

BOOKOFF GROUP HOLDINGS

Notice of Convocation of the Third Ordinary General Meeting of Shareholders

April 1, 2020 - May 31, 2021

Date and time

Saturday, August 28, 2021 at 2 p.m.

(Attendance registration begins at 1:30 p.m.)

Place

Tokyo Convention Hall Tokyo Square Garden 5F, 3-1-1, Kyobashi, Chuo-ku, Tokyo

The reason why the date of this Ordinary General Meeting of Shareholders is significantly different from the date of the previous meeting is because the fiscal year end was changed from March 31 to May 31 from the current fiscal year.

Please note that the start time and location are different from the previous Ordinary General Meeting of Shareholders.

Meeting Agenda

- Proposal No. 1: Appropriation of Retained Earnings
- Proposal No. 2: Partial Amendments to the Articles of Incorporation
- Proposal No. 3: Election of Seven Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)
- Proposal No. 4: Election of Three Directors Who Are Audit & Supervisory Committee Members
- Proposal No. 5: Election of One Substitute Director Who Is an Audit & Supervisory Committee Member
- Proposal No. 6: Establishment of the Amount of Remuneration for Directors (Excluding Directors Who are Members of the Audit & Supervisory Committee)
- Proposal No. 7: Establishment of the Amount of Remuneration for Directors Who are Members of the Audit & Supervisory Committee
- Proposal No. 8: Determination of Remuneration for the Stock Compensation Plan with Transfer Restrictions for Directors (Excluding Directors Who are Members of the Audit & Supervisory Committee and Outside Directors)

For the purpose of preventing the spread of COVID-19, please submit your votes by using the internet or postal mail, if possible.

If a significant change is made to how the shareholders meeting will take place, an announcement will be made on the BOOKOFF website:

<https://www.bookoffgroup.co.jp/ir/stock/stock2.html>

BOOKOFF GROUP HOLDINGS LIMITED

Securities code: 9278

Message from the President

Declarations of a state of emergency, government requests for the suspension of store operations and other effects of the COVID-19 pandemic forced us to temporarily revise our goals for all aspects of business activities.

Preventing the spread of infections and operating our businesses safely were our highest priorities. Due to the uncertain outlook, we reduced investments to maintain sufficient liquidity and took other actions.

In May 2020, we celebrated our 30th anniversary. Although the April and May 2020 state of emergency severely impacted our performance due to temporary store closings, a large number of customers returned to our stores and internet services after we reopened all stores. As a result, we were profitable in the fiscal year that ended in May 2021.

In the core BOOKOFF business in Japan, all stores and internet operations worked together, centered on our membership base, in order to speed up activities for achieving the “One BOOKOFF” concept, which aims to further increase customer satisfaction. We now have more than 3 million app members and the volume of business on our BOOKOFF Online e-commerce site is growing. In addition, there was a big increase in the store pickup service, which allows customers to receive at stores merchandise ordered online. These activities made a big contribution to supporting our performance in the past fiscal year as store operations were restricted.

In other businesses of ours, the operations of HUGALL, a purchasing service for affluent customers, and the aidect jewelry redesign and upgrade business were significantly limited by closings and reduced operating hours of the department stores and other locations where these businesses are located. In other countries, the business climate was difficult in the United States and Malaysia because of lockdowns imposed by the national and local governments due to the pandemic. Despite these challenges, we continued to make progress with building a base for future growth.

We are beginning our fourth decade in the fiscal year ending in May 2022. The primary theme of this fiscal year is adapting to the dramatic shifts in consumer behavior during the past year and taking the actions needed for more growth. We will make even more investments in IT than in our stores. Building a powerful base for the steady growth of the core BOOKOFF business is one goal. We are also enlarging business domains with good prospects for growth, such as the HUGALL and aidect businesses (reuse operations other than BOOKOFF) and our operations in the United States and Malaysia. We are determined to become the leading company in the reuse market with the largest number of customers.

Our mission is “being a source of enjoyable and prosperous life for many people” by using the reuse business as the basis. We will also continue to seek opportunities in new business domains for sustained growth along with consistent profitability.

Thank you for your understanding and support.

Yasutaka Horiuchi
President and CEO

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As the following information is posted on the Company’s website (<https://www.bookoffgroup.co.jp/ir/stock/stock2.html>) on the Internet, it is not included in the documents attached to this notice of convocation:

- Business Report
- Consolidated Financial Statements
- Non-consolidated Financial Statements

Securities code: 9278

August 12, 2021

To Our Shareholders:

Yasutaka Horiuchi, President and CEO
BOOKOFF GROUP HOLDINGS LIMITED
2-14-20 Kobuchi, Minami-ku, Sagamihara, Kanagawa, Japan

Notice of Convocation of the Third Ordinary General Meeting of Shareholders

I would like to take this opportunity to thank you for your support of BOOKOFF GROUP HOLDINGS LIMITED (“BOOKOFF” or the “Company”). We will hold the Third Ordinary General Meeting of Shareholders. The meeting will be held as described below.

To prevent the spread of COVID-19, please submit your votes by using the internet or postal mail as much as possible. Please review the Reference Documents for the General Meeting of Shareholders that follows this notice, and exercise your voting rights by no later than 5 p.m., Friday, August 27, 2021.

Exercise of voting rights via the Internet

Please visit the Company’s designated website for the exercise of voting rights (<https://evote.tr.mufg.jp/>) and vote for or against the proposals by following the on-screen instructions. When using a smartphone or tablet, scan the log-in QR code on the Voting Right Exercise Form to access the website for submitting your votes.

Exercise of voting rights in writing

Please vote on the proposals in the enclosed Voting Right Exercise Form, and return it so that it will arrive by the aforementioned exercise deadline.

1. Date and time Saturday, August 28, 2021 at 2 p.m. (Attendance registration begins at 1:30 p.m.)
2. Place Tokyo Convention Hall Tokyo Square Garden 5F,
3-1-1, Kyobashi, Chuo-ku, Tokyo

The reason why the date of this Ordinary General Meeting of Shareholders is significantly different from the date of the previous meeting is because the fiscal year end was changed from March 31 to May 31 from the current fiscal year.

Please note that the start time and location are different from the previous Ordinary General Meeting of Shareholders.

3. Meeting Agenda

- Matters to be reported:
1. The Business Report, Consolidated Financial Statements and the results of audits conducted by the Accounting Auditor and the Audit & Supervisory Board of the Consolidated Financial Statements for the Company’s Third Fiscal Year (April 1, 2020 - May 31, 2021)
 2. Non-consolidated Financial Statements for the Company’s Third Fiscal Year (April 1, 2020 - May 31, 2021)

Proposals to be resolved:

- Proposal No. 1: Appropriation of Retained Earnings
- Proposal No. 2: Partial Amendments to the Articles of Incorporation
- Proposal No. 3: Election of Seven Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)

(English Translation)

This English translation is an abridged version of the original document in Japanese. In the event of any discrepancy, the Japanese version prevails.

- Proposal No. 4: Election of Three Directors Who Are Audit & Supervisory Committee Members
- Proposal No. 5: Election of One Substitute Director Who Is an Audit & Supervisory Committee Member
- Proposal No. 6: Establishment of the Amount of Remuneration for Directors (Excluding Directors Who are Members of the Audit & Supervisory Committee)
- Proposal No. 7: Establishment of the Amount of Remuneration for Directors Who are Members of the Audit & Supervisory Committee
- Proposal No. 8: Determination of Remuneration for the Stock Compensation Plan with Transfer Restrictions for Directors (Excluding Directors Who are Members of the Audit & Supervisory Committee and Outside Directors)

4. Matters prescribed for convocation

- (1) If you do not indicate your approval or disapproval for the proposals on the Voting Right Exercise Form, the Company will assume that you have voted in favor of the proposal.
- (2) If you vote both in writing and via the Internet, only your vote placed via the Internet will be valid.
- (3) If you vote multiple times via the Internet, only your last vote will be valid.

The results of voting at the shareholders meeting will be posted on the Company's website (<https://www.bookoffgroup.co.jp/ir/stock/stock2.html>).

Reference Documents for the General Meeting of Shareholders

■ Proposal No. 1: Appropriation of Retained Earnings

The Company positions the distribution of earnings to shareholders as one of its highest management priorities, and also recognizes an increase in corporate value along with its business growth and expansion as the most important management issue.

In view of the current results of operations, future business activities and other items, the year-end dividend for the fiscal year ended May 31, 2021 (FY5/2021) is as follows.

- | | |
|--|--|
| (1) Type of dividend: | Cash |
| (2) Dividend payment and total amount: | 6 yen per share of common stock of the Company
Total amount of dividends: 104,684,478 yen |
| (3) Effective date of distribution of retained earnings: | August 30, 2021 |

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

1. Reason for Amendments

From the perspective of further enhancing corporate governance, the Company will shift to a company with Audit & Supervisory Committee. Accordingly, the Company proposes to make the necessary changes, including the establishment of new provisions concerning the Audit & Supervisory Committee members and the Audit & Supervisory Committee, and the deletion of provisions concerning the Audit & Supervisory Board members and the Audit & Supervisory Board, necessary for the shift to a company with an Audit & Supervisory Committee.

In addition, to enable the Company to distribute surplus without requiring a resolution of a general meeting of shareholders in the event that it is judged difficult to hold a general meeting of shareholders in a timely manner due to unforeseen circumstances, such as an epidemic of infectious diseases or a disaster, the Company proposes to make the necessary changes, including the establishment of a new provision so that the Company may be able to distribute surplus by a resolution of the Board of Directors, and the deletion of provisions concerning resolutions on the acquisition of treasury shares and interim dividends, which would duplicate the content of such resolutions.

The amendments to the Articles of Incorporation in this proposal shall become effective at the conclusion of this General Meeting of Shareholders.

2. Details of Amendments

The details of amendments are as follows.

(The underlined parts indicate the proposed amendments.)

Current Articles of Incorporation	Proposed Amendments
<p>Chapter 1. General Provisions</p> <p>Article 1. - Article 3. (Omitted) (Organization Elements)</p> <p>Article 4. The Company shall have a General Meeting of Shareholders, Board Directors, and the following entities.</p> <p>(1) Board of Directors (2) Audit & Supervisory Board members (3) <u>Audit & Supervisory Board</u> (4) Accounting Auditor</p> <p>Article 5. (Omitted)</p> <p>Chapter 2. Shares</p> <p>Article 6. (Omitted) (Purchase of Treasury Shares)</p> <p><u>Article 7. The Company may, by resolution of the Board of Directors, acquire its own shares through market trading or otherwise pursuant to the provisions of Paragraph 2, Article 165 of the Companies Act.</u></p> <p>Article 8. - Article 9. (Omitted) (Administrator of Shareholder Registry)</p> <p>Article 10. The Company shall appoint an administrator of shareholder registry.</p> <p>2. The administrator of shareholder registry and its administration office shall be designated <u>by a resolution</u> of the Board of Directors and this information will be announced.</p> <p>3. (Omitted) (Share Handling Regulations)</p>	<p>Chapter 1. General Provisions</p> <p>Article 1. - Article 3. (Remain unchanged) (Organization Elements)</p> <p>Article 4. The Company shall have a General Meeting of Shareholders, Board Directors, and the following entities.</p> <p>(1) Board of Directors (2) <u>Audit & Supervisory Committee</u> (Deleted) (3) Accounting Auditor</p> <p>Article 5. (Remain unchanged)</p> <p>Chapter 2. Shares</p> <p>Article 6. (Remain unchanged)</p> <p>(Deleted)</p> <p>Article 7. - Article 8. (Remain unchanged) (Administrator of Shareholder Registry)</p> <p>Article 9. (Remain unchanged)</p> <p>2. The administrator of shareholder registry and its administration office shall be designated by the Board of Directors or <u>by a director delegated by a resolution of the Board of Directors</u> and this information will be announced.</p> <p>3. (Remain unchanged) (Share Handling Regulations)</p>

Current Articles of Incorporation	Proposed Amendments
<p>Article <u>11</u>. The handling of the Company's stock and related fees shall be governed by laws, regulations or the Articles of Incorporation as well as by the Share Handling Regulations established <u>by</u> the Board of Directors.</p> <p>Chapter 3. General Meeting of Shareholders Article <u>12</u>. - Article <u>17</u>. (Omitted) Chapter 4. Directors and Board of Directors (Number of Directors) Article <u>18</u>. The Company shall have no more than 14 Directors.</p> <p>(Newly established) (Election of Directors) Article <u>19</u>. Directors shall be elected by a resolution of the General Meeting of Shareholders.</p> <p>2. (Omitted) 3. (Omitted) (Newly established)</p> <p>(Term of Office of Directors) Article <u>20</u>. The term of office of a Director shall expire at the conclusion of the Ordinary General Meeting of Shareholders relating to the last business year ending within <u>two years</u> after the election.</p> <p>(Newly established)</p> <p>2. The term of office of a substitute Director or a Director who is elected due to an increase in the number of Directors shall be the same as the remaining term of office of the current Directors.</p>	<p>Article <u>10</u>. The handling of the Company's stock and related fees shall be governed by laws, regulations or the Articles of Incorporation as well as by the Share Handling Regulations established by the Board of Directors <u>or by a director delegated by a resolution of the Board of Directors.</u></p> <p>Chapter 3. General Meeting of Shareholders Article <u>11</u>. - Article <u>16</u>. (Remain unchanged) Chapter 4. Directors and Board of Directors (Number of Directors) Article <u>17</u>. The Company shall have no more than 14 Directors (<u>excluding Directors who are Audit & Supervisory Committee members.</u>) 2. <u>The Company shall have no more than five Directors who are Audit & Supervisory Committee members.</u> (Election of Directors) Article <u>18</u>. Directors shall be elected by a resolution of the General Meeting of Shareholders, <u>distinguishing between those who are Audit & Supervisory Committee members and those who are not Audit & Supervisory Committee members.</u></p> <p>2. (Remain unchanged) 3. (Remain unchanged) 4. <u>The Company may, at the General Meeting of Shareholders, elect substitute Directors who are Audit & Supervisory Committee members to prepare for an insufficient number of Directors who are Audit & Supervisory Committee members as prescribed by laws and regulations.</u> (Term of Office of Directors) Article <u>19</u>. The term of office of a Director (<u>excluding a Director who is an Audit & Supervisory Committee member</u>) shall expire at the conclusion of the Ordinary General Meeting of Shareholders relating to the last business year ending within <u>one year</u> after the election.</p> <p>2. <u>The term of office of a Director who is an Audit & Supervisory Committee member shall expire at the conclusion of the Ordinary General Meeting of Shareholders relating to the last business year ending within two years after the election.</u> 3. The term of office of a substitute Director (<u>excluding a Director who is an Audit & Supervisory Committee member</u>) or a Director (<u>excluding a Director who is an Audit & Supervisory Committee member</u>) who is elected due to an increase in the number of Directors shall be the same as the remaining term of office of the current Directors (<u>excluding a Director who is an Audit & Supervisory Committee member</u>).</p>

Current Articles of Incorporation	Proposed Amendments
<p>(Newly established)</p> <p>(Newly established)</p> <p>(Representative Directors and Directors with Specific Titles)</p> <p>Article 21. The Representative Directors shall be appointed by the resolution of the Board of Directors.</p> <p>2. The Board of Directors may, by resolution, elect one Chairman, one President, and one or more Vice Chairmen, Vice Presidents, Senior Managing Directors and Managing Directors.</p> <p>Article 22 (Omitted)</p> <p>(Convocation Notice for the Board of Directors Meeting)</p> <p>Article 23. The convocation notice of a meeting of Board of Directors shall be dispatched to each Director <u>and Audit & Supervisory Board Member</u> no later than three days prior to the date of such meeting; provided, however, that such period may be shortened in case of emergency.</p> <p>2. The Board of Directors meetings may be convened without using the procedure for calling these meetings only if all Directors <u>and Audit & Supervisory Board members</u> agree.</p>	<p>4. <u>The term of office of a Director who is an Audit & Supervisory Committee member elected as a substitute of a Director who is an Audit & Supervisory Committee member and retires before the expiration of his/her term of office shall expire at the expiration of the term of office of the retired Director who is an Audit & Supervisory Committee member. However, in the event that a substitute Audit & Supervisory Committee member assumes office as an Audit & Supervisory Committee member, the term of office of such member may not go beyond the conclusion of the Ordinary General Meeting of Shareholders relating to the last business year ending within two years after his/her election as such substitute Audit & Supervisory Committee member.</u></p> <p><u>(Effective Period of the Resolution to Qualify Directors who are Substitute Audit & Supervisory Committee Members)</u></p> <p>Article 20. <u>The period during which the resolution for the election of substitute Audit & Supervisory Committee members shall remain in effect shall be until the beginning of the Ordinary General Meeting of Shareholders relating to the last business year ending within two years after such resolution.</u></p> <p>(Representative Directors and Directors with Specific Titles)</p> <p>Article 21. The Representative Directors shall be appointed <u>among Directors (excluding a director who is an Audit & Supervisory Committee member)</u> by the resolution of the Board of Directors.</p> <p>2. The Board of Directors may, by resolution, elect one Chairman, one President, and one or more Vice Chairmen, Vice Presidents, Senior Managing Directors and Managing Directors <u>among Directors (excluding a director who is an Audit & Supervisory Committee member)</u>.</p> <p>Article 22 (Remain unchanged)</p> <p>(Convocation Notice for the Board of Directors Meeting)</p> <p>Article 23. The convocation notice of a meeting of Board of Directors shall be dispatched to each Director no later than three days prior to the date of such meeting; provided, however, that such period may be shortened in case of emergency.</p> <p>2. The Board of Directors meetings may be convened without using the procedure for calling these meetings only if all Directors agree.</p>

Current Articles of Incorporation	Proposed Amendments
<p>Article 24. (Omitted)</p> <p style="text-align: center;">(Newly established)</p>	<p>Article 24. (Remain unchanged) <u>(Delegation to Directors)</u></p> <p><u>Article 25.</u> <u>The Company may, pursuant to the provisions of Paragraph 6, Article 399-13 of the Companies Act, delegate all or part of the decisions on the execution of important business (excluding the matters listed in the items of Paragraph 5 of the same Article) to the Directors by a resolution of the Board of Directors.</u></p>
<p>Article 25. (Omitted) (Remunerations for Directors)</p> <p>Article 26. The remunerations, bonuses and other property interests as consideration for the execution of duties paid by the Company (the “Remunerations”) to Directors shall be determined by a resolution of the General Meeting of Shareholders.</p>	<p>Article 26. (Remain unchanged) (Remunerations for Directors)</p> <p>Article 27. The remunerations, bonuses and other property interests as consideration for the execution of duties paid by the Company (the “Remunerations”) to Directors shall be determined by a resolution of the General Meeting of Shareholders, <u>distinguishing between those who are Audit & Supervisory Committee members and those who are not Audit & Supervisory Committee members.</u></p>
<p>Article 27. (Omitted)</p> <p style="text-align: center;"><u>Chapter 5. Audit & Supervisory Board Members and Audit & Supervisory Board</u> <u>(Number of Audit & Supervisory Board Members)</u></p>	<p>Article 28. (Remain unchanged) (Deleted)</p>
<p>Article 28. <u>The Company shall have no more than four Audit & Supervisory Board members.</u></p> <p><u>2. Based on the provisions of Paragraph 3, Article 329 of the Companies Act, the Company may elect substitute Audit & Supervisory Board members to prepare for an insufficient number of Audit & Supervisory Board members as prescribed by laws and regulations.</u></p> <p><u>(Election of Audit & Supervisory Board Members)</u></p>	<p>(Deleted)</p> <p>(Deleted)</p>
<p>Article 29. <u>Audit & Supervisory Board members shall be elected by a resolution of the General Meeting of Shareholders.</u></p> <p><u>2. A resolution for the election of Audit & Supervisory Board members shall require the presence of shareholders holding not less than one-third of the voting rights of all shareholders entitled to exercise their voting rights, and it shall be adopted by a majority vote of the shareholders present.</u></p> <p><u>(Term of Office of Audit & Supervisory Board Members)</u></p>	<p>(Deleted)</p> <p>(Deleted)</p>
<p>Article 30. <u>The term of office of an Audit & Supervisory Board Member shall expire at the conclusion of the Ordinary General Meeting of Shareholders relating to the last business year ending within four years after the election.</u></p>	<p>(Deleted)</p>

Current Articles of Incorporation	Proposed Amendments
<p><u>2. The term of office of an Audit & Supervisory Board Member, who is elected as the substitute for an Audit & Supervisory Board Member who retired from office before the expiration of the term of office, shall expire at the end of the term of office of the individual who was replaced.</u></p>	(Deleted)
<p><u>3. Pursuant to the provisions of Paragraph 3, Article 329 of the Companies Act, the effectiveness of a resolution electing a substitute Audit & Supervisory Board Member ends at the beginning of the Ordinary General Meeting of Shareholders relating to the last business year ending within four years of the substitute's election.</u></p>	(Deleted)
<p><u>4. If a substitute becomes an Audit & Supervisory Board Member, the term of office shall expire at the end of the term of office of the individual who was replaced. However, this term of office may not go beyond the conclusion of the Ordinary General Meeting of Shareholders relating to the last business year ending within four years of the substitute's election.</u></p>	(Deleted)
<p><u>(Full-time Audit & Supervisory Board Members)</u> <u>Article 31. The Audit & Supervisory Board shall elect full-time Audit & Supervisory Board members by its resolution.</u></p>	(Deleted)
<p><u>(Convocation Notice for the Audit & Supervisory Board Meeting)</u> <u>Article 32. The convocation notice of a meeting of Audit & Supervisory Board shall be dispatched to each Audit & Supervisory Board Member no later than three days prior to the date of such meeting; provided, however, that such period may be shortened in case of emergency.</u></p>	(Deleted)
<p><u>2. The Audit & Supervisory Board meetings may be convened without using the procedure for calling these meetings only if all Audit & Supervisory Board members agree.</u></p>	(Deleted)
<p><u>(Regulations of the Audit & Supervisory Board)</u> <u>Article 33. Matters relating to the Audit & Supervisory Board shall be governed by laws, regulations or the Articles of Incorporation as well as by the Regulations of the Audit & Supervisory Board established by the Audit & Supervisory Board.</u></p>	(Deleted)
<p><u>(Remunerations for Audit & Supervisory Board Members)</u> <u>Article 34. The Remunerations for Audit & Supervisory Board members shall be determined by a resolution of the General Meeting of Shareholders.</u></p>	(Deleted)
<p><u>(Exemption from Liability of Audit & Supervisory Board Members)</u></p>	

Current Articles of Incorporation	Proposed Amendments
<p><u>Article 35.</u> Pursuant to the provisions of Paragraph 1, Article 426 of the Companies Act, the Company may, by a resolution of the Board of Directors, exempt Audit & Supervisory Board members (including former Audit & Supervisory Board members) from their liability to compensate for damages due to a failure to perform their duties. The limit of liability shall be set at the amount prescribed by laws and regulations.</p>	(Deleted)
<p>2. Pursuant to the provisions of Paragraph 1, Article 427 of the Companies Act, the Company may enter into an agreement with Audit & Supervisory Board members to limit their liability to compensate for damages due to a failure to perform their duties; provided, however, that the limit of liability under such agreement shall be the minimum amount of liability prescribed by laws and regulations.</p>	(Deleted)
<p>(Newly established)</p>	<p><u>Chapter 5. Audit & Supervisory Committee</u> <u>(Convocation Notice for the Audit & Supervisory Committee Meeting)</u></p>
<p>(Newly established)</p>	<p><u>Article 29.</u> The convocation notice of a meeting of Audit & Supervisory Committee shall be dispatched to each Audit & Supervisory Committee member no later than three days prior to the date of such meeting; provided, however, that such period may be shortened in case of emergency.</p>
<p>(Newly established)</p>	<p>2. The Audit & Supervisory Committee meetings may be convened without using the procedure for calling these meetings only if all Audit & Supervisory Committee members agree.</p>
<p>(Newly established)</p>	<p><u>(Regulations of the Audit & Supervisory Committee)</u></p>
<p>(Newly established)</p>	<p><u>Article 30.</u> Matters relating to the Audit & Supervisory Committee shall be governed by laws, regulations or the Articles of Incorporation as well as by the Regulations of the Audit & Supervisory Committee established by the Audit & Supervisory Committee.</p>
<p>(Newly established)</p>	<p><u>(Full-time Audit & Supervisory Committee Members)</u></p>
<p>Chapter 6. Accounting Auditor Article 36. - Article 37. (Omitted) (Remunerations for Accounting Auditor)</p>	<p>Article 31. The Audit & Supervisory Committee may elect full-time Audit & Supervisory Committee members among the members by its resolution. Chapter 6. Accounting Auditor Article 32. - Article 33. (Remain unchanged) (Remunerations for Accounting Auditor)</p>
<p>Article 38. The Remunerations for an Accounting Auditor shall be determined by the President by obtaining the approval of the Audit & Supervisory Board.</p>	<p>Article 34. The Remunerations for an Accounting Auditor shall be determined by the President by obtaining the approval of the Audit & Supervisory Committee.</p>
<p>Chapter 7. Accounts Article 39. (Omitted)</p>	<p>Chapter 7. Accounts Article 35. (Remain unchanged)</p>

Current Articles of Incorporation	Proposed Amendments
<p>(Newly established)</p> <p>(Record Date for Dividend Payments) Article 40. The record date for the Company's year-end dividend is May 31 of each year. (Newly established)</p> <p>2. In addition to the dividends in the preceding item, the Company may establish a record date and pay other dividends.</p> <p><u>(Interim Dividends)</u> Article 41. The Company may, by a resolution of the Board of Directors, pay interim dividends with the November 30 of each year as a record date.</p> <p>Article 42. (Omitted) (Newly established)</p> <p>(Newly established)</p>	<p><u>(Decision-Making Body for Dividends of Surplus, etc.)</u> Article 36. The Company may determine the matters stipulated in each item of Paragraph 1, Article 459 of the Companies Act, including dividend payments, by a resolution of the Board of Directors, unless otherwise provided for in laws and regulations.</p> <p>(Record Date for Dividend Payments) Article 37. The record date for the Company's year-end dividend is May 31 of each year. 2. The record date for the Company's interim dividend is November 30 of each year. 3. In addition to the dividends in the preceding item 2, the Company may establish a record date and pay other dividends.</p> <p>(Deleted)</p> <p>Article 38. (Remain unchanged) <u>Supplementary Provisions</u> <u>(Transitional Measures Concerning Exemption from Liability of Audit & Supervisory Board Members)</u> Article 1. The Company may, by a resolution of the Board of Directors, exempt Audit & Supervisory Board members (including former Audit & Supervisory Board members) from the liability to compensate for damages as stipulated in Paragraph 1, Article 423 of the Companies Act, with respect to acts committed prior to the conclusion of the Third Ordinary General Meeting of Shareholders.</p>

■ Proposal No. 3: Election of Seven Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)

If Proposal No. 2, Partial Amendment to the Articles of Incorporation is approved and adopted as proposed, the Company will shift to a company with an Audit & Supervisory Committee, and the terms of office of all seven Directors will expire at the time the amendment to the Articles of Incorporation takes effect.

Therefore, the Company proposes the election of seven Directors (excluding Directors who are Audit & Supervisory Committee members, the same shall apply hereinafter in this agenda).

This agenda item shall become effective subject to the amendment to the Articles of Incorporation in Proposal No. 2, Partial Amendment to the Articles of Incorporation.

The candidates for Directors are as follows.

Candidate No.	Name	Current Positions and Responsibilities at the Company	Remarks
1	Yasutaka Horiuchi	President and CEO	Reelection
2	Yoshifumi Tsutsumi	Director	Reelection
3	Yoko Mori	Director	Reelection
4	Noriyuki Nobayashi	Independent Outside Director	Reelection Outside
5	Ryoichi Tomohiro	Outside Director	Reelection Outside
6	Masaaki Takano	Independent Outside Director	Reelection Outside Independent
7	Hideki Hasegawa		New Outside Independent

Notes 1: The Company has entered into an agreement with Mr. Noriyuki Nobayashi, Mr. Ryoichi Tomohiro and Mr. Masaaki Takano in accordance with Paragraph 1, Article 427 of the Companies Act to limit liabilities for damages to the Company as stipulated in Paragraph 1, Article 423 of the Companies Act. The Company intends to limit the liabilities under the agreement to the minimum liability amount as stipulated in Paragraph 1, Article 425 of the Companies Act. If they are reelected, the Company plans to extend this agreement. If Mr. Hideki Hasegawa is elected, the Company will enter into a similar agreement with him.

2: The Company has entered into a directors and officers liability insurance contract with an insurance company in accordance with the provisions of Paragraph 1, Article 430-3 of the Companies Act of Japan, and the insurance contract covers damages arising from the assumption of responsibility for the execution of duties by the insured persons, including the Company's directors, or from the receipt of claims related to the pursuit of such responsibility (however, this does not apply to cases of personal gain, favors, illegal acts, etc. by the insured person.). In the event that each candidate is elected and assumes office as a Director, he or she will become an insured person under the relevant insurance policy. The insurance policy is scheduled to be renewed with the same terms and conditions at the next renewal.

3: Mr. Masaaki Takano is neither the case of the independence criteria set by securities exchanges in which the Company is listed nor the independence criteria set by the Company. He is registered at the exchange as an independent executive, and he will remain an independent executive if he is reelected. Mr. Hideki Hasegawa is neither the case of the independence criteria set by securities exchanges in which the Company is listed nor the independence criteria set by the Company. He will be registered at the exchange as an independent executive if he is elected.

Candidate No.

1

Yasutaka Horiuchi

Candidate for reelection

● **Past experience, positions, responsibilities and significant concurrent positions**

April 1999	Joined the Chuo Coopers & Lybrand Consulting Co., Ltd. (formerly)
August 2004	Joined Tohmatsu Consulting Co., Ltd. (currently Deloitte Tohmatsu Consulting LLC)
March 2006	Joined BOOKOFF CORPORATION LIMITED
April 2008	Executive Officer, Deputy General Manager of Administrative Division of BOOKOFF CORPORATION LIMITED
June 2009	Director, Executive Officer, General Manager of Administrative Division of BOOKOFF CORPORATION LIMITED
April 2012	Director, Executive Officer, General Manager of the Corporate Planning Department of BOOKOFF CORPORATION LIMITED
April 2013	Director and Executive Officer of BOOKOFF CORPORATION LIMITED
April 2015	President and CEO of BOOKOFF Online, Inc. (formerly)
January 2016	President and CEO of Booklog, Inc.
March 2016	Director, Executive Officer, General Manager of the Corporate Planning Department of BOOKOFF CORPORATION LIMITED
April 2017	Director and Executive Officer of BOOKOFF CORPORATION LIMITED
April 2017	President and CEO of BOOKOFF CORPORATION LIMITED (to present)
October 2018	President and CEO of the Company (to present)

● **Date of birth**

April 28, 1976

● **Number of shares of the Company held**

29,400 shares

● **Term of office as Director (at the conclusion of this General Meeting of Shareholders)**

2 years and 11 months

● **Attendance at the Board of Directors meetings in FY5/2021**

15/15 (100%)

● **Particular conflicts of interest between the candidate and the Company**

None

● **Reason for the nomination**

As the representative director of BOOKOFF since 2017, Mr. Horiuchi has overseen all operations of the BOOKOFF Group and played a leading role in implementing the medium-term management policies to achieve growth and measures to strengthen the group's businesses. He has extensive experience and knowledge concerning corporate strategies, finance, IT and overseas business operations. He also has an understanding and many personal relationships concerning a broad range of business sectors due to his experience at a consulting firm. Mr. Horiuchi is a candidate for reelection as a Director because he has suitable skills for further increasing corporate value and achieving sustained growth of the BOOKOFF Group.

● **Candidate statement to shareholders**

The COVID-19 pandemic has had an enormous impact in Japan and worldwide. In Japan, the speed of changes in consumer behavior has increased. Furthermore, all companies are now expected to contribute to the creation of a sustainable society, such as by supporting the SDGs, while aiming for the growth of business operations. We must aim for the growth of corporate value in this new era in three ways. First is constantly taking on the challenge of increasing actions for responding to changes in our customers' needs in the reuse business domain, mainly in our BOOKOFF business. Second is creating and operating businesses consistent with our mission of "being a source of enjoyable and prosperous life for many people." Third is operating our businesses while placing importance on the social significance of our activities.

Candidate No.
2

Yoshifumi Tsutsumi

Candidate for reelection

● **Past experience, positions, responsibilities and significant concurrent positions**

- October 1973 Passed the second test of Certified Public Accountant Examination
- December 1973 Joined Tohmatsu Aoki & Co. (currently Deloitte Touche Tohmatsu LLC)
- June 1987 Firm member of Sanwa Tohmatsu Aoki Audit Corporation (currently Deloitte Touche Tohmatsu LLC)
- October 2010 Head of the Kyoto Office of Deloitte Touche Tohmatsu LLC
- March 2015 Full-time Corporate Auditor of Tribeck Strategies Inc.
- June 2015 Outside Director of BOOKOFF CORPORATION LIMITED
- June 2017 Director of BOOKOFF CORPORATION LIMITED (to present)
- October 2018 Director of the Company (to present)

● **Date of birth**

November 5, 1949

● **Number of shares of the Company held**

3,500 shares

● **Term of office as Director (at the conclusion of this General Meeting of Shareholders)**

2 years and 11 months

● **Attendance at the Board of Directors meetings in FY5/2021**

15/15 (100%)

● **Particular conflicts of interest between the candidate and the Company**

None

● **Reason for the nomination**

Mr. Tsutsumi is a certified public accountant with extensive knowledge about finance and accounting. He also has experience and knowledge gained from assisting many companies as a member of an auditing firm for many years. Since becoming a Director of BOOKOFF, he has been actively involved with corporate governance as well as risk management, finance and other back office activities. This gives him a thorough knowledge of the structure of the businesses of BOOKOFF and its group companies. Mr. Tsutsumi is a candidate for reelection as a Director because he has suitable skills for further increasing corporate value and achieving sustained growth of the BOOKOFF Group.

● **Candidate statement to shareholders**

Companies and people alike are seeking new formats for their activities because of the prolonged COVID-19 pandemic. We are also seeing a shift in the behavior of consumers. The BOOKOFF Group has been taking on numerous challenges to aim for the growth of corporate value. Powerful corporate governance and risk management are needed more than ever during periods of change. I will continue to use my experience as a certified public accountant and a Director of BOOKOFF to play a role in strengthening the management of the BOOKOFF Group as well as the group's corporate governance and risk management.

I therefore sincerely ask for the continued support of shareholders.

Candidate No.
3

Yoko Mori

Candidate for reelection

● **Past experience, positions, responsibilities and significant concurrent positions**

August 1991	Joined McDonald's Company (Japan), Ltd.
June 2008	Joined LOTTERIA Co., Ltd.
April 2011	General Manager of Human Resources Department of LOTTERIA Co., Ltd.
July 2012	Joined REX Holdings Inc. (currently REINS International Inc.) General Manager of Human Resources Department of REX Holdings Inc.
July 2016	Joined COLOWIDE CO., LTD. Executive Officer, General Manager of Human Resources Administration Division of COLOWIDE CO., LTD.
June 2017	Director of COLOWIDE CO., LTD.
June 2019	Director of BOOKOFF CORPORATION LIMITED (to present)
April 2020	Executive Officer of the Company
June 2020	Director of the Company (to present)

● **Date of birth**

November 2, 1968

● **Number of shares of the Company held**

400 shares

● **Term of office as Director (at the conclusion of this General Meeting of Shareholders)**

1 year and 2 months

● **Attendance at the Board of Directors meetings in FY5/2021**

12/12 (100%)

● **Particular conflicts of interest between the candidate and the Company**

None

● **Reason for the nomination**

For helping achieve a recycling-based society through the growth of the reuse business, Ms. Mori has been making a big contribution to the Company's and BOOKOFF Group's activities involving the SDGs by working with government agencies, companies and associations. In addition, she has many years of experience involving education and human resources and extensive knowledge about recruiting and training many types of people. Ms. Mori is a candidate for reelection as a Director because she has suitable skills for further increasing corporate value and achieving sustained growth of the BOOKOFF Group.

● **Candidate statement to shareholders**

During the prolonged COVID-19 pandemic, in managing business operations at a time when the outlook is uncertain, a big strength of BOOKOFF is the operation of the reuse business, which is directly linked to helping solve problems involving the environment. I will focus my energy on helping BOOKOFF grow into a company that can use SDG activities and many other initiatives for making a significant contribution to creating a recycling-based society.

I therefore sincerely ask for the continued support of shareholders.

Candidate No.
4

Noriyuki Nobayashi

Candidate for reelection

Candidate for Outside Director

● Past experience, positions, responsibilities and significant concurrent positions

April 1987 Joined Recruit Co., Ltd.
December 2003 Joined Lawson, Inc.
May 2007 Director of LAWSON TICKET INC. (currently Lawson Entertainment, Inc.)
June 2007 Director of i-Convenience, Inc. (currently Lawson Entertainment, Inc.)
September 2007 Senior Vice President, Marketing Station Director, General Manager of Services Division of Lawson, Inc.
March 2009 Senior Vice President, General Manager of Entertainment & Service Development Division of Lawson, Inc.
February 2010 President and CEO, General Manager of Live Entertainment Business Division of LAWSON ENTERMEDIA, INC. (currently Lawson Entertainment, Inc.)
May 2010 President of LAWSON ENTERMEDIA, INC.
December 2010 Outside Director of HMV Japan K.K. (currently Lawson Entertainment, Inc.) (part-time)
May 2011 Director of LAWSON ENTERMEDIA, INC. (currently Lawson Entertainment, Inc.) (part-time)
June 2011 Outside Director of BOOKOFF CORPORATION LIMITED
September 2011 Director of Lawson HMV Entertainment, Inc. (currently Lawson Entertainment, Inc.)
March 2013 Director of LEGS COMPANY, LTD.
March 2014 Managing Executive Officer of LEGS COMPANY, LTD.
March 2015 Senior Managing Director of LEGS COMPANY, LTD.
January 2016 Director of LEGS COMPANY, LTD.
 Managing Executive Officer, CMO of FiNC inc.
March 2017 Director and CMO of FiNC inc.
October 2018 Outside Director of the Company (to present)
January 2019 Executive Officer of Kamakura Shinsho, Ltd.
April 2019 Outside Audit & Supervisory Board Member of LOGNOTE, Ltd. (to present)
May 2019 Outside Director of NewsTV Inc. (to present)
December 2020 Director of 4DT Inc. (to present)

● Date of birth

November 18, 1964

● Number of shares of the Company held

10,000 shares

● Term of office as Director (at the conclusion of this General Meeting of Shareholders)

2 years and 11 months

● Attendance at the Board of Directors meetings in FY5/2021

15/15 (100%)

● Particular conflicts of interest between the candidate and the Company

None

● Reason for the nomination and overview of expected roles

Mr. Nobayashi has many years of marketing experience in the retail and entertainment industries as well as considerable management experience. He can use this knowledge to provide advice from the standpoint of marketing trends as well as from the perspective of customers. Mr. Nobayashi is a candidate for reelection as an Outside Director because he is capable of contributing to further increasing corporate value and achieving sustained growth of the BOOKOFF Group.

● Candidate statement to shareholders

The recycling business is closely tied to the SDGs. Helping the world by recycling the goods and memories of customers is our goal. Success requires paying constant attention to our markets and always monitoring our customers' needs. BOOKOFF must also strengthen the use of digital technologies in order to further increase the number of BOOKOFF fans. I will use a medium to long-term perspective for examining our business model and providing accurate management, marketing and corporate advice.

Candidate No.
5

Ryoichi Tomohiro

Candidate for reelection

Candidate for Outside Director

● **Past experience, positions, responsibilities and significant concurrent positions**

July 1979	Joined Shogakukan Hanbai Inc.
July 2008	General Manager of Marketing Division of SHOGAKUKAN Inc.
March 2011	Advisor of SHOWATOSHO Co.,Ltd.
July 2012	Director of SHOWATOSHO Co.,Ltd.
May 2013	Director of Shuppan Net & Works, K.K. (to present)
July 2013	Senior Managing Director of SHOWATOSHO Co.,Ltd.
July 2015	President of SHOWATOSHO Co.,Ltd. (to present)
June 2020	Outside Director of the Company (to present)

● **Date of birth**

September 28, 1955

● **Number of shares of the Company held**

0 share

● **Term of office as Director (at the conclusion of this General Meeting of Shareholders)**

1 year and 2 months

● **Attendance at the Board of Directors meetings in FY5/2021**

12/12 (100%)

● **Particular conflicts of interest between the candidate and the Company**

None

● **Reason for the nomination and overview of expected roles**

Mr. Tomohiro has extensive experience and personal relationships in the publishing industry and knowledge acquired as the president of a publication distribution company. This background enables him to provide advice that reflects current trends in the publishing industry and his knowledge of the distribution of publications. Mr. Tomohiro is a candidate for reelection as an Outside Director because he is capable of contributing to further increasing corporate value and achieving sustained growth of the BOOKOFF Group.

● **Candidate statement to shareholders**

I am the president of SHOWATOSHO, a company involved with managing the distribution of publications of more than 30 companies, mainly Shogakukan, Shueisha and other Hitotsubashi Group companies. I have a variety of experience concerning the publishing industry due to my prior jobs at publishing companies. I will use this experience, as well as knowledge involving my current position in the publication distribution sector, to contribute to more progress of the BOOKOFF Group's business activities. I respectfully ask for your support.

Candidate No.
6

Masaaki Takano

Candidate for reelection

Candidate for Outside Director

Candidate for Independent Executive

● Past experience, positions, responsibilities and significant concurrent positions

April 1981	Joined Isetan Co., Ltd. (currently Isetan Mitsukoshi Ltd.)
April 2007	General Manager of Isetan Matsudo store of Isetan Co., Ltd.
April 2009	Executive Officer, General Manager of Isetan Shinjuku store of Isetan Co., Ltd.
April 2011	President and CEO, Executive Officer of Niigata Isetan Mitsukoshi Co., Ltd.
April 2014	Managing Executive Officer, General Manager of Isetan Shinjuku store of Isetan Mitsukoshi Ltd.
October 2017	Joined Gurunavi, Inc. Vice President, Executive Officer in charge of new business
June 2018	Director, Vice President, Executive Officer, Deputy General Manager of Planning and Development Division of Gurunavi, Inc. Manager of “Food Tourism” Business Promotion Department of Planning and Development Division of Gurunavi, Inc.
January 2019	Advisor of Gurunavi, Inc. (to present)
June 2020	Outside Director of With us Corporation (to present)
June 2020	Outside Director of the Company (to present)

● Date of birth

December 16, 1958

● Number of shares of the Company held

0 share

● Term of office as Director (at the conclusion of this General Meeting of Shareholders)

1 year and 2 months

● Attendance at the Board of Directors meetings in FY5/2021

12/12 (100%)

● Particular conflicts of interest between the candidate and the Company

None

● Reason for the nomination and overview of expected roles

Mr. Takano has experience in many posts with substantial responsibilities, including the manager of a large flagship store in a large department store group and the management of a subsidiary. He has extensive knowledge of the retail industry and many personal relationships in the industry. He also has experience with regional revitalization support. Mr. Takano can provide advice about businesses for affluent customers and about sales areas based on current trends involving store operations. He is a candidate for reelection as an Outside Director so that he can continue to contribute from an independent standpoint to further increasing corporate value and achieving sustained growth of the BOOKOFF Group. If Mr. Takano is reelected, he is expected to be a member of the Nomination Advisory Committee and Remuneration Advisory Committee where he will assist from an objective and neutral standpoint with decisions about director and other candidates and their remuneration.

● Candidate statement to shareholders

The speed of changes in the environment for consumer activities is increasing and these changes are becoming more complex. Previously, change was so fast that 10 years ago was very different. Now big changes happen over only one year. Despite these changes, there is also growing respect for the past. Examples are the popularity of Showa era merchandise and analog products. As a result, due in part to technological innovations, shifts in customers' mindsets and consumption trends have become more complex than anyone imagined.

In this environment, I think the following three points are vital for BOOKOFF's growth.

1. How can we continue to provide new forms of value to customers?
2. What roles can we fulfill as a member of the communities where our stores are located?
3. How can we enable our people to do their jobs with enjoyment and vitality?

This year, I plan to use these viewpoints in order to supervise and support BOOKOFF's management.

Candidate No.
7

Hideki Hasegawa

New candidate

Candidate for Outside Director

Candidate for Independent Executive

● Past experience, positions, responsibilities and significant concurrent positions

August 1994	Joined Accenture Japan Ltd.
August 2006	Senior Manager of Accenture Japan Ltd.
May 2008	Joined Tokyu Hands Inc. General Manager of IT Planning Department and Logistics Planning Department of Tokyu Hands Inc.
April 2010	General Manager of IT Planning Department and Mail Order Business Department of Tokyu Hands Inc.
April 2011	Executive Officer of Tokyu Hands Inc.
April 2013	President of HANDS LAB INC.
June 2018	President of Roquesta Co., Ltd. (to present)
October 2018	Executive Officer, CIO of Mercari, Inc.
January 2020	CIO of YOSHINOYA HOLDINGS CO., LTD. (to present)
February 2020	CIO of Co-Op Sapporo (to present)
May 2021	President of Cloud First, Inc. (to present)

● Date of birth

January 31, 1971

● Number of shares of the Company held

0 share

● Particular conflicts of interest between the candidate and the Company

None

● Reason for the nomination and overview of expected roles

Mr. Hasegawa has experience involving the development and use of IT services in the retail industry and knowledge concerning IT cost management. He was the CIO of several companies where he was involved with businesses that used his IT expertise. He can provide advice for keeping IT projects at the BOOKOFF Group on time and budget as IT becomes increasingly important at the group. Consequently, Mr. Hasegawa is an Outside Director candidate because he is expected to contribute to further increasing corporate value and achieving sustained growth of the BOOKOFF Group from an independent standpoint. If Mr. Hasegawa is elected, he is expected to be a member of the Nomination Advisory Committee and Remuneration Advisory Committee where he will assist from an objective and neutral standpoint with decisions about director and other candidates and their remuneration.

● Candidate statement to shareholders

I plan to contribute to the BOOKOFF Group mainly in two areas.

First is progress with business operations, primarily ecosystems. When consumers make a purchase, they now think more about experiences rather than whether or not a product is new. Their budgets are limited. To enjoy many experiences, people regard products that they have enjoyed like a baton that is passed on to the next runner. The BOOKOFF Group needs to operate businesses that are at the center of this ecosystem defined by this life style of consumers. BOOKOFF should focus on this business domain as a means of supplying many wonderful experiences. Second is determining how to use digital technologies at stores, which are physical assets, in order to be a source of wonderful experiences for customers. I believe that the value of real stores will be determined by how we move forward with store, people and operations and with digitalization for customers who visit stores. The key point is that digitalization is meaningless unless this process takes place at the same time for stores and customers who visit stores. Fortunately, the BOOKOFF Group has stores in all areas of Japan. My goal is to implement digitalization with communities and customers in order to create stores that give customers an even better experience.

In closing, I want to thank shareholders for your support of the BOOKOFF Group and respectfully ask for the continued support.

■ Proposal No. 4: Election of Three Directors Who Are Audit & Supervisory Committee Members

If Proposal No. 2, Partial Amendment to the Articles of Incorporation is approved and adopted as proposed, the Company will shift to a company with an Audit & Supervisory Committee.

Therefore, the Company proposes the election of three Directors who are Audit & Supervisory Committee members.

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

This agenda item shall become effective subject to the amendment to the Articles of Incorporation in Proposal No. 2, Partial Amendment to the Articles of Incorporation.

The candidates for Directors who are Audit & Supervisory Committee members are as follows.

Candidate No.	Name	Current Positions and Responsibilities at the Company	Remarks
1	Hideaki Tamura	Full-time Audit & Supervisory Board Member	New
2	Agasa Naito	Independent Outside Audit & Supervisory Board Member	New Outside Independent
3	Masayuki Chiba	Outside Director	New Outside

Notes 1: The Company has entered into an agreement with Ms. Agasa Naito and Mr. Masayuki Chiba in accordance with Paragraph 1, Article 427 of the Companies Act to limit liabilities for damages to the Company as stipulated in Paragraph 1, Article 423 of the Companies Act. The Company intends to limit the liabilities under the agreement to the minimum liability amount as stipulated in Paragraph 1, Article 425 of the Companies Act. If they are reelected, the Company plans to extend this agreement.

2: The Company has entered into a directors and officers liability insurance contract with an insurance company in accordance with the provisions of Paragraph 1, Article 430-3 of the Companies Act of Japan, and the insurance contract covers damages arising from the assumption of responsibility for the execution of duties by the insured persons, including the Company's directors, or from the receipt of claims related to the pursuit of such responsibility (however, this does not apply to cases of personal gain, favors, illegal acts, etc. by the insured person.) In the event that each candidate is elected and assumes office as a Director, he or she will become an insured person under the relevant insurance policy. The insurance policy is scheduled to be renewed with the same terms and conditions at the next renewal.

3: Ms. Agasa Naito is neither the case of the independence criteria set by securities exchanges in which the Company is listed nor the independence criteria set by the Company. She is registered at the exchange as an independent executive, and she will remain an independent executive if she is reelected.

Candidate No.

1

Hideaki Tamura

New candidate

● **Past experience, positions, responsibilities and significant concurrent positions**

April 1984	Joined Japan Petroleum Exploration Co., Ltd.
October 1994	Passed the second test of Certified Public Accountant Examination
September 1995	Joined BDO Sanyu Consulting Co., Ltd. (formerly)
August 2000	Joined Tokyo Kyodo Accounting Office
August 2002	Joined Ernst & Young ShinNihon (currently Ernst & Young ShinNihon LLC)
April 2004	Joined BOOKOFF CORPORATION LIMITED Head of the Accounting Department of BOOKOFF CORPORATION LIMITED
January 2008	Executive Staff of the Administrative Department of BOOKOFF CORPORATION LIMITED
April 2008	Executive Staff of the Auditor Office of BOOKOFF CORPORATION LIMITED
June 2008	Full-time Audit & Supervisory Board Member of BOOKOFF CORPORATION LIMITED
October 2018	Full-time Audit & Supervisory Board Member of the Company (to present)
June 2019	Audit & Supervisory Board Member of BOOKOFF CORPORATION LIMITED (to present)

● **Date of birth**

May 27, 1960

● **Number of shares of the Company held**

6,800 shares

● **Term of office as Audit & Supervisory Board Member (at the conclusion of this General Meeting of Shareholders)**

2 years and 11 months

● **Attendance at the Board of Directors meetings in FY5/2021**

15/15 (100%)

● **Attendance at the Audit & Supervisory Board meetings in FY5/2021**

15/15 (100%)

● **Particular conflicts of interest between the candidate and the Company**

None

● **Reason for the nomination**

Mr. Tamura is a certified public accountant with extensive knowledge concerning finance and accounting. Furthermore, he has a thorough understanding of the BOOKOFF Group's operations and the structure of its businesses because of his experience overseeing the preparation of the group's financial statements and tax accounting. Since becoming a full-time Audit & Supervisory Board Member in 2008, Mr. Tamura has fulfilled the role of ensuring that management and business activities are performed properly and in compliance with laws and regulations. Due to these accomplishments and his extensive experience, Mr. Tamura is a candidate for election as a Director who is an Audit & Supervisory Committee Member because he has suitable skills for further increasing corporate value and achieving sustained growth of the BOOKOFF Group.

● **Candidate statement to shareholders**

As a full-time Audit & Supervisory Board Member, I place priority on holding thorough discussions with the Outside Audit & Supervisory Board members, based on the timely sharing of information that has been received, and submitting opinions and advice resulting from these discussions to people who conduct business operations. For all these activities, I maintain a suitable balance between a relationship with management based on trust and a proper level of distance from management. BOOKOFF will shift to a governance structure of the company with Audit & Supervisory Committee. After this change, I will retain the same mindset as in prior years while contributing to efficient and adequate auditing activities and the sound and consistent growth of business operations.

Candidate No.
2

Agasa Naito

New candidate

Candidate for Outside Director

Candidate for Independent Executive

● Past experience, positions, responsibilities and significant concurrent positions

October 2001	Registered as an attorney-at-law (Daiichi Tokyo Bar Association) Joined Nagashima Ohno & Tsunematsu
May 2008	Registered as an attorney-at-law at New York State Bar Association
June 2011	Joined Tanabe & Partners
April 2013	Partner in Tanabe & Partners (to present)
June 2015	Outside Audit & Supervisory Board Member of BOOKOFF CORPORATION LIMITED
October 2018	Outside Audit & Supervisory Board Member of the Company (to present)
June 2020	Outside Director of Nitto Boseki Co., Ltd. (to present)

● Date of birth

October 2, 1976

● Number of shares of the Company held

0 share

● Term of office as Audit & Supervisory Board Member (at the conclusion of this General Meeting of Shareholders)

2 years and 11 months

● Attendance at the Board of Directors meetings in FY5/2021

15/15 (100%)

● Attendance at the Audit & Supervisory Board meetings in FY5/2021

15/15 (100%)

● Particular conflicts of interest between the candidate and the Company

None

● Reason for the nomination and overview of expected roles

Ms. Naito has performed her duties as an Outside Audit & Supervisory Board Member properly by using her knowledge of legal affairs as an attorney to provide oversight, advice and other activities of the management of the BOOKOFF Group. She is a candidate for election as a Director who is an Audit & Supervisory Committee member in order to continue receiving her advice concerning legal matters, compliance and risk management and her contributions to further increasing corporate value and achieving sustained growth of the BOOKOFF Group from an independent and neutral standpoint. If Ms. Naito is elected, she is expected to be a member of the Nomination Advisory Committee and Remuneration Advisory Committee where she will assist from an objective and neutral standpoint with decisions about director and other candidates and their remuneration.

● Candidate statement to shareholders

As an Outside Audit & Supervisory Board Member since the establishment of BOOKOFF GROUP HOLDINGS, I have been working on strengthening the company's compliance and corporate governance. The shift to the company with Audit & Supervisory Committee will change my position from an Audit & Supervisory Board Member to an Independent Outside Director who is an Audit & Supervisory Committee Member. I am aware of the importance of the roles expected of an Independent Outside Director. I will work hard to enable the Board of Directors to perform its functions and to make more improvements to governance for the sustained growth of the BOOKOFF Group and the medium to long-term growth of corporate value.

Candidate No.
3

Masayuki Chiba

New candidate

Candidate for Outside Director

● Past experience, positions, responsibilities and significant concurrent positions

April 1981	Joined Dai Nippon Printing Co., Ltd. (“DNP”)
October 2001	General Manager of 2nd Sales Unit, Tokyo 3rd Sales Department, Business Foam Operation Division of DNP
October 2009	Education & Publication Distribution Solutions Division of DNP
April 2012	General Manager of Marketing Promotion Department, Education & Publication Distribution Solutions Division of DNP
April 2014	Head of Education Business Development Unit, “honto” Business Division of DNP
April 2015	Director of Maruzen Company, Ltd. (currently MARUZEN-YUSHODO Company, Limited)
June 2015	Outside Director of BOOKOFF CORPORATION LIMITED (to present)
January 2016	Head of MARUZEN-YUSHODO Cooperative Support Team, “honto” Business Division of DNP
October 2016	Head of MARUZEN CHI Cooperative Support Team, “honto” Business Division of DNP
November 2016	Director of Japan Digital Library Service Co.,Ltd.
April 2018	Managing Director of MARUZEN-YUSHODO Company, Limited (to present)
October 2018	Outside Director of the Company (to present)

● Date of birth

September 4, 1957

● Number of shares of the Company held

0 share

● Term of office as Director (at the conclusion of this General Meeting of Shareholders)

2 years and 11 months

● Attendance at the Board of Directors meetings in FY5/2021

15/15 (100%)

● Particular conflicts of interest between the candidate and the Company

None

● Reason for the nomination and overview of expected roles

Mr. Chiba has many years of experience involving sales at the Dai Nippon Printing Group and has considerable knowledge concerning books and other publications. He also has expertise involving methods and management for accomplishing business goals. Mr. Chiba is currently a business executive and Managing Director of an operating company. This experience gives him the skills to provide advice and perform oversight concerning the management of the BOOKOFF Group and proper management activities. Therefore, Mr. Chiba is a candidate for election as a Director who is an Audit & Supervisory Committee Member in order to receive his contributions to further increasing corporate value and achieving sustained growth of the BOOKOFF Group.

● Candidate statement to shareholders

Since I became a Director of BOOKOFF, I have been involved with the management of the businesses of BOOKOFF GROUP HOLDINGS by using an external perspective and using my experience in industries where BOOKOFF does not operate. I believe that the group’s business operations will become even more complex and diverse. Group companies need to supply products and services that satisfy customers while reflecting the SDGs in business operations and responding to unforeseen events such as the COVID-19 pandemic that started in 2020. If I am elected as a Director and the Audit & Supervisory Committee Member, I will use my experience as a Director to contribute to increasing the soundness of corporate governance and management while adapting to social changes.

Note: MARUZEN-YUSHODO Company, Limited is one of the Company’s “subsidiary of other associated companies.”

■ Proposal No. 5: Election of One Substitute Director Who Is an Audit & Supervisory Committee Member

If Proposal No. 2, Partial Amendment to the Articles of Incorporation is approved and adopted as proposed, the Company will shift to a company with an Audit & Supervisory Committee.

Therefore, in preparation for the case where the number of Directors who are Audit & Supervisory Committee members as stipulated in laws and regulations becomes insufficient, the Company proposes the election of one substitute Director who is an Audit & Supervisory Committee member.

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

This agenda item shall become effective subject to the amendment to the Articles of Incorporation in Proposal No. 2, Partial Amendment to the Articles of Incorporation.

The candidate for a substitute Director who is an Audit & Supervisory Committee member is as follows.

Ryoichi Tomohiro

Candidate for Substitute Director who is an Audit & Supervisory Committee member (Outside Director)

● Past experience, positions, responsibilities and significant concurrent positions

July 1979	Joined Shogakukan Hanbai Inc.
July 2008	General Manager of Marketing Division of SHOGAKUKAN Inc.
March 2011	Advisor of SHOWATOSHO Co.,Ltd.
July 2012	Director of SHOWATOSHO Co.,Ltd.
May 2013	Director of Shuppan Net & Works, K.K. (to present)
July 2013	Senior Managing Director of SHOWATOSHO Co.,Ltd.
July 2015	President of SHOWATOSHO Co.,Ltd. (to present)
June 2020	Outside Director of the Company (to present)

● Date of birth

September 28, 1955

● Number of shares of the Company held

0 share

● Particular conflicts of interest between the candidate and the Company

None

● Reason for the nomination and overview of expected roles

Mr. Tomohiro has extensive experience and personal relationships in the publishing industry and knowledge acquired as the president of a publication distribution company. This background enables him to provide advice that reflects current trends in the publishing industry and his knowledge of the distribution of publications. Mr. Tomohiro is a candidate for election as a substitute Outside Director who is an Audit & Supervisory Committee member because he is capable of contributing to further increasing corporate value and achieving sustained growth of the BOOKOFF Group.

Notes 1: The Company has entered into an agreement with Outside Directors in accordance with Paragraph 1, Article 427 of the Companies Act to limit liabilities for damages to the Company as stipulated in Paragraph 1, Article 423 of the Companies Act. The Company intends to limit the liabilities under the agreement to the minimum liability amount as stipulated in Paragraph 1, Article 425 of the Companies Act. If Mr. Ryoichi Tomohiro assumes office as a Director who is an Audit & Supervisory Committee member, the Company plans to enter into this agreement.

2: The Company has entered into a directors and officers liability insurance contract with an insurance company in accordance with the provisions of Paragraph 1, Article 430-3 of the Companies Act of Japan, and the insurance contract covers damages arising from the assumption of responsibility for the execution of duties by the insured persons, including the Company's directors, or from the receipt of claims related to the pursuit of such responsibility (however, this does not apply to cases of personal gain, favors, illegal acts, etc. by the insured person.) In the event that Mr. Ryoichi Tomohiro assumes office as a Director who is an Audit & Supervisory Committee member, he will become an insured person under the relevant insurance policy.

3: Mr. Ryoichi Tomohiro is currently an Outside Director of the Company, and his term of office will be one year and two months at the conclusion of this General Meeting of Shareholders.

4: If Proposal No. 3, Election of Seven Directors (Excluding Directors who are Audit & Supervisory Committee members), is approved and adopted as proposed, Mr. Ryoichi Tomohiro will assume the position of Director other than the Audit & Supervisory Committee member. However, if the number of Directors who are Audit & Supervisory Committee members falls short of the number stipulated in laws and regulations, Mr. Ryoichi Tomohiro will resign from the position of Director other than Audit & Supervisory Committee members and assume the position of Director who is an Audit & Supervisory Committee member.

■ **Proposal No. 6: Establishment of the Amount of Remuneration for Directors (Excluding Directors Who are Members of the Audit & Supervisory Committee)**

If Proposal No. 2, Partial Amendment to the Articles of Incorporation, is approved and adopted as proposed, the Company will shift to a company with an Audit & Supervisory Committee.

At the First Ordinary General Meeting of Shareholders held on June 22, 2019, the amount of remuneration for Directors of the Company was approved as 222 million yen or less per year (including 22.2 million yen or less per year for Outside Directors). However, in accordance with the shift to a company with an Audit & Supervisory Committee, the Company proposes to abolish this provision and newly set the amount of remuneration for Directors (excluding Directors who are members of the Audit & Supervisory Committee) at 222 million yen or less per year (including 22.2 million yen or less per year for Outside Directors).

In addition, the amount of such remuneration shall not include the salary for employees of Directors who concurrently serve as employees.

The amount of remuneration for Directors (excluding Directors who are members of the Audit & Supervisory Committee) under this proposal has been determined after consultation with and report to the Remuneration Review Committee as a remuneration framework based on the past remuneration amounts for Directors, the policy for determining the details of remuneration, etc. for each individual Director, and the level of the number of eligible Directors. The Company believes that the amount of remuneration is appropriate.

The policy regarding the determination of the details of remuneration, etc. for each individual director of the Company is as stated in the Status of Corporate Officers section of the Business Report. If both Proposal No. 2, Partial Amendment to the Articles of Incorporation and this proposal are approved, the subject of this proposal will be changed from Directors to Directors (excluding Directors who are members of Audit & Supervisory Committee).

Currently, the number of Directors are seven (including four Outside Directors). If Propositions No. 2 and No. 3 are approved and adopted as proposed, the number of Directors (excluding Directors who are members of the Audit & Supervisory Committee) under this proposal will be seven (including four Outside Directors).

The contents of this proposal shall become effective subject to the amendment to the Articles of Incorporation in Proposal No. 2, Partial Amendment to the Articles of Incorporation.

■ Proposal No. 7: Establishment of the Amount of Remuneration for Directors Who are Members of the Audit & Supervisory Committee

If Proposal No. 2, Partial Amendment to the Articles of Incorporation, is approved and adopted as proposed, the Company will shift to a company with an Audit & Supervisory Committee.

Therefore, the Company proposes that the amount of remuneration for Directors who are members of the Audit & Supervisory Committee shall be 36 million yen or less per year.

The amount of remuneration for Directors who are members of the Audit & Supervisory Committee under this proposal has been comprehensively determined as a remuneration framework based on the past remuneration amounts for Audit & Supervisory Board members, the level of the number of eligible Directors, and responsibilities of the Audit & Supervisory Committee members. The Company believes that the amount of remuneration is appropriate.

If Propositions No. 2 and No. 4 are approved and adopted as proposed, the number of Directors who are members of the Audit & Supervisory Committee under this proposal will be three.

The contents of this proposal shall become effective subject to the amendment to the Articles of Incorporation in Proposal No. 2, Partial Amendment to the Articles of Incorporation.

■ Proposal No. 8: Determination of Remuneration for the Stock Compensation Plan with Transfer Restrictions for Directors (Excluding Directors Who are Members of the Audit & Supervisory Committee and Outside Directors)

If Proposal No. 2, Partial Amendment to the Articles of Incorporation, is approved and adopted as proposed, the Company will shift to a company with an Audit & Supervisory Committee.

As part of the review of the executive compensation system in accordance with the above-mentioned shift, the Company proposes to provide remuneration newly for the grant of shares with transfer restrictions to its Directors (excluding Directors who are members of the Audit & Supervisory Committee and Outside Directors; hereinafter "Subject Directors"). This will be implemented separately from the remuneration quota that we are requesting approval for in Proposal No. 6, Establishment of the Amount of Remuneration for Directors (Excluding Directors Who are members of the Audit & Supervisory Committee), in order to provide Subject Directors with incentives to continuously enhance the corporate value of the Company and to further promote value sharing with our shareholders.

The remuneration to be paid to the Subject Directors for the grant of the shares with transfer restrictions shall be monetary remuneration claims, and the total amount shall be 20 million yen or less per year (not including the salary for employees of Directors who concurrently serve as employees). The specific timing and distribution of remuneration to each Subject Director shall be determined by the Board of Directors after consultation with and report to the Remuneration Review Committee.

Currently, the number of Directors are seven (including four Outside Directors). If Proposal No. 2, Partial Amendment to the Articles of Incorporation, and Proposal No. 3, Election of Seven Directors (Excluding Directors who are Audit & Supervisory Committee members), are approved and adopted as proposed, the number of Directors (excluding Directors who are members of the Audit & Supervisory Committee) will be seven (including four Outside Directors).

The Subject Directors shall, based on a resolution of the Board of Directors of the Company, pay all of the monetary remuneration claims to be paid under this proposal as contribution in kind and receive issuance or disposition of the common stock of the Company. The total number of shares of common stock to be issued or disposed of as shares with transfer restrictions shall be 20,000 shares or less per year (However, if a stock split (including gratis allotment of the Company's common stock) or a reverse stock split of the Company's common stock is conducted after the date of approval of this proposal, or if any other event occurs that requires adjustment of the total number of the Company's common stock to be issued or disposed of as shares with transfer restrictions, the total number of such shares shall be adjusted to a reasonable extent). The amount to be paid in per share shall be determined by the Board of Directors based on the closing price of the Company's common stock on the Tokyo Stock Exchange on the business day immediately preceding the date of the resolution of the Board of Directors (or, if no trading is conducted on the same day, the closing price of the immediately preceding business day), to the extent that the amount is not particularly advantageous to the Subject Directors who subscribe for the said common stock. The issuance or disposal of shares of common stock of the Company and the provision of monetary compensation claims as assets contributed in kind shall be subject to the execution of an allotment agreement of shares with transfer restrictions (hereinafter the "Allotment Agreement") between the Company and the Subject Directors that includes the following details.

The maximum amount of remuneration, the total number of shares of the Company's common stock to be issued or disposed of, and other terms and conditions of the grant of shares with transfer restrictions to the Subject Directors under this proposal have been determined through discussions at the Remuneration Review Committee, taking into consideration the aforementioned objectives, the business conditions of the Company, and other various circumstances, and we believe that they are appropriate.

If this proposal is approved, the Company plans to revise its policy regarding the determination of the details of individual remuneration, etc. for Directors.

The contents of this proposal shall become effective subject to the amendment to the Articles of Incorporation in Proposal No. 2, Partial Amendment to the Articles of Incorporation.

Outline of the contents of the Allotment Agreement

(1) Restricted period of transfer

The Subject Directors may not transfer, establish security rights on or otherwise dispose of the shares of common stock

of the Company (the "Allotted Shares") allotted to them under the Allotment Agreement for a period of three to thirty years from the date of allotment under the Allotment Agreement (the "Restriction Period"), as determined in advance by the Board of Directors of the Company (the "Transfer Restrictions").

(2) Handling at the time of resignation

If a Subject Director resigns from his or her position as an officer or employee of the Company or any of its subsidiaries, which is determined in advance by the Board of Directors of the Company, prior to the expiration of the Restriction Period, the Company shall naturally acquire the Allotted Shares without compensation, unless the Board of Directors of the Company recognizes that there is a justifiable reason for such resignation, such as expiration of term of office, death, etc.

(3) Lifting of the Transfer Restrictions

Notwithstanding the provisions of (1) above, the Company shall lift the Transfer Restrictions of all of the Allotted Shares upon expiration of the Restriction Period, provided that the Subject Director has continuously held a position among the positions of officers and employees of the Company or its subsidiaries that is determined in advance by the Board of Directors of the Company during the Restriction Period. However, if such Subject Director resigns from the position of officer or employee of the Company or any of its subsidiaries, as determined in advance by the Board of Directors of the Company, before the expiration of the Restriction Period due to expiration of the term of office, death or any other justifiable reason as set forth in (2) above, the number of the Allotted Shares to be released from the Transfer Restrictions and the timing of the lifting of the Transfer Restrictions shall be reasonably adjusted as necessary. In addition, the Company shall naturally acquire, without compensation, the Allotted Shares for which the Transfer Restrictions have not yet been lifted at the time immediately after the Transfer Restrictions are lifted in accordance with the above provisions.

(4) Treatment in organizational restructuring, etc.

Notwithstanding the provisions of (1) above, if, during the Restriction Period, the Company's General Meeting of Shareholders (However, in cases where such reorganization, etc. does not require the approval of the Company's General Meeting of Shareholders, the Company's Board of Directors) approves a merger agreement in which the Company becomes a dissolving company, a share exchange agreement or a share transfer plan in which the Company becomes a wholly owned subsidiary, or any other matter relating to organizational restructuring, etc., the Company shall, by resolution of the Board of Directors of the Company, lift the Transfer Restrictions of the Allotted Shares in a number reasonably determined based on the period from the commencement date of the Restriction Period to the date of approval of such organizational restructuring, etc., prior to the effective date of such organizational restructuring, etc. In addition, in the case specified above, the Company shall naturally acquire, without compensation, the Allotted Shares for which the Transfer Restrictions have not been lifted at the time immediately after the Transfer Restrictions are lifted.

(5) Other matters

Other matters concerning this Allotment Agreement shall be determined by the Board of Directors of the Company.

Reference

Areas of expectation for candidates for Directors

The composition of the Board of Directors and the areas in which the Company expects to be represented as Directors if Proposals 3 and 4 are approved and adopted as proposed at this Ordinary General Meeting of Shareholders are as follows.

	Name	Corporate management	Marketing	Industry knowledge	IT/ technology	Finance/ accounting	Compliance	Risk management	HR development /diversity	ESG
Directors	Yasutaka Horiuchi	●		●	●	●				
	Yoshifumi Tsutsumi					●		●		●
	Yoko Mori						●		●	●
	Noriyuki Nobayashi	●	●	●						
	Ryoichi Tomohiro	●		●						
	Masaaki Takano	●	●	●						
	Hideki Hasegawa	●		●	●					
Directors who are members of the Audit & Supervisory Committee	Hideaki Tamura					●	●	●		
	Agasa Naito						●	●		
	Masayuki Chiba	●		●			●	●		

* The above information does not represent all the knowledge, experience, and abilities possessed by the candidates for Directors.

Reference

Independence Standards of the Outside Directors

BOOKOFF GROUP HOLDINGS LIMITED (hereinafter “the Company”) shall deem any Outside Director lacking independence if he or she falls under any of the following items:

1. As of the present day or within the past one year, any Outside Director is/was an executive director, executive officer, other similar officer or employee (hereinafter “Executive Person”) of “a present customer with whom the Company and its subsidiaries (hereinafter “the Group”) cannot promptly discontinue transactions” or “a present customer who cannot promptly discontinue transactions with the Group.”
2. As of the present day or within the past one year, any Outside Director is/was a professional belonging to an organization that is the Group’s “present fee recipient with whom the Group cannot promptly terminate the contract” or the Group’s “present fee recipient who cannot promptly terminate the contract with the Group.”
3. Within the past 10 years, any Outside Director is/was an Executive Person or non-executive director of the present parent company of the Company.
4. Within the past 10 years, any Outside Director is/was an Audit & Supervisory Board Member of the present parent company of the Company.
5. Within the past 10 years, any Outside Director is/was an Executive Person of the present fellow subsidiary of the Company.
6. As of the present day or within the past one year, any Outside Director receives/received from the Group cash or other properties at the amount of ¥2.4 million or more per year other than remuneration as an Outside Director.
7. A spouse or a person within the second degree of affinity of any Outside Director is/was a person who falls/fell under any of the above items 1 to 6.
8. Within the past one year, a spouse or a person within the second degree of affinity of any Outside Director was an Executive Person or a non-executive director of the Company.
9. As of the present day or within the past one year, a spouse or a person within the second degree of affinity of any Outside Director was an Executive Person or a non-executive director of the Company’s subsidiaries.
10. Any Outside Director holds 10% or more of the voting rights of the Company (or is an Executive Person of a legal entity that holds 10% or more of the voting rights of the Company).
11. Any Outside Director is an Executive Person of a legal entity for whom an Executive Person of the Group is an Outside Director.
12. Any Outside Director receives from the Group donations that he or she cannot promptly discontinue receiving (or is an Executive Person of an organization that receives from the Group donations that it cannot promptly discontinue receiving).
13. As of the present day or within past one year, any Outside Director is/was an Executive Person of a present “other associated companies” or the “parent company or subsidiaries of the other associated companies) of the Company.
14. An aggregate term of office as Outside Director of the Company exceeds 10 years.

Evaluation of the Board of Directors Effectiveness

The Company has put in place a system under which each Director makes its self-assessment and the Board of Independent Outside Directors conducts analysis and assessment of the effectiveness of the entire Board of Directors as well as the assessment of the Chairman of the Board of Directors.

During the fiscal year that ended May 31, 2021, the assessments for the Board of Directors were performed by (1) Self-assessment by Internal Directors, (2) Assessment of all Directors and Audit & Supervisory Board members using questionnaires and opinion hearing from them, (3) Assessment to the entire Board of Directors by Outside Directors and Outside Audit & Supervisory Board members, and (4) Assessment of Internal Directors and the Chairman of the Board of Directors by Outside Directors and Outside Audit & Supervisory Board members.

The composition, agenda, deliberations, and operation of the Board of Directors, as well as the effectiveness of the Chairman of the Board of Directors, were evaluated as “generally effective in terms of functioning and able to identify new issues in line with recent changes in the environment.”

By continuing to discuss medium- and long-term business creation to address these new issues, including from the perspective of customers, we expect to contribute to the environment and society.

In addition, in order to further improve the effectiveness of the Board of Directors and to further enhance the corporate governance system, the Company will shift to a company with an Audit & Supervisory Committee, subject to the approval of Proposal No. 2, “Partial Amendment to the Articles of Incorporation.”

Nomination of Candidates for Directors

The Nomination Advisory Committee consists of the President and two Independent Outside Directors. This committee considered Director candidates to be submitted to this General Meeting of Shareholders and passed on its conclusions to the Board of Directors. The Board of Directors used the committee’s conclusions as the basis for discussions and the final selection of the Director candidates. The Audit & Supervisory Board has given its consent to the candidates for Directors who are Audit & Supervisory Committee.

The Company’s Initiatives Related to Japan’s Corporate Governance Code

The Company discloses the implementation status of each basic principle of the Corporate Governance Code by posting it as “Our Initiatives Related to Japan’s Corporate Governance Code” on its website:

<https://www.bookoffgroup.co.jp/en/>