

Note: This document has been translated from a part of the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

Securities Code: 2670

May 15, 2023

(Date of commencement of measures for electronic provision: May 8, 2023)

To Our Shareholders:

Minoru Noguchi
President and Representative Director
ABC-MART, INC.
1-11-5 Jinnan, Shibuya-ku, Tokyo
(Corporate Headquarters)
1-12-1 Dogenzaka, Shibuya-ku, Tokyo

NOTICE OF THE 38TH ANNUAL GENERAL MEETING OF SHAREHOLDERS

The 38th Annual General Meeting of Shareholders of ABC-MART, INC. (the “Company”) will be held, as described below.

In convening this general meeting of shareholders, we have taken measures to electronically provide information that constitutes the Reference Materials for the General Meeting of Shareholders, etc., (matters subject to measures for electronic provision). Such information has been posted on the following websites. Therefore, shareholders are asked to review the information by accessing the following websites.

The Company’s website: <https://www.abc-mart.co.jp/ir/> (Japanese only)

In addition to the above website, the matters subject to measures for electronic provision are also posted on the Tokyo Stock Exchange (TSE) website.

TSE website (Listed Company Search): <https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>
Please access the above website, enter “ABC-MART” or “2670” in the “Issue name (company name)” or “Securities code” column, and click “Search.” Then select “Basic information” and “Documents for public inspection/PR information” and review the “Notice of General Shareholders Meeting /Information Materials for a General Shareholders Meeting” in the “Field information available for public inspection.”

If you do not attend the meeting in person, you may exercise your voting rights via the Internet or in writing (postal mail) instead. Please review the Reference Materials for the General Meeting of Shareholders, and **exercise your voting rights by 6:00 p.m. on Monday, May 29, 2023, Japan time.**

- 1. Date and Time:** Tuesday, May 30, 2023 at 10:00 a.m. Japan time
(The reception desk is scheduled to open at 9:00 a.m.)
- 2. Venue:** Maple 7th Floor, The Okura Prestige Tower, The Okura Tokyo
2-10-4, Toranomon, Minato-ku, Tokyo
(No gifts are provided to shareholders attending the general meeting of shareholders. We greatly appreciate your understanding.)

3. Meeting Agenda:

Matters to be reported:

1. The Business Report, Consolidated Financial Statements and Non-Consolidated Financial Statements for the Company's 38th Fiscal Year (March 1, 2022 - February 28, 2023)
2. Results of Audits by the Accounting Auditor and Audit & Supervisory Committee of the Consolidated Financial Statements

Proposals to be resolved:

- Proposal No. 1:** Appropriation of Surplus
- Proposal No. 2:** Election of Five Directors (excluding Directors who are Audit & Supervisory Committee Members)
- Proposal No. 3:** Election of Three Directors who are Audit & Supervisory Committee Members
- Proposal No. 4:** Presentation of Condolence Payment to a Retired Director

- When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk.
- In accordance with the laws and regulations and the provisions of Article 15 of the Company's Articles of Incorporation, the following items are not included in the documents delivered to shareholders who requested the delivery of a paper copy. Accordingly, these documents constitute a portion of the documents audited by the Audit & Supervisory Committee and the Accounting Auditor in the preparation of their audit reports.
(1) Matters regarding the Accounting Auditor in the Business Report, (2) System to ensure the appropriateness of business operations and the operation status of the system in the Business Report, (3) Consolidated Statements of Changes in Equity, (4) Notes to Consolidated Financial Statements, (5) Non-Consolidated Statements of Changes in Equity, and (6) Notes to Non-Consolidated Financial Statements.
- Any revisions to the matters subject to measures for electronic provision will be posted on the above Company's website and the TSE website.
- Shareholders attending this general meeting of shareholders may be asked to wear face masks and cooperate with other measures to prevent the spread of the COVID-19 infection. Any major changes henceforth with respect to the holding of the general meeting of shareholders will be posted on the Company's website (<https://www.abc-mart.co.jp/ir/>). Therefore, shareholders are asked to check the website for relevant information.

Reference Materials for the General Meeting of Shareholders

Proposal No. 1: Appropriation of Surplus

The Company proposes the appropriation of surplus as follows:

Matters regarding year-end dividend

The Company considers the return of profits to its shareholders as an important aspect of its management policy. The Company has adopted a basic policy to undertake dividend payments taking into consideration the Company's performance, while enhancing profitability and strengthening its financial position.

In accordance with the basic policy, the Company intends to pay a year-end dividend of 85 yen per share as an ordinary dividend for the 38th fiscal year, as announced on April 12, 2023. This amount was determined by taking into consideration the Company's business performance for the business term under review, future business operations and other related factors.

(1) Category of dividend assets:

Cash

(2) Matters relating to the allocation of dividend assets and the total amount of such allocation:

Year-end dividends of 85 yen per share of the Company's common stock as an ordinary dividend

The total amount of dividends: 7,015,819,930 yen

With the interim dividend of 85 yen per share already paid out, the annual dividend amounts to 170 yen per share for the business term under review.

(3) Date on which the dividends from surplus will take effect:

May 31, 2023

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

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

As for this proposal, the Audit & Supervisory Committee of the Company has judged that all candidates for Directors are qualified to serve as Directors.

The candidates for Directors (excluding Directors who are Audit & Supervisory Committee Members) are as follows:

Candidate No.	Name (Date of birth)	Past experience, positions, and responsibilities [significant concurrent positions]	Number of shares of the Company held
1	Minoru Noguchi (December 6, 1965) (Reappointment)	Apr. 1988 Joined Shachihata Tokyo Shoji Co., Ltd. (currently Shachihata Inc.)	62,000 shares
		Apr. 1991 Joined the Company June 2000 Director, Sales Department Manager of the Company Mar. 2004 Managing Director, Sales Department Manager of the Company Mar. 2007 President and Representative Director of the Company (to present)	
		[Significant concurrent positions] -	
[Reason for nominating the candidate] Since he joined the Company, he has belonged to the sales section. In 2000, he became involved in management as Director and Sales Department Manager under the motto of “viewpoint of the frontline.” In 2007, he was appointed as President and Representative Director and significantly contributed to the development and growth of the Company’s group through his strong leadership. He has been nominated as a candidate for Director because he is expected to be able to continuously perform his responsibilities as Chief Executive Officer.			
2	Kiyoshi Katsunuma (July 6, 1963) (Reappointment)	Oct. 1992 Joined AMIX Co., Ltd. Dec. 1996 Joined the Company May 2007 Director, Sales Promotion Department Manager of the Company	30,000 shares
		Apr. 2009 Director in charge of personnel strategy of the Company Feb. 2016 Director in charge of sales & store development of the Company July 2019 Director in charge of finance & accounting, general affairs & personnel, and Store Development Department Manager of the Company Dec. 2022 Director in charge of general affairs & personnel, store development, finance & accounting, and logistics of the Company (to present)	
		[Significant concurrent positions] -	
[Reason for nominating the candidate] Since he joined the Company, he has been engaged in the advertisement field, which is a pillar of the Company’s growth strategy. In 2007, he became involved in management as Director and Sales Promotion Department Manager. In 2009, he took charge of personnel strategy and contributed to the expansion of employment and personnel development, while the multi-store operation was accelerating. He took charge of store development in 2016. Since 2019, he has been in charge of the businesses under the administration division to strengthen the internal management system. He has been nominated as a candidate for Director because he is expected to be able to continuously perform his responsibilities due to his abundant experience and past achievements.			

Candidate No.	Name (Date of birth)	Past experience, positions, and responsibilities [significant concurrent positions]	Number of shares of the Company held
3	Takashi Kikuchi (September 4, 1968) (Reappointment)	Apr. 1989 Joined Boutique TAKEO NISHIDA	3,000 shares
		May 1991 Joined the Company	
		May 2009 Director, Design, and Product Development Department Manager of the Company	
		Jan. 2015 Director in charge of design and product development and sales promotion of the Company	
		Oct. 2019 Director in charge of design and product development, sales promotion, and production control of the Company (to present)	
		[Significant concurrent positions]	
		-	
[Reason for nominating the candidate] Since he joined the Company, he has been engaged in product development over many years including the period when the Company had been an import and wholesale trading company for shoe products, which was the forerunner of the Company. He played a role in conveying overseas trends to the Japanese market. In 2009, he became involved in management as Director and Design and Product Development Department Manager. To strengthen the product brand, he has been in charge of design and product development and sales promotion since 2015, and production control since 2019. He has been nominated as a candidate for Director because he is expected to be able to continuously perform his responsibilities due to his abundant experience and past achievements.			
4	Kiichiro Hattori (August 13, 1974) (Reappointment)	Dec. 1999 Joined the Company	200 shares
		Feb. 2008 Design and Product Development Department Production Control Team of the Company	
		May 2014 Director in charge of international trading & international public relations of the Company	
		Jan. 2015 Director in charge of international trading & international public relations and production control of the Company	
		Apr. 2018 President of LaCrosse Footwear, Inc. (to present)	
		June 2021 Director in charge of business development of the Company (to present)	
		[Significant concurrent positions]	
		LaCrosse Footwear, Inc., President	
[Reason for nominating the candidate] Since he joined the Company, he has been engaged in the control of overseas merchandise production and overseas PR operations. In 2014, he became involved in management as Director to expand and promote the overseas business in Asia and the U.S. His roles include conducting negotiations regarding overseas business development and providing support to overseas subsidiaries. He has been in charge of business development since 2021. He assumed the position of President of LaCrosse Footwear, Inc., a U.S. subsidiary in April 2018. He has been nominated as a candidate for Director because he is expected to be able to continuously perform his responsibilities due to his abundant experience and past achievements.			

Candidate No.	Name (Date of birth)	Past experience, positions, and responsibilities [significant concurrent positions]	Number of shares of the Company held
5	Yasuo Ishii (November 3, 1971) (Reappointment)	Apr. 1995 Joined Itokin Co., Ltd.	4,200 shares
		Mar. 2001 Joined the Company	
June 2001 Assumed Store Manager of Shoes Shop Gallop Yurakucho Store of the Company			
Aug. 2003 License Promotion Department of the Company			
Feb. 2008 Accounting Department of the Company			
Jan. 2015 Accounting Department Manager of the Company			
May 2022 Director, Accounting Department Manager of the Company			
Dec. 2022 Director, Corporate Planning Office Manager of the Company (to present)			
		[Significant concurrent positions] -	
	[Reason for nominating the candidate] Since he joined the Company, he has served as store manager, has been involved in licensing-related work at the headquarters, and since 2008 he has been engaged in accounting work. Since 2011, he gained experience of being seconded for about two years in the accounting department of a subsidiary in Korea, and since assuming office as Accounting Department Manager in 2015, he has supported the Group as the person in charge of the Company's Accounting Department. In 2022, he become involved in management as Director and in December of the same year, he assumed the position of Corporate Planning Office Manager. He has been nominated as a candidate for Director because he is expected to be able to continuously perform his responsibilities due to his abundant experience and past achievements.		

(Notes)

1. There are no special interests between each candidate and the Company.
2. The Company has entered into a directors and officers liability insurance (D&O insurance) contract stipulated in Article 430-3, Paragraph (1) of the Companies Act with all Directors (including Directors who are Audit & Supervisory Committee Members) and Corporate Auditors of the Company and its domestic subsidiaries as the insured. Under the said insurance contract, damages that may be caused due to the insured receiving claims for damages as a result of the execution of their duties (including acts of omission) as officers shall be covered. Provided, however, that there are certain exemptions; for example, damages caused as a result of any conduct committed while knowing that the conduct is in violation of laws and regulations shall not be covered. Additionally, the insurance premiums for the policy including added special clauses are fully borne by the Company. If the election of the candidates for Director is approved, each candidate will be included in the said insurance contract as the insured. Said insurance contract is expected to be renewed during the term of office of each candidate.

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

The terms of office of all three Directors who are Audit & Supervisory Committee Members will expire at the conclusion of this general meeting of shareholders. Accordingly, the Company proposes the election of three Directors who are Audit & Supervisory Committee Members.

The Audit & Supervisory Committee has previously given its consent to this proposal.

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

Candidate No.	Name (Date of birth)	Past experience, positions, and responsibilities [significant concurrent positions]	Number of shares of the Company held
1	Tadashi Matsuoka (May 15, 1949) (Reappointment) (Outside Director) Years in office: 7 years	Apr. 1974 Joined Tsukiboshi Kasei Kabushiki Kaisha (currently MoonStar Company)	
		Apr. 2008 Director, Sales Department General Manager of Converse Footwear Co., LTD. June 2011 Retired from Director of Converse Footwear Co., LTD. May 2016 Outside Director (Full-time Audit & Supervisory Committee Member) of the Company (to present)	
		[Significant concurrent positions] -	
[Reason for nominating the candidate for Outside Director and expected role] He has been involved in the shoe industry over many years. As he is knowledgeable about the commercial environment and business details, the Company appointed him as Director who is an Audit & Supervisory Committee Member in 2016. While serving in this position, he has contributed important suggestions to the discussions of agenda items as a full-time Audit & Supervisory Committee Member, he has attended important meetings, and he has given his opinions on business processes and internal control. The Company has nominated him as a candidate for Outside Director who is an Audit & Supervisory Committee Member because he is expected to be able to continuously express appropriate opinions from a fair and objective standpoint to the Board of Directors with regard to Directors' performance of duties.			
2	Taio Sugahara (February 28, 1964) (Reappointment) (Outside Director) Years in office: 7 years	Apr. 1987 Joined Fuji Xerox Co., Ltd. (currently FUJIFILM Business Innovation Corp.)	
		July 1999 Established ProMotion Co., Ltd., President & CEO (to present) May 2016 Outside Director (Audit & Supervisory Committee Member) of the Company (to present)	
		[Significant concurrent positions] ProMotion Co., Ltd., President & CEO	
[Reason for nominating the candidate for Outside Director and expected role] He has operated a personnel and consulting company over many years. Considering his expertise about management and abundant experience on personnel development, the Company appointed him as Director who is an Audit & Supervisory Committee Member in 2016. While serving in this position, he has given his opinions at the Board of Directors meetings on developing and training successors. The Company has nominated him as a candidate for Outside Director who is an Audit & Supervisory Committee Member because he is expected to be able to continuously express appropriate opinions from a fair and objective standpoint to the Board of Directors with regard to Directors' performance of duties.			

Candidate No.	Name (Date of birth)	Past experience, positions, and responsibilities [significant concurrent positions]	Number of shares of the Company held
3	Kou Toyoda (April 28, 1946) (Reappointment) (Outside Director) Years in office: 4 years	Apr. 1971 Joined Fuji Television Network, Inc. June 2007 President and Representative Director of Fuji Television Network, Inc. Oct. 2008 President and Representative Director of Fuji Media Holdings, Inc. June 2013 Vice Chairman and Director of Fuji Media Holdings, Inc. June 2017 Executive Advisor to Fuji Media Holdings, Inc. May 2019 Outside Director (Audit & Supervisory Committee Member) of the Company (to present)	-
		[Significant concurrent positions] -	
[Reason for nominating the candidate for Outside Director and expected role] He has been involved in the media industry over many years and has a vast network of human contacts. In addition, he is highly familiar with the necessities of governance from his experience as a representative of a listed company. The Company has nominated him as a candidate for Outside Director who is an Audit & Supervisory Committee Member because he is expected to be able to express appropriate opinions from a fair and objective standpoint to the Board of Directors with regard to Directors' performance of duties.			

(Notes)

1. There are no special interests between each candidate and the Company.
2. Each candidate is a candidate for Outside Director.
3. Mr. Tadashi Matsuoka and Mr. Taio Sugahara assumed office as Outside Directors (Audit & Supervisory Committee Members) on May 26, 2016, and their tenure as Outside Directors (Audit & Supervisory Committee Members) will be seven years at the conclusion of this general meeting. Mr. Kou Toyoda assumed office as Outside Director (Audit & Supervisory Committee Member) on May 29, 2019, and his tenure as Outside Director (Audit & Supervisory Committee Member) will be four years at the conclusion of this general meeting.
4. Independence of candidate for Outside Director
 - (1) Each candidate has never been a business operator or an officer of the Company or its subsidiaries. They are neither a business operator nor an officer of a parent company, etc., of the Company, nor have they been during the last ten years.
 - (2) Each candidate is neither a business operator nor an officer of an entity that has a specified relationship with the Company, nor have they been during the last ten years.
 - (3) Each candidate will neither receive a large amount of money or other properties from the Company nor an entity that has a specified relationship with the Company, nor have they done so during the last two years.
 - (4) Each candidate is neither the spouse of, nor are they relatives within three degrees related to, a business operator or an officer of the Company or an entity that has a specified relationship with the Company, nor are they in a position corresponding thereto.
5. The Company has as of now designated each candidate as Independent Officer and has reported this designation to the Tokyo Stock Exchange. If their reelection is approved at this meeting, the Company plans to continuously designate each of them as an Independent Officer.
6. The Company has entered into limited liability agreements with each candidate, set forth in the provisions of Article 427, Paragraph (1) of the Companies Act. If each candidate is reelected, the Company plans to continue the said agreements with them. The maximum amount of liability pursuant to the agreement will be the amount stipulated in Article 425, Paragraph (1) of the Companies Act.
7. The Company has entered into a directors and officers liability insurance (D&O insurance) contract stipulated in Article 430-3, Paragraph (1) of the Companies Act with all Directors (including Directors who are Audit & Supervisory Committee Members) and Corporate Auditors of the Company and its domestic subsidiaries as the insured. Under the said insurance contract, damages that may be caused due to the insured receiving claims for damages as a result of the execution of their duties (including acts of omission) as officers shall be covered. Provided, however, that there are certain exemptions; for example, damages caused as a result of any conduct committed while knowing that the conduct is in violation of laws and regulations shall not be covered. Additionally, the insurance premiums for the policy including added special clauses are fully borne by the Company. If the election of the candidates for Director is approved, each candidate will be included in the said insurance contract as the insured. Said insurance contract is expected to be renewed during the term of office of each candidate.

Proposal No. 4: Presentation of Condolence Payment to a Retired Director

In recognition of his service during the term of office, the Company proposes the payment of condolence money to the late Mr. Jo Kojima, Director of the Company, who passed away on August 19, 2022, within a certain amount, in accordance with the Rules on Condolence Payments for Directors set forth by the Company and that the specific amount, timing and method of payment and other details be decided by resolution of the Board of Directors.

The condolence payment to the retired Director is in accordance with the rules set forth by the Board of Directors and the payment has been determined to be reasonable.

The career summary of the retired Director is as follows.

Name	Past experience	
Jo Kojima	May 2007	Appointed Director, Corporate Planning Office Manager of the Company
	Aug. 2022	Deceased

(Reference) Structure of the Board of Directors [planned for May 30, 2023 and onwards]

The Company expects each candidate for Director and each Director who is an Audit & Supervisory Committee Member will fully exercise their abilities based on their experience accumulated so far.

Name		Corporate Management & Strategy	Sales & Marketing	IT	Global	Quality & Production	Personnel & Human Resources Development	Finance & Accounting	Legal & Risk Management
Directors	Minoru Noguchi	●	●	●	●				
	Kiyoshi Katsunuma		●				●		●
	Takashi Kikuchi		●		●	●			
	Kiichiro Hattori	●	●		●	●			
	Yasuo Ishii	●			●			●	●
Directors who are Audit & Supervisory Committee Members	Tadashi Matsuoka <u>Outside</u>	Experienced in a different company	●						●
	Taio Sugahara <u>Outside</u>	Experienced in a different company	●				●		
	Kou Toyoda <u>Outside</u>	Experienced in a different company	●						●

(Note) The table does not represent all the skills possessed by each Director.