

This document is an unofficial English translation of a part of the Japanese original text of the Notice of the 107th Annual General Meeting of Shareholders of H2O RETAILING CORPORATION. The Company provides this translation for reference and convenience purposes only and without any warranty as to its accuracy or otherwise. In the event of any discrepancy between this English translation and the Japanese original, the latter shall prevail.

June 2, 2026  
(Start of electronic provision measures: May 29, 2026)

Naoya Araki  
President and Representative Director  
H2O RETAILING CORPORATION  
8-7 Kakuda-cho, Kita-ku, Osaka

Dear shareholders:

## Notice of the 107th Annual General Meeting of Shareholders

You are cordially invited to attend the 107th Annual General Meeting of Shareholders of H2O RETAILING CORPORATION (the “Company”), the details of which are given below.

Exercise of voting rights at a general meeting of shareholders is an essential right that shareholders have. Please exercise your voting rights by mail or via the Internet or similar means. You are kindly requested to read the Reference Document for the Shareholders Meeting below and exercise your voting rights by returning the enclosed Voting Card with approval or disapproval indicated for each proposal or via the Internet or similar means by 6:00 p.m. on Tuesday, June 23, 2026.

### Details

**1. Date and Time: Wednesday, June 24, 2026, 10:00 a.m.** (Reception opens at 9:00 a.m.)

**2. Venue: Main Hall, Umeda Arts Theater**  
19-1 Chayamachi, Kita-ku, Osaka

**3. Agenda of the Meeting:**

#### Matters to be Reported

1. Reports on the Business Report, Consolidated Financial Statements, and Financial Statements for the 107th fiscal term (from April 1, 2025 to March 31, 2026)
2. Report on the audit results of the Consolidated Financial Statements by the Accounting Auditor and the Audit and Supervisory Committee

#### Matters to be Resolved

**Proposal No. 1:** Election of Four (4) Directors (excluding Directors who are Audit and Supervisory Committee Members)

**Proposal No. 2:** Election of Four (4) Directors who are Audit and Supervisory Committee Members

**Proposal No. 3:** Payment of Bonuses to Directors

#### 4. Notes Regarding How to Exercise Voting Rights:

Please refer to the “Information regarding Exercising Voting Rights” (pp. 4-7).

- ◎ **No gifts will be provided to attendees of the Annual General Meeting of Shareholders. Thank you for your understanding.**

When convening this General Meeting, the Company has taken measures for providing information in electronic format (the “electronic provision measures”) and has posted “Notice of the 107th Annual General Meeting of Shareholders” and “Other matters subject to electronic provision measures (Matters omitted from the documents to be delivered to shareholders upon request)” on the following websites.

The Company’s website	The website of Tokyo Stock Exchange (TSE)	Net de Shoshu (online convocation) (to be posted on June 2, 2026)
<a href="https://www.h2o-retailing.co.jp/en/ir/stock/meeting.html">https://www.h2o-retailing.co.jp/en/ir/stock/meeting.html</a>	<a href="https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show">https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show</a>	<a href="https://s.srdb.jp/8242/">https://s.srdb.jp/8242/</a> (Japanese only)

When accessing the TSE website, please input the issue name (company name) or securities code (8242) and click “Search,” and then click “Basic information” and select “Documents for public inspection/PR information” to view this information.

- ◎ Reference Document for the Shareholders Meeting and a part of related materials were sent to shareholders who did not request the delivery of paper-based document by the reference date stipulated in laws and regulations (i.e., March 31, 2026).  
The paper-based document which contains the matters subject to electronic provision measures other than the following matters was sent to shareholders who made a request for delivery of document based on the provisions of laws and regulations and the Company’s articles of incorporation. The Audit and Supervisory Committee and the Accounting Auditor audited the documents subject to audit including the following matters.
- 1) Following matters related to the Business Report
    - Matters concerning the Company’s stock options, etc.
    - Matters concerning Accounting Auditor
    - Systems and Policies of the Company
  - 2) Following matters related to the Consolidated Financial Statements
    - Consolidated statements of changes in net assets
    - Notes to consolidated financial statements
  - 3) Financial Statements
  - 4) Audit Report
- ◎ If necessity arises to amend the matters subject to electronic provision measures by the day prior to the shareholders meeting, any matters amended will be posted on the respective websites where the matters are posted.

## Guide to Viewing a Live Stream of the General Meeting of Shareholders

The Company will live stream the General Meeting of Shareholders via the Internet on the day of the meeting so that shareholders can view the meeting without coming to the venue of the meeting.

### ■ Date and Time of streaming

**Wednesday, June 24, 2026 at 10:00 a.m. Japan time**

### ■ How to view the live stream

**Please access the Company website below, click the “Livestreaming of the 107th Annual General Meeting of Shareholders” and enter the username and password below (in half-width alphanumeric characters).**

The Company's website:	<a href="https://www.h2o-retailing.co.jp/ja/ir/stock/meeting.html">https://www.h2o-retailing.co.jp/ja/ir/stock/meeting.html</a>
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Username & Password : Please enter the username and password written in the “Notice of the 107th Annual General Meeting of Shareholders” that received by mail.

- Please note that shareholders may not be able to watch the live streaming depending on the device and network environment in use.
- Any fees resulting from access to the live streaming website, such as Internet connection fees and communication fees, shall be borne by shareholders.
- Shareholders will not be able to exercise their voting rights during the live streaming since watching live streaming is not considered as attendance at the General Meeting of Shareholders under the Companies Act. Therefore, please exercise your voting rights in advance by mail or via the Internet.
- Shareholders will not be able to ask questions or make any comments during the live stream.
- Live streaming may be interrupted or cancelled depending on the Internet environment, system troubles and other factors on the day of the meeting.
- Please be aware that the following acts are strictly prohibited: filming, recording video and/or audio, storing, or posting the live stream on social networking sites.

## Information regarding Exercising Voting Rights

Exercise of voting rights at a general meeting of shareholders is an essential right that shareholders have. You are kindly requested to read the Reference Document for the Shareholders Meeting below and exercise your voting rights by any of the following means.

You can exercise your voting rights by any of the following means.

If attending the General Meeting of Shareholders	
Please submit the enclosed Voting Card to a receptionist at the venue of the Meeting. (If no indication of approval or disapproval is given, it will be treated as approval.)	
<b>Time and Date of the Meeting: 10:00 a.m. on Wednesday, June 24, 2026</b>	
⊙ If you choose to exercise your voting rights by proxy, the proxy will be requested to submit a letter of proxy and a Voting Card to a receptionist at the venue of the Meeting. Only a shareholder who has voting rights at the meeting can serve as a proxy.	
If refraining from attending the General Meeting of Shareholders	
<b>▶ Exercising voting rights by mail</b>	
Please return the enclosed Voting Card (with approval or disapproval indicated for each proposal). Any vote without approval or disapproval indicated for a particular proposal will be counted as a vote for approval of the pertinent proposal.	
<b>Exercise time limit: 6:00 p.m. on Tuesday, June 23, 2026</b>	
<b>▶ Exercising voting rights via the Internet or similar means</b>	
<b>By scanning the QR code:</b> For the details on how to exercise voting rights, please refer to <b>page 6</b> .	<b>By entering your login ID and temporary password:</b> For the details on how to exercise voting rights, please refer to <b>page 7</b> .
<b>Exercise time limit: 6:00 p.m. on Tuesday, June 23, 2026</b>	<b>Exercise time limit: 6:00 p.m. on Tuesday, June 23, 2026</b>
⊙ If you are able to attend the annual general meeting of shareholders, it is not necessary to follow the procedures to exercise voting rights by mail or via the Internet. If you attend the meeting after exercising your voting rights in advance by mail or via the Internet, the voting rights exercised by attending the meeting shall supersede the previous vote.	

### ■ Handling of multiple votes cast by the same shareholder

- (1) If a voting right is exercised both by mail and via the Internet, the vote cast via the Internet will be considered to be the valid vote.
- (2) If a voting right is exercised via the Internet twice or more, the last vote cast will be considered to be the valid vote.

### ■ Information regarding the Electronic Voting Platform

For nominee shareholders (including their standing proxies), such as trust banks or custodian banks, the Electronic Voting Platform is also available if they sign up in advance. The platform is operated by ICJ, Inc.

## **Gift to shareholders who exercised their voting rights in advance via the Internet**

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We will offer as a gift **Ogurasanso's "Ogura Yamashunju small box (8 pieces x 4 packets)" to 500 shareholders selected by lottery** who exercised their voting rights in advance via the Internet regardless of whether they voted for or against the proposals.

Please be encouraged to exercise voting rights via the Internet.

Gift product: Ogura Yamashunju small box (8 pieces x 4 packets)

Ogurasanso's signature confection "Ogura Yamashunju," which are sold at basement food floors of Hanshin Umeda Main Store and other department stores of the Group

Assortment of 8 types of one-bite rice crackers with colors and flavors of Japan's four seasons

You can enjoy the distinct flavors of each type.



Winners will be notified upon delivery of the gift product.

\* The gift product will be sent to winning shareholders at their names and addresses recorded in the shareholders' registry as of March 31, 2026 around late July 2026.

## ■ Exercising voting rights via the Internet or similar means

To exercise voting rights via the Internet or similar means, please **access the voting website which is designated by the Company (<https://evote.tr.mufg.jp/>)** using your personal computer or smartphone and follow the instructions on the screen.

Time limit for exercising voting rights:

6:00 p.m. on Tuesday, June 23, 2026

### Scanning the QR code

#### Smartphone

Exercising voting rights with your smartphone **does not require you to enter your login ID and temporary password.**

- 1 Scan the QR code.  
Use your smartphone to scan the login QR code found on the voting stub (right side) of the enclosed Voting Card.
- 2 Choose the method you wish to use to exercise your voting rights.  
A screen asking you to choose how you wish to vote on proposals will be displayed. Choose your desired method.
- 3 Vote on each proposal. *\*When you vote approval or disapproval on each proposal individually.*  
Follow the instructions on the screen to vote on each proposal.
- 4 Then, follow the input instructions on the screen to enter the relevant information.

Complete the process

\* You may fail to log in the voting website by scanning the QR code depending on the model of your smartphone. In such a case, please exercise your voting rights by entering your login ID and temporary password.

\* "QR code" is a registered trademark of DENSO WAVE INCORPORATED.

## Entering your login ID and temporary password

### Personal computer/Smartphone

On the voting website, use your login ID and temporary password found on the Voting Card and follow the instruction on the screen to vote approval or disapproval.

1 Access the voting website.

The voting website: <https://evote.tr.mufg.jp/>

2 Click "Next page"

3 Enter the login ID and temporary password found on the voting stub (right side) of your Voting Card.

4 Then, follow the input instructions on the screen to vote approval or disapproval.

Complete the process

### Cautions on exercising voting rights via the Internet

- Costs for accessing the voting website (e.g., Internet connection fees and communication fees) will be borne by shareholders who access the website.
- The voting website will not be available for use from 2:30 a.m. until 4:30 a.m. daily.

#### For inquiries about the system etc., please contact:

Securities Business Division (Help Desk), Mitsubishi UFJ Trust and Banking Corporation  
Tel. (toll-free): 0120-173-027 (available from 9:00 a.m. to 9:00 p.m.)

## Reference Document for the Shareholders Meeting

### Matters to be Resolved

#### Proposal No. 1: Election of Four (4) Directors (excluding Directors who are Audit and Supervisory Committee Members)

The terms of office of four (4) Directors (excluding Directors who are Audit and Supervisory Committee Members; hereinafter the same in this proposal) will expire at the conclusion of this Annual General Meeting of Shareholders. It is hereby proposed that four (4) Directors will be elected.

The Director candidates are given below.

Candidate No.	Name	Present position in the Company
1	Naoya Araki	President and Representative Director <input type="text" value="Subject to re-election"/>
2	Toshihiko Yamaguchi	Representative Director <input type="text" value="Subject to re-election"/>
3	Yasuo Shimada	Director <input type="text" value="Subject to re-election"/>
4	Gaku Watanabe	Senior Managing Executive Officer <input type="text" value="Subject to new election"/>

Candidate No.	1	
<b>Naoya Araki</b>		(Date of birth: May 14, 1957)
Subject to re-election	Number of company shares held by the candidate:	31,200
<b>Brief history of positions and duties</b>		
April 1981	Joined Hankyu Department Stores, Inc.	
April 2003	General Manager, Suburban Store Development Office, Hankyu Department Stores, Inc.	
April 2004	Executive Officer, Hankyu Department Stores, Inc.	
October 2008	Executive Officer, Hankyu Hanshin Department Stores, Inc.	
June 2010	Director and Executive Officer, Hankyu Hanshin Department Stores, Inc.	
March 2012	President and Representative Director, Hankyu Hanshin Department Stores, Inc.	
June 2012	Representative Director, H2O RETAILING CORPORATION	
April 2020	President and Representative Director, H2O RETAILING CORPORATION (present position)	
April 2020	Chairman and Representative Director, Hankyu Hanshin Department Stores, Inc. (present position)	
<b>Status of concurrent important position held</b>		
Chairman and Representative Director, Hankyu Hanshin Department Stores, Inc.		
<b>Reason for nomination as Director candidate</b>		
<p>Mr. Naoya Araki led the development of new stores, including the Hakata Hankyu and Nishinomiya Hankyu stores, at Hankyu Hanshin Department Stores, Inc., the core of the Company Group. During his appointment as President of Hankyu Hanshin Department Stores, Inc., he contributed significantly to building its robust business foundation by significantly improving the profitability of the department store business, including that of the Hankyu Umeda Main Store. Since April 2020, when he took office as President of H2O RETAILING CORPORATION, amid the drastic changes in the business environment surrounding the retail industry, he set forth a new group vision and demonstrated strong leadership in developing the Company's unique business model "Communication Retailer." We have determined that he is appropriate for the sustainable improvement of the Company Group's corporate value based on his abundant experience, record of accomplishment, and insight. Therefore, he continues to be nominated as a Director candidate.</p>		

Candidate No.	2	
Toshihiko Yamaguchi		(Date of birth: August 21, 1963)
Subject to re-election	Number of company shares held by the candidate:	22,600
Brief history of positions and duties		
April 1986	Joined Hankyu Department Stores, Inc.	
April 2009	Store Manager, Kawanishi Hankyu Department Store of Hankyu Hanshin Department Stores, Inc.	
April 2011	Sales Service Executive Manager, Yurakucho Hankyu Department Store of Hankyu Hanshin Department Stores, Inc.	
August 2011	Sales Service Executive Manager, Hankyu Men's Tokyo of Hankyu Hanshin Department Stores, Inc.	
April 2012	Store Manager, Hankyu Men's Tokyo of Hankyu Hanshin Department Stores, Inc.	
April 2014	Executive Officer, Hankyu Hanshin Department Stores, Inc.	
April 2018	Director and Executive Officer, Hankyu Hanshin Department Stores, Inc.	
April 2020	President and Representative Director, Hankyu Hanshin Department Stores, Inc. (present position)	
June 2020	Representative Director, in charge of the department store business, H2O RETAILING CORPORATION (present position)	
Status of concurrent important position held		
President and Representative Director, Hankyu Hanshin Department Stores, Inc.		
Reason for nomination as Director candidate		
<p>Mr. Toshihiko Yamaguchi was in charge of a wide range of fields, including the management of main stores, store planning, marketing, and sales for Hankyu Hanshin Department Stores, Inc., the core of the Company Group. Since April 2020, as President of Hankyu Hanshin Department Stores, Inc., he has been leading the transformation of Hankyu Main Department into a global department store, aiming to maximize LTV (the total value provided to customers over the course of their lifetime) by deepening the relationships with high-net-worth customers in Japan and overseas as well as with loyal customers in Japan through the creation of new value for department stores. We have determined that he is appropriate for the sustainable improvement of the Group's corporate value based on his abundant experience, record of accomplishment, and insight. Therefore, he continues to be nominated as a Director candidate.</p>		

Candidate No.	3	
Yasuo Shimada		(Date of birth: July 21, 1964)
Subject to re-election	Number of company shares held by the candidate:	2,200
Brief history of positions and duties		
April 1988	Joined Hankyu Corporation	
April 2019	Director, Hankyu Corporation	
April 2021	Managing Director, Hankyu Corporation	
April 2022	President and Representative Director, Hankyu Corporation (present position)	
June 2022	Executive Vice President and Representative Director, Hankyu Hanshin Holdings, Inc.	
March 2023	President and Representative Director, Hankyu Hanshin Holdings, Inc.	
December 2024	President and Representative Director, Group CEO, Hankyu Hanshin Holdings, Inc. (present position)	
June 2025	Director, H2O RETAILING CORPORATION (present position)	
Status of concurrent important positions held		
President and Representative Director, Group CEO, Hankyu Hanshin Holdings, Inc.		
President and Representative Director, Hankyu Corporation		
Reason for nomination as Director candidate		
<p>Mr. Yasuo Shimada, as President and Representative Director and Group CEO of Hankyu Hanshin Holdings, Inc., has been strongly leading the management of the entire Group, and has a wealth of business management experience and profound insights.</p> <p>Since June 2025, when he took office as Director of H2O RETAILING CORPORATION, taking a high-level view of the Hankyu Hanshin Toho Group's broad business portfolio, he has provided valuable advice and appropriate supervision regarding the business strategy for its sustainable growth and the enhancement of its corporate value. Therefore, he is nominated as a Director (non-executive director) candidate.</p>		

Candidate No.	4	
<b>Gaku Watanabe</b> (Date of birth: May 1, 1968)		
Subject to new election	Number of company shares held by the candidate:	6,102
<b>Brief history of positions and duties</b>		
April 1991	Joined SANYO Electric Co., Ltd.	
July 2011	Deputy General Manager of Administrative Planning Division, SANYO Electronic Co., Ltd.	
April 2015	Joined SIGMAXYZ Inc. (currently SIGMAXYZ Holdings Inc.)	
April 2015	Representative Director and Vice President, GLOBAL SECURITY EXPERTS Inc.	
April 2018	General Manager of Administrative Planning Department (Director), SIGMAXYZ Inc. (currently SIGMAXYZ Holdings Inc.)	
October 2019	Joined H2O RETAILING CORPORATION, Assistant to Vice President (with the status of Head of Office)	
April 2020	Executive Officer, Head of Administrative Planning Office, H2O RETAILING CORPORATION	
December 2021	Director, in charge of Finance Department and General Affairs Department, KANSAI SUPERMARKET LTD. (currently JUSO FOOD MARKET LTD.)	
February 2022	Director, Head of Administrative Planning Officer, in charge of Finance Department and General Affairs Department	
April 2022	Managing Executive Director, H2O RETAILING CORPORATION	
April 2026	Senior Managing Executive Officer, in charge of Food Business, H2O RETAILING CORPORATION (present position)	
April 2026	President and Representative Director, Kansai Food Market Ltd. (present position)	
<b>Status of concurrent important positions held</b>		
President and Representative Director, Kansai Food Market Ltd.		
<b>Reason for nomination as Director candidate</b>		
<p>In addition to his experience in key positions at an electric manufacturer and consulting firms, Mr. Gaku Watanabe has extensive practical experience in both corporate planning such as corporate restructuring including the food business, and new business planning, and business management as Executive Officer of the Company. Since April 2026, when he took office as President and Representative Director of Kansai Food Market Ltd., the core of the Company Group, he has facilitated initiatives to maximize the food supermarket integration synergies. We have determined that he is appropriate for the sustainable enhancement of the Group's corporate value based on his abundant experience, record of accomplishment, and insight. Therefore, he is nominated as a Director candidate.</p>		

Notes:

1. Mr. Yasuo Shimada (a Director candidate) holds a concurrent position as President and Representative Director of Hankyu Corporation, with which the Company has engaged in real estate lease transactions.
2. The Company has no special interest with other candidates.
3. The Company has concluded a contract with Mr. Yasuo Shimada (a Director candidate) for the liability specified in Article 423, Paragraph 1 of the Companies Act, up to the amount stipulated by law. The contract will continue if this proposal is approved and he is elected.
4. The Company has a liability insurance contract for all of its directors (including Directors who are Audit and Supervisory Committee Members). The purpose of this insurance is to compensate for the legal damages and dispute costs incurred by the insured due to claims for damages being made to the insured. If director candidates are elected and take office, they will be insured under the insurance policy. The outline of the contents of the insurance contract is also described in the business report (4. (1) Note 6. Outline of the Contents of the Liability Insurance Contract for Directors; available in Japanese only). The insurance contract was renewed on May 1, 2026, with the same content.
5. On October 1, 2007, our trade name changed from Hankyu Department Stores, Inc. to H2O RETAILING CORPORATION in line with the transition to a holding company structure (based on the management integration with Hanshin Department Store, Ltd.). At the same time, a company split was conducted to have the Department Store Business succeeded to a newly established company (Hankyu Department Stores, Inc.).  
On October 1, 2008, Hankyu Department Stores, Inc. acquired Hanshin Department Store, Ltd. through an absorption-type merger, and the trade name changed to Hankyu Hanshin Department Stores, Inc.
6. On April 1, 2005, Hankyu Corporation changed its trade name to Hankyu Holdings, Inc. At the same time, a

company split was conducted to have the Railway business and all other operations succeeded to Hankyu Corporation Spin-Off Preparation Inc. (changed its trade name to Hankyu Corporation on the same day). On October 1, 2006, Hankyu Holdings, Inc. changed its trade name to Hankyu Hanshin Holdings, Inc.

**Proposal No. 2: Election of Four (4) Directors who are Audit and Supervisory Committee Members**

The terms of office of all four (4) Directors who are Audit and Supervisory Committee Members will expire at the conclusion of this Annual General Meeting of Shareholders. The Company therefore proposes to elect four (4) Directors who are Audit and Supervisory Committee Members. The Audit and Supervisory Committee has approved this proposal. The candidates for Directors who are Audit and Supervisory Committee Members are as follows:

Candidate No.	Name	Present position in the Company
1	Kenjiro Nakano	Outside Director Audit and Supervisory Committee Member <div style="display: inline-block; border: 1px solid black; padding: 2px;">Subject to re-election</div> <div style="display: inline-block; border: 1px solid black; padding: 2px;">Outside Director</div> <div style="display: inline-block; border: 1px solid black; padding: 2px;">Independent Officer</div>
2	Mayumi Ishihara	Outside Director Audit and Supervisory Committee Member <div style="display: inline-block; border: 1px solid black; padding: 2px;">Subject to re-election</div> <div style="display: inline-block; border: 1px solid black; padding: 2px;">Outside Director</div> <div style="display: inline-block; border: 1px solid black; padding: 2px;">Independent Officer</div>
3	Nobuko Sekiguchi	Outside Director Audit and Supervisory Committee Member <div style="display: inline-block; border: 1px solid black; padding: 2px;">Subject to re-election</div> <div style="display: inline-block; border: 1px solid black; padding: 2px;">Outside Director</div> <div style="display: inline-block; border: 1px solid black; padding: 2px;">Independent Officer</div>
4	Yasuyuki Hiroto	<div style="display: inline-block; border: 1px solid black; padding: 2px;">Subject to new election</div> <div style="display: inline-block; border: 1px solid black; padding: 2px;">Outside Director</div> <div style="display: inline-block; border: 1px solid black; padding: 2px;">Independent Officer</div>

Note: Candidates marked as Independent Officer satisfy the conditions of the standards of independence of outside directors stated below. Mr. Kenjiro Nakano, Ms. Mayumi Ishihara and Ms. Nobuko Sekiguchi have been designated and reported as independent officers specified by the Tokyo Stock Exchange. Furthermore, if Mr. Yasuyuki Hiroto is elected, he will be designated and reported as an independent officer specified by the Tokyo Stock Exchange.

Candidate No.	1	Outside Director	Independent Officer
Kenjiro Nakano		(Date of birth: August 13, 1947)	
Subject to re-election		Number of company shares held by the candidate:	9,600
Brief history of positions and duties			
April 1971	Joined the Sumitomo Bank, Limited.		
April 1998	Director, the Sumitomo Bank, Limited		
June 2002	Managing Executive Director, the Sumitomo Mitsui Banking Corporation		
June 2004	Managing Director and Managing Executive Officer, the Sumitomo Mitsui Banking Corporation		
June 2005	Senior Managing Director and Senior Managing Executive Officer, the Sumitomo Mitsui Banking Corporation		
April 2006	Representative Director and Deputy President, the Sumitomo Mitsui Banking Corporation		
April 2008	Deputy Chairman and Representative Director, the Sumitomo Mitsui Banking Corporation		
June 2010	President and Representative Director, Keihanshin Real Estate Co., Ltd. (currently Keihanshin Building Co., Ltd.)		
June 2013	Outside Director of Maruichi Steel Tube Ltd. (present position)		
June 2016	Chairman and Director, Keihanshin Building Co., Ltd.		
June 2016	Director, Audit and Supervisory Committee Member, H2O RETAILING CORPORATION (present position)		
Status of concurrent important position held			
Outside Director of Maruichi Steel Tube Ltd. * Scheduled to resign in June 2026			
Reason for nomination as Director candidate			
<p>As Director (outside director) and Audit and Supervisory Committee Member, Mr. Kenjiro Nakano proactively delivers his opinions and suggestions at the Board of Directors' meetings and other opportunities from a perspective based on a wealth of experience and wide-ranging insights in financial institution management. We expect that his experience will contribute to the enhancement of sustainable corporate value of the Group in the supervision and audit of the Group's management, and he continues to be nominated as a Director (outside director) candidate who will also serve as Audit and Supervisory Committee member. Sumitomo Mitsui Banking Corporation, which he had previously assumed the post of director, is currently the bank of the Company. It has passed more than ten years since he left his post of Board Director of Sumitomo Mitsui Banking Corporation in June 2010, and he has not been an advisor to the Sumitomo Mitsui Banking Corporation during that time. He satisfies the conditions of the standards of independence of outside directors stated below. Accordingly, the Company has designated and reported him as an independent officer specified by the Tokyo Stock Exchange.</p>			

Candidate No.	<b>2</b>	Outside Director	Independent Officer
<b>Mayumi Ishihara</b>		(Date of birth: May 3, 1963)	
Subject to re-election	Number of company shares held by the candidate:	1,500	
Brief history of positions and duties			
April 1997	Registered as a lawyer with Osaka Bar Association		
April 1997	Joined Oh-Ebashi LPC & Partners		
June 2013	Outside Auditor, Morishita Jintan Co., Ltd.		
February 2016	Outside Director, Morito Co., Ltd. (present position)		
April 2016	Outside Director (Audit and Supervisory Committee Member), OS Co., Ltd.		
June 2016	Director, Audit and Supervisory Committee Member, H2O RETAILING CORPORATION (present position)		
June 2018	Outside Director (Audit and Supervisory Committee Member), Morishita Jintan Co., Ltd. (present position)		
April 2024	Outside Corporate Auditor, DyDo GROUP HOLDINGS, INC. (present position)		
January 2025	Joined Umeda Sogo Law Office		
Status of concurrent important position held			
Outside Director (Audit and Supervisory Committee Member), Morishita Jintan Co., Ltd. Outside Director, Morito Co., Ltd. Outside Corporate Auditor, DyDo GROUP HOLDINGS, INC.			
Reason for nomination as Director candidate			
Ms. Mayumi Ishihara has no experience in corporate management other than as an outside director in the past. However, as Director (outside director) who will also serve as Audit and Supervisory Committee Member, she proactively delivers her opinions and suggestions at the Board of Directors' meetings and other opportunities from a perspective based on a wealth of experience and wide-ranging insights as a lawyer. We expect that her experience will contribute to the enhancement of sustainable corporate value of the Group in the supervision and audit of the Group's management. Therefore, she continues to be nominated as a Director (outside director) candidate who will also serve as Audit and Supervisory Committee Member. She satisfies the conditions of the standards of independence of outside directors stated below. Accordingly, the Company has designated and reported her as an independent officer specified by the Tokyo Stock Exchange.			

Candidate No.	<b>3</b>	Outside Director	Independent Officer
<b>Nobuko Sekiguchi</b>		(Date of birth: July 3, 1968)	
Subject to re-election	Number of company shares held by the candidate:	2,100	
Brief history of positions and duties			
November 2005	Joined Capcom Co., Ltd.		
October 2007	Accounting Manager, Capcom Co., Ltd.		
April 2011	Corporate Officer in Management of Corporate Planning, Capcom Co., Ltd.		
April 2016	Managing Corporate Officer, Head of Corporate Planning & Manager of Human Resources Division, Capcom Co., Ltd.		
March 2019	Left Capcom Co., Ltd.		
June 2019	Outside Director, Duskin Co., Ltd.		
June 2020	Director, Audit and Supervisory Committee Member, H2O RETAILING CORPORATION (present position)		
June 2022	Independent Director and Audit & Supervisory Committee Member, Kobe Steel, Ltd. (present position)		
June 2025	Outside Director, Duskin Co., Ltd. (present position)		
Status of concurrent important position held			
Independent Director and Audit & Supervisory Committee Member, Kobe Steel, Ltd. Outside Director, Duskin Co., Ltd.			
Reason for nomination as Director candidate			
Ms. Nobuko Sekiguchi was in charge of accounting, business planning, and personnel system reform at Capcom Co., Ltd., after having experience in a business company and management consultancy. We expect that her experience will contribute to the enhancement of sustainable corporate value of the Group in the supervision and audit of the Group's management. Therefore, she continues to be nominated as a Director (outside director) candidate who will also serve as Audit and Supervisory Committee Member. She satisfies the conditions of the standards of independence of outside director stated below. Accordingly, the Company has designated and reported her as an independent officer specified by the Tokyo Stock Exchange.			

Candidate No.	4	Outside Director	Independent Officer
Yasuyuki Hiroto		(Date of birth: June 15, 1954)	
Subject to new election	Number of company shares held by the candidate:	0	
Brief history of positions and duties			
April 1978	Joined The Daiwa Bank, Ltd. (currently Resona Bank, Limited)		
October 2003	Executive Officer, Resona Bank, Limited		
June 2005	Managing Executive Officer, Resona Bank, Limited		
June 2008	Director and Senior Managing Executive Officer, Resona Bank, Limited		
June 2009	Representative Director, Deputy President and Executive Officer, Resona Bank, Limited		
April 2014	Joined KYOEI STEEL LTD.		
June 2014	Board Director and Senior Vice President; Executive Officer and Assistant to the President, KYOEI STEEL LTD.		
June 2017	Outside Director, ICHINEN HOLDINGS CO., LTD. (present position)		
June 2018	President and Representative Director, KYOEI STEEL LTD.		
June 2025	Director and Advisor, KYOEI STEEL LTD. (present position)		
January 2026	Outside Director, Hankyu Hanshin Department Stores, Inc. (present position)		
Status of concurrent important position held			
Outside Director, ICHINEN HOLDINGS CO., LTD. Director and Advisor, KYOEI STEEL LTD. Outside Director, Hankyu Hanshin Department Stores, Inc. * Scheduled to resign in June 2026			
Reason for nomination as Director candidate			
In addition to his extensive experience and profound insights as an executive of a financial institution, Mr. Yasuyuki Hiroto has executive experience as President and Representative Director of KYOEI STEEL LTD. and a track record of supervising corporate management as Outside Director of ICHINEN HOLDINGS CO., LTD. We expect that he will contribute to the sustainable enhancement of the Group's corporate value by leveraging his experience to supervise and audit the Group's management. Therefore, he is nominated as a Director (outside director) candidate who will also serve as Audit and Supervisory Committee Member. He satisfies the conditions of the standards of independence of outside directors stated below. Accordingly, if he is elected, the Company will designate and report him as an independent officer specified by the Tokyo Stock Exchange.			

Notes:

- The Company has no special interest with the candidate.
- Matters concerning candidates for outside directors are as follows:
  - The number of years of service after having assumed the position of the Company's outside director  
Mr. Kenjiro Nakano and Ms. Mayumi Ishihara will have been in office for ten (10) years from their appointment as outside directors who are Audit and Supervisory Committee members until the conclusion of this Annual General Meeting of Shareholders, and Ms. Nobuko Sekiguchi will have been in office for six (6) years from her appointment as an outside director who is Audit and Supervisory Committee member until the conclusion of this Annual General Meeting of Shareholders.
  - Outline of the liability limiting agreement  
The Company has concluded a contract with Mr. Kenjiro Nakano, Ms. Mayumi Ishihara, and Ms. Nobuko Sekiguchi for the liability specified in Article 423, Paragraph 1 of the Companies Act, up to the amount stipulated by law. The contract will continue if this proposal is approved and each of them is re-elected. Furthermore, if this proposal is approved and Mr. Yasuyuki Hiroto is elected, the Company will conclude the same contract with him.
- The Company has a liability insurance contract for all of its directors (including Directors who are Audit and Supervisory Committee Members). The purpose of this insurance is to compensate for the legal damages and dispute costs incurred by the insured due to claims for damages being made to the insured. If director candidates are elected and take office, they will be insured under the insurance policy. The outline of the contents of the insurance contract is also described in the business report (4. (1) Note 6. Outline of the Contents of the Liability Insurance Contract for Directors; available in Japanese only). The insurance contract was renewed on May 1, 2026, with the same content.

### **Proposal No. 3: Payment of Bonuses to Directors**

It is hereby proposed that in consideration of the business performance for the current period, conventional bonuses to Directors and other circumstances, a bonus in the total amount of 50 million yen will be paid to three (3) Directors (Mr. Naoya Araki, Mr. Katsuhiro Hayashi, and Mr. Toshihiko Yamaguchi) at the end of the current period. The amount paid to each Director will be left to the discretion of the Board of Directors. The payment of bonuses to Directors is deemed appropriate in line with the policy (“4. (2) ① 2) Outline of the details of Decision Policy” of the business report) determined by the Board of Directors. We appreciate your understanding.

## Reference matters

### Matters related to Director nomination and compensation

In nominating Directors and deciding Directors' compensation and other matters, the Company has established a Nominating and Compensation Advisory Committee. Proposals concerning the nomination of Director candidates and the compensation for Directors are examined and recommended to the Board of Directors by the committee and then decided by the board, in view of the basic principles of corporate governance stipulated by the Company.

The Audit and Supervisory Committee has confirmed the administration method of the Nominating and Compensation Advisory Committee and pertinent matters and found nothing to point out in particular.

In accordance with the basic principles of corporate governance, the nomination standards for Director candidates—the “Diversity of Directors” and “Criteria for Independence of Outside Directors”—have been defined as described below.

(For your reference)

“Diversity of Directors” and “Criteria for Independence of Outside Directors” are posted on the company's website.

**“Diversity of Directors” (Japanese only)**

(<https://www.h2o-retailing.co.jp/ja/company/governance/c-governance.html>)

**“Criteria for Independence of Outside Directors” (Japanese only)**

([https://www.h2o-retailing.co.jp/ja/company/governance/c-governance/main/04/teaserItems1/01/linkList/0/link/independence%20\\_criteria.pdf](https://www.h2o-retailing.co.jp/ja/company/governance/c-governance/main/04/teaserItems1/01/linkList/0/link/independence%20_criteria.pdf))

### Nominating and Compensation Advisory Committee

To ensure fairness and transparency in nominating the Company's Directors and deciding Directors' compensation, the Company has established a Nominating and Compensation Advisory Committee as a voluntary advisory committee for the Board of Directors. The Nominating and Compensation Advisory Committee consists of a plural number of independent outside directors, and the President and Representative Director. If the Proposals No. 1 and No. 2 are approved as originally proposed, the composition of the members of the Committee after this General Meeting will be as follows:

Committee Members	Chair	Kenjiro Nakano (Director, Audit and Supervisory Committee Member, independent, outside)
	Committee member	Yasuyuki Hiroto (Director, Audit and Supervisory Committee Member, independent, outside)
	Committee member	Naoya Araki (President and Representative Director)

**Reference** Skills matrix of Directors after the closing of this General Meeting (scheduled)

Skills matrix of Directors will be as outlined below if the Proposals No. 1 and No. 2 are approved as originally proposed.

The Company believes its Board of Directors should be equipped with essential skills in “Corporate management,” “Financing & Accounting” and “Compliance/Legal/Risk management” for the oversight of management and formulation and deliberation of growth strategies. In addition, the Company has identified skills in “Marketing,” “DX/IT,” “Talent development” and “ESG/Sustainability” as those required to promote its Long-term Business Plan, Mid-term Management Plan and sustainability management.

Name	Attribute		Corporate management	Financing & Accounting	Compliance/ Legal/Risk management	Marketing	DX/IT	Talent development	ESG/ Sustainability
Naoya Araki	Male		○			○			○
Toshihiko Yamaguchi	Male		○			○			○
Yasuo Shimada	Male		○						
Gaku Watanabe	Male		○	○			○		○
Kenji Goto	Male			○	○				
Kenjiro Nakano	Male	Outside Independent	○	○	○				
Mayumi Ishihara	Female	Outside Independent			○				
Nobuko Sekiguchi	Female	Outside Independent		○			○	○	
Yasuyuki Hirotomi	Male	Outside Independent	○	○	○				

Notes

- The above table does not indicate all of the expertise, experience and capabilities of candidates for Director.
- Of the Directors in the table above, the term of office of Mr. Kenji Goto will end at the conclusion of the annual general meeting of shareholders for the fiscal year ending March 2027, and will not be subject to re-election at this general meeting.

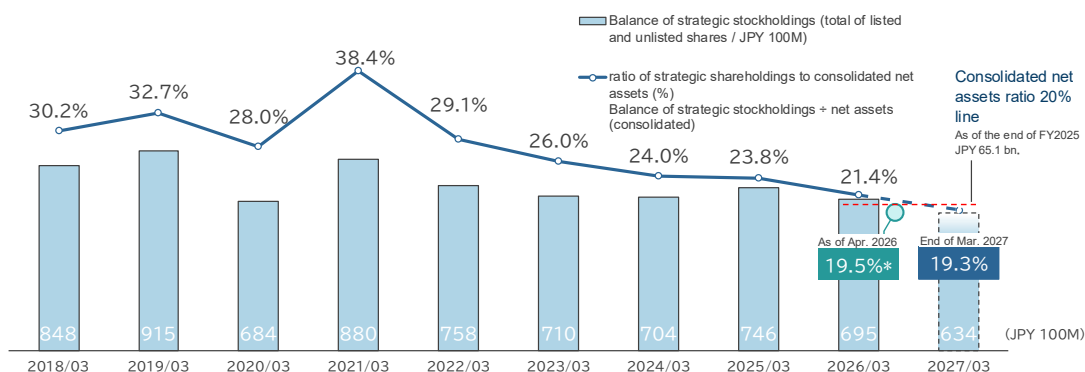
[Reference] Initiative for reduction of strategic shareholdings

Strategic shareholdings are reviewed, taking into account their purpose of holding, nature of the transaction, dividend yield, risk of continued holding and other factors. The Company will consider selling shares deemed to have little significance for holding in light of market trends and the like. The Company will engage in sufficient dialogue with the issuing company before proceeding with a phased sale of its shares.

The number of listed issues held has been reduced from 16 to 4 since FY2017. In April 2026, the Company sold a portion of its common shares in TOHO CO., LTD. (JPY 5.8 billion). As a result, the ratio of our strategic shareholdings to consolidated net assets is expected to be 19.3% at the end of March 2027.

The Company will continue to appropriately assess the rationale for holding and reduce strategic shareholdings.

《Progress in Reducing Strategic Shareholdings》



\* Ratio adjusted for the sale of strategic shareholdings in Apr. 2026, based on net assets as of the end of Mar. 2026.

Ratio of strategic shareholdings to consolidated net assets : 19.3% at the end of March 2027 (forecast)  
 The ratio adjusted for the sale of strategic shareholdings in April 2026, based on consolidated net assets as of the end of March 2026 is 19.5%.