operations, including decisions on dividends of surplus, to hold the responsibility and authority to determine the optimal balance for such an approach to shareholder returns and link them to medium- to long-term management strategies.

For the above reasons, the Company opposes this proposal.

Proposal No. 4 Appropriation of Surplus

Proposal

On the condition that “Proposal 1. Partial Amendment of the Articles of Incorporation Concerning the Decision-Making Body for Dividends of Surplus” is approved, distribute dividends of surplus as follows.

- (1) Type of dividend property
Cash
- (2) Matters concerning the allotment of dividend property to shareholders and the total amount thereof
Pay a dividend to ordinary shareholders of the Company as of the record date of voting rights for the 68th Annual General Meeting of Shareholders (the “Allocation Date”) in the amount per share (“Additional Dividend Amount”) obtained by subtracting from 128 yen dividend amounts per common share based on proposals for appropriation of surplus resolved by the Company’s Board of Directors (the “Company Profit Appropriation Proposal”) or dividend amounts per common share resolved by the Company’s Board of Directors as appropriation of surplus for the fiscal year ended March 31, 2026 by the date of the 68th Annual General Meeting of Shareholders (including interim dividends and plans for appropriation) under Article 43 of the Company’s Articles of Incorporation (hereinafter, these dividend amounts based on resolutions of the Board of Directors are referred to collectively as “Company Dividend Amounts”), in addition to the Company Dividend Amounts.
If basic earnings per share for the fiscal year ended March 31, 2026 exceeds 128 yen, replace the 128 yen stated at the beginning with the actual amount of basic earnings per share for the fiscal year ended March 31, 2026.
The total amount of dividends will be the amount obtained by multiplying the number of the Company’s shares eligible for dividends as of the Allocation Date by the Additional Dividend Amount.
- (3) Effective date of dividends from surplus
The day following the date of the 68th Annual General Meeting of Shareholders of the Company
If a Company Profit Appropriation Proposal is made to the 68th Annual General Meeting of Shareholders, this proposal shall be made as an additional proposal, independent of and compatible with the Company Profit Appropriation Proposal.

Rationale for the Proposal

The intent of this proposal is to set a 100% dividend payout ratio as the shareholder return policy.

As stated in the rationale for the proposal in the previous item, with the current dividend payout ratio of 45%, it is expected that, subsequent to the medium-term plan, the equity ratio will balloon once more and ROE will decline.

On the other hand, if share repurchases from the market are continued under the conditions of the current scale of market capitalization and share liquidity on the market, it could lead to a decline in the liquidity of the Company’s shares and, by extension, to a rise in cost of capital. For this reason, it is preferable for shareholder returns to be primarily centered on dividends.

Further, although the Proposing Shareholders recognize some merit in the current medium-term plan announced by the Company in January 2025, they believe that the limited rise in share prices stems from market concerns regarding the sustainability of the shareholder return policy, which is primarily centered on share repurchases rather than dividends.

For this reason, by changing the shareholder return policy from the current “45% dividend payout ratio and 100% total shareholder return ratio” to “100% dividend payout ratio,” with the Company’s economic position unchanged, it should be made clear that the Company will continue with long-term, stable shareholder returns toward its target of reducing the equity ratio to 50%.

Opinion of the Board of Directors Concerning this Proposal

- (1) Opinion of the Company’s Board of Directors

The Board of Directors is against this proposal.

- (2) Reasons for Opposition

- (i) The Company’s opinion on the advantages of a total shareholder return ratio of 100% (dividends and timely share repurchases) and on the risk of a decline in liquidity

This proposal concerns the appropriation of surplus on the condition that the shareholder proposal “Partial Amendment of the Articles of Incorporation” is approved and passed.

In its current medium-term plan, the Company has decided on a total shareholder return ratio of 100% (45% dividend payout ratio, 55% share repurchases), and has already realized returns equal to the level sought by the Proposing Shareholders. A rigid policy of allocating the entire net profit to dividends as proposed would force an extreme either-or choice between shareholder returns and growth investments such as store renovations and DX. This carries the risk of impeding flexible allocation of capital for the improvement of medium- to long-term corporate value.

The Proposing Shareholders have expressed concerns about the risk of a future decline in liquidity resulting from continued share repurchases. However, in addition to giving primary consideration to the continued listing criteria (tradable share ratio) on the TSE Prime Market, the Company continuously and appropriately monitors market liquidity and cost-of-capital conditions.

If, in the future, an event were to arise that required taking the impact on liquidity into account, the Company would, in the Board of Directors, promptly review the scale and timing of share repurchases, from the perspective of the optimal capital policy at that time, and respond flexibly. The current policy, which enables optimal judgments according to the circumstances, is precisely what contributes to the maximization of shareholder interests. The Company has determined that pre-emptively excluding share repurchases, which are an effective option for enhancing capital efficiency, solely on the grounds of future liquidity risks would impede the enhancement of medium- to long-term shareholder value.

(ii) Emphasis on “stable, sustained return of profits” based on a track record of 16 consecutive years of dividend increases

To date, the Company has realized dividend increases for 16 consecutive fiscal years, and in doing so, has acted on its most important management challenge, namely the stable return of profits to shareholders.

We take pride in this achievement of consecutive dividend increases, believing it to be the result of building relationships of trust with our shareholders over the medium to long-term, rather than being swayed by short-term fluctuations in earnings. The Company will continue to place importance on this track record of consecutive dividend increases and strive for the sustained enhancement of dividend levels in line with medium- to long-term growth.

For the above reasons, the Company opposes this proposal.

Proposal No. 5 Revision of Remuneration for the Purpose of Granting Restricted Share-Based Remuneration to Directors (Excluding Outside Directors)

Proposal

(1) Outline of the proposal

This proposal is for the restricted share-based remuneration scheme, whose adoption was approved at the 62nd Annual General Meeting of Shareholders held on June 23, 2020 and whose revision was approved at the 66th Annual General Meeting of Shareholders held on June 20, 2024, to be revised as per (2) below. There shall be no changes to the restricted share-based remuneration scheme other than the points for revision herein.

(2) Details of the scheme

i. Number of restricted shares allocated per year

No more than 200,000 shares per year

ii. Amount of monetary remuneration claims for the allocation of restricted shares

No more than 150 million yen per year

iii. Method of calculating monetary remuneration claims

The amount of monetary remuneration claims paid to Directors after the end of each fiscal year for the granting of restricted shares is calculated by multiplying the number of common shares of the Company finally allotted to the Directors (the “Final Number of Allotted Shares”) by an amount that is not particularly advantageous to the Directors, based on the final closing price of the Company’s common shares on the Tokyo Stock Exchange on the business day immediately preceding the date of the Board of Directors’ resolution made after the last day of each fiscal year to determine the issuance or disposal of shares for the purpose of the relevant allotment. The Final Number of Allotted Shares shall be the number of shares calculated by multiplying the number of shares predetermined by the Board of Directors for each position by a ratio based on the degree of achievement of share price targets, as described below.

- 1) if the Company’s excess P/B ratio relative to the TSE Prime Market average is -0.5 or less: 0
- 2) if the Company’s excess P/B ratio relative to the TSE Prime Market average is more than -0.5 and less than or equal to -0.4: 0.1
- 3) if the Company’s excess P/B ratio relative to the TSE Prime Market average is more than -0.4 and less than or equal to -0.3: 0.2
- 4) if the Company’s excess P/B ratio relative to the TSE Prime Market average is more than -0.3 and less than or equal to -0.2: 0.3
- 5) if the Company’s excess P/B ratio relative to the TSE Prime Market average is more than -0.2 and less than or equal to -0.1: 0.4
- 6) if the Company’s excess P/B ratio relative to the TSE Prime Market average is more than -0.1 and less than or equal to 0: 0.5
- 7) if the Company’s excess P/B ratio relative to the TSE Prime Market average is more than 0 and less than or equal to 0.1: 0.6
- 8) if the Company’s excess P/B ratio relative to the TSE Prime Market average is more than 0.1 and less than or equal to 0.2: 0.7
- 9) if the Company’s excess P/B ratio relative to the TSE Prime Market average is more than 0.2 and less than or equal to 0.3: 0.8
- 10) if the Company’s excess P/B ratio relative to the TSE Prime Market average is more than 0.3 and less than or equal to 0.4: 0.9
- 11) if the Company’s excess P/B ratio relative to the TSE Prime Market average is more than 0.4: 1

Notes:

1. “The Company’s excess P/B ratio relative to the TSE Prime Market average” refers to the value obtained by subtracting the average P/B ratio of the TSE Prime Market from the Company’s P/B ratio.
2. “The Company’s P/B ratio” refers to the price-to-book ratio calculated by dividing the average share price, based on the closing prices of the Company’s common shares on the Tokyo Stock Exchange for each trading day during the three months immediately preceding and including the last day of each fiscal year, by the net asset value per share as of the end of that fiscal year.

3. “Average P/B ratio of the TSE Prime Market” refers to the consolidated (simple average) Prime Market P/B ratio as of the end of each month in each fiscal year, as disclosed by the Tokyo Stock Exchange in its “Long-range Data (Composite).”

Rationale for the Proposal

In the Convocation Notice for the 62nd Annual General Meeting of Shareholders held on June 23, 2020, the Company introduced a restricted share-based remuneration scheme ‘for the Company’s Directors (excluding Outside Directors) “to share the benefits and risks of share price fluctuations with shareholders and to further raise their motivation to contribute to share price rises and the improvement of corporate value.”

However, reference to monetary remuneration amounts in this scheme is limited to that they shall be determined by “taking various matters into comprehensive consideration, such as the degree of each eligible allottee’s contribution to the Company,” and there is not necessarily a clear and specific linkage to the improvement of share price.

In addition, although some time has passed since the introduction of this scheme, the Company’s P/B ratio at the end of the fiscal year ended March 31, 2026 was only 1.07, below the TSE Prime Market average P/B ratio of 1.5. In light of these circumstances, it can be said that the Company needs to further clarify the incentives of Directors to enhance shareholder value.

Accordingly, this proposal proposes that, regarding share-based remuneration for the Company’s Directors (excluding Outside Directors), from the perspective of making it a scheme that reflects the enhancement of shareholder value more clearly, the current restricted share-based remuneration scheme be revised and a share-based remuneration scheme that adopts the Company’s P/B ratio as one metric be introduced.

Specifically, with respect to the restricted share-based remuneration granted to Directors after the end of each fiscal year, the number of shares to be allotted shall be determined according to a mechanism based on the difference between the Company’s P/B ratio and the TSE Prime Market average P/B ratio. The objective of such a mechanism is to more clearly link Directors’ remuneration to the enhancement of shareholder value.

Further, whereas, under the current scheme, the maximum amount of share-based remuneration is set at 48 million yen per year, this proposal would enable the share-based remuneration granted to Directors to be expanded to 150 million yen per year in the event that the Company’s P/B ratio exceeds the TSE Prime Market average P/B ratio and corporate value improvement is recognized by the market. This can be expected to give Directors a stronger incentive for raising the share price.

Opinion of the Board of Directors Concerning this Proposal

- (1) Opinion of the Company’s Board of Directors

The Board of Directors is against this proposal.

- (2) Reasons for Opposition

- (i) Inappropriateness of using the “average P/B ratio of the TSE Prime Market” as a benchmark

This proposal calls for a system whereby decisions on share-based remuneration for Directors (ranging from a maximum of ¥150 million to zero) would be based solely on the difference between the Company’s price-to-book (P/B) ratio and the average P/B ratio of the TSE Prime Market.

We recognize that the “average P/B ratio of the TSE Market” proposed as a metric by the Proposing Shareholders is strongly affected by stocks from industries with completely different business structures and capital composition from that of the Company and by stocks that have a significantly larger market capitalization than the Company.

Furthermore, the P/B ratio has the characteristic of fluctuating considerably due not only to corporate efforts, but also to external factors that a company cannot control, such as macro-economic trends, interest rate levels, and temporary influxes of funds into specific sectors (e.g., IT, semiconductors).

For this reason, the Company has determined that this proposal could not be described as an appropriate remuneration structure from the perspective of the improvement of the Company’s medium- to long-term corporate value.

- (ii) Disregard for the objective and multifaceted remuneration decision-making process (governance)

To ensure that Directors’ remuneration serves as an incentive for sustained growth, we believe that it should be evaluated comprehensively using multifaceted metrics, including not only P/B ratio, but also medium- to long-term performance improvement, capital efficiency improvement, and sharing value with shareholders.

The Company has already established a mechanism for determining the optimal balance of fixed remuneration, variable remuneration, and restricted share-based remuneration, which is designed to share value with shareholders. This is achieved through an objective and highly transparent process (Nominating and Remuneration Committee chaired by an Independent Outside Director) in which the Independent Outside Directors are also involved. Specifically, remuneration is composed of approximately 10% fixed remuneration, approximately 70% variable remuneration, and approximately 20% restricted share-based remuneration. Because the current restricted share-based remuneration directly links fluctuations in share price to the value of assets held by officers, it functions sufficiently as an incentive for the enhancement of shareholder value without attaching the kinds of conditions contained in this proposal. The Company has determined that creating a rigid remuneration scheme by adopting a single metric and calculation formula designated by specific shareholders would not be a suitable approach to the Company's corporate governance.

For the above reasons, the Company opposes this proposal.