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Securities code: 2726
May 11, 2021

To Shareholders with Voting Rights:

Ryuta Inoue
President and Representative Director
PAL GROUP Holdings CO., LTD.
3-6-1 Doshomachi, Chuo-ku, Osaka-shi,
Osaka, Japan

Notice of the 49th Ordinary General Meeting of Shareholders

We are pleased to inform you that the 49th Ordinary General Meeting of Shareholders (the “Meeting”) of PAL GROUP Holdings CO., LTD. (the “Company,” together with its subsidiaries, the “Group”) will be held for the purposes below.

Instead of attending the Meeting in person, you can exercise your voting rights in writing or via the Internet, etc., so please review the attached Reference Documents for the General Meeting of Shareholders and exercise your voting rights by 6:30 p.m. Japan time, Tuesday, May 25, 2021 (closing of the Company’s business hours).

- 1. Date and time:** Wednesday, May 26, 2021 at 10 a.m. Japan time (reception opens at 9:15 a.m.)
- 2. Venue:** AP Osaka Ekimae, Umeda 1-chome, B2F, Tokyo Tatemono Umeda Building located at 1-12-12 Umeda, Kita-ku, Osaka-shi, Osaka, Japan
- 3. Purposes of the Meeting:**
Matters to be reported: 49th fiscal year (March 1, 2020 – February 28, 2021)
Business report, consolidated and non-consolidated financial statements and results of audits of the consolidated financial statements by the accounting auditor and the Audit & Supervisory Board

Matters to be resolved:

- Proposal 1:** Distribution of Surplus
 - Proposal 2:** Election of Nine (9) Directors
 - Proposal 3:** Election of One (1) Substitute Audit & Supervisory Board Member
- In light of the COVID-19 pandemic, **the Company asks that shareholders exercise their voting rights in writing or via the Internet, etc. where possible**, to ensure the safety of shareholders and prevent the spread of infection.
 - **The Company asks shareholders who intend to attend the Meeting in person to consider countermeasures such as wearing a face mask. The Company may at its discretion take measures necessary to ensure the safety of shareholders and prevent the spread of infection at the Meeting venue. We appreciate your cooperation.**
 - If you are attending the Meeting, please hand in the enclosed Voting Rights Exercise Form at the reception.
 - The attachments to this Notice of the 49th Ordinary General Meeting of Shareholders are contained in the enclosed Business Report for the 49th Fiscal Year (in Japanese).
 - The “Systems and Policies of the Stock Company” of the business report and notes to the consolidated and non-consolidated financial statements are posted on the Company’s website (URL: <http://www.palgroup.holdings/>) (in Japanese) in accordance with laws, regulations and Article 15 of the Company’s Articles of Incorporation, and therefore are not contained in the Business Report for the 49th Fiscal Year.
 - Any revisions to the Reference Documents for the General Meeting of Shareholders, the business report, and consolidated and non-consolidated financial statements by the day before the Meeting will be disclosed via postal notification or by posting them on the Company’s website (URL: <http://www.palgroup.holdings/>) (in Japanese).

Reference Documents for the General Meeting of Shareholders

Proposal 1: Distribution of Surplus

The Company's basic policy is to distribute dividends commensurate with its business performance. While striving to maintain a stable payment of dividends, the Company determines dividend of surplus taking into account enhancement of internal reserves to further strengthen its corporate standing and prepare for active future business development. The Company proposes the following year-end dividend based on this policy.

Year-end dividend

- (1) Type of dividend property
Cash
- (2) Allotment of dividend property to shareholders and its total amount
25 yen per common share of the Company at a total of 1,098,146,650 yen
- (3) Effective date of the dividend of surplus (date when the payment of year-end dividend for the 49th fiscal year begins)
May 27, 2021

Proposal 2: Election of Nine (9) Directors

The terms of office of all the nine (9) incumbent Directors will expire at the close of this Meeting. Therefore, the Company proposes the election of nine (9) Directors.

The candidates for Director are as follows:

No.	Name	Position at the Company	Attendance at the Board of Directors meetings
1	Hidetaka Inoue	Chairman and Representative Director	14 times / 14 times (100 %)
2	Ryuta Inoue	President and Representative Director	12 times / 14 times (86 %)
3	Isamu Matsuo	Vice President, Director and Executive Officer	14 times / 14 times (100 %)
4	Yasuji Arimitsu	Vice President, Director and Executive Officer	14 times / 14 times (100 %)
5	Junichi Shoji	Director	13 times / 14 times (93 %)
6	Hirofumi Kojima	Director	13 times / 14 times (93 %)
7	Takayo Watanabe	Director	13 times / 14 times (93 %)
8	Hisayuki Higuchi	Outside Director	14 times / 14 times (100 %)
9	Kensaku Teranishi	Outside Director	14 times / 14 times (100 %)

No.	Name (Date of birth)	Career summary, positions, responsibilities at the Company and significant concurrent positions	Number of the Company's shares held
1	Hidetaka Inoue (September 13, 1935)	October 1973 Established the Company, President and Representative Director May 2008 Chairman and Representative Director of the Company (to present)	1,034,072
		Significant concurrent positions <ul style="list-style-type: none"> • Chairman and Representative Director of PAL CO., LTD., KURASHIKI STYLE CO., LTD. and Rowcast Co., Ltd. • President and Representative Director of Scotch Yofukuten K.K. • Chairman and Director of NICE CLAUP Co., LTD. • Director of MAG STYLE Co., LTD. and PAL HOLDINGS (SINGAPORE) PTE. LTD. • Director of PAL (Shanghai) Trading Co., Ltd. 	
Reason for candidacy as Director Ever since taking office as the Company's Representative Director in 1973, Hidetaka Inoue has led the Company's management for 48 years and has always demonstrated outstanding foresight and strong leadership to achieve the Company motto of "Contributing to society by constantly proposing new fashionable ways of life" and build the PAL Group it is today. The Company nominated him as a candidate for Director expecting that he will further contribute to the sustainable growth and improvement of corporate value of the Group by leading the Group's overall management in the future.			
2	Ryuta Inoue (June 8, 1965)	April 1989 Joined TEIJIN LIMITED May 1995 Joined the Company May 1995 Director March 2007 Senior Managing Director May 2008 President and Representative Director (to present)	3,649,336
		Significant concurrent positions <ul style="list-style-type: none"> • Chairman and Representative Director of MAG STYLE Co., LTD. • President and Representative Director of NICE CLAUP Co., LTD. and R Scotch Co., Ltd. • Director of PAL CO., LTD. and PAL HOLDINGS (SINGAPORE) PTE. LTD. • Director of PAL (Shanghai) Trading Co., Ltd. 	
Reason for candidacy as Director Ever since joining the Company in May 1995, Ryuta Inoue accumulated a broad range of operational experience including store operations, product development, e-commerce operations and in the Administrative Division. Also, after taking office as the President in 2008, he has substantially contributed to expanding business performance. The Company nominated him as a candidate for Director expecting that he will further contribute to the sustainable growth and improvement of corporate value of the Group by leading the Group's overall management in the future.			

No.	Name (Date of birth)	Career summary, positions, responsibilities at the Company and significant concurrent positions	Number of the Company's shares held
3	Isamu Matsuo (April 20, 1947)	April 1966 Joined Shin-Nankai Store Co., Ltd. October 1973 Joined the Company March 1983 Director April 1985 Managing Director April 1988 Senior Managing Director April 2000 Director March 2007 Senior Managing Director May 2009 Vice President and Director May 2013 Vice President, Director and Executive Officer (General Manager, Store Development Department) (to present)	20,864
		Significant concurrent positions • President and Representative Director of PAL CO., LTD. and P.M. Frontier Co., Ltd.	
Reason for candidacy as Director Isamu Matsuo has abundant experience mainly in store development operations at the Company. He also has extensive experience and insight in management, serving as the Company's Vice President, Director and Executive Officer as well as the President and Representative Director of PAL CO., LTD. and P.M. Frontier Co., Ltd. The Company nominated him as a candidate for Director expecting that he will further contribute to the sustainable growth and improvement of corporate value of the Group supporting the Group's overall management in the future.			
4	Yasuji Arimitsu (April 23, 1934)	April 1953 Joined TEIJIN LIMITED August 1972 Seconded to TEIJIN WINKLE Limited Director, General Manager, Administrative Unit December 1986 Seconded to Teijin WOW Limited Director, General Manager, Administrative Unit December 1994 Joined Teijin Central Kosan Co., Ltd. March 1998 Joined the Company April 1998 Director March 2007 Managing Director May 2011 Vice President and Director May 2013 Vice President, Director and Executive Officer (General Manager, Administrative Division and General Manager, Internal Audit Office) (to present)	73,968
		Significant concurrent positions • Vice President, Director and Executive Officer of PAL CO., LTD.	
Reason for candidacy as Director Yasuji Arimitsu has abundant experience mainly in administrative operations at the Company. He also has extensive experience and insight in management, serving as the Company's Vice President, Director and Executive Officer. The Company nominated him as a candidate for Director expecting that he will further contribute to the sustainable growth and improvement of corporate value of the Group supporting the Group's overall management in the future.			

No.	Name (Date of birth)	Career summary, positions, responsibilities at the Company and significant concurrent positions	Number of the Company's shares held
5	Junichi Shoji (April 4, 1963)	March 1986 Joined the Company May 2001 Director March 2007 Senior Managing Director May 2013 Director and Senior Managing Executive Officer May 2020 Director (to present)	101,136
		Significant concurrent positions <ul style="list-style-type: none"> • President, Director and Executive Officer of KURASHIKI STYLE CO., LTD. • Director and Senior Managing Executive Officer and General Manager, Sales Division and General Manager, 1st Division and General Manager, 6th Division and General Manager, Production Platform Office, PAL CO., LTD. • Director of NICE CLAUP Co., LTD. and MAG STYLE Co., LTD. 	
Reason for candidacy as Director Junichi Shoji has abundant experience mainly in store operations and product development operations at the Company. He also has extensive experience and insight in management, serving as a Director and Senior Managing Executive Officer of the Company and PAL CO., LTD. The Company nominated him as a candidate for Director expecting that he will further contribute to the sustainable growth and improvement of corporate value of the Group as a member of the Group's management in the future.			
6	Hirofumi Kojima (November 30, 1960)	March 1983 Joined the Company May 2001 Director May 2010 Managing Director May 2013 Managing Executive Officer May 2015 Director and Managing Executive Officer May 2019 Director and Senior Managing Executive Officer May 2020 Director (to present)	60,336
		Significant concurrent positions <ul style="list-style-type: none"> • Director and Senior Managing Executive Officer and General Manager, 5th Division of PAL CO., LTD., and General Manager, Valery Company, and General Manager, Store Stock Management Office 	
Reason for candidacy as Director Hirofumi Kojima has abundant experience mainly in store operations and product development operations at the Company. He also has extensive experience and insight in management, serving as a Director and Senior Managing Executive Officer of the Company and PAL CO., LTD. and the General Manager of Valery Company. The Company nominated him as a candidate for Director expecting that he will further contribute to the sustainable growth and improvement of corporate value of the Group as a member of the Group's management in the future.			

No.	Name (Date of birth)	Career summary, positions, responsibilities at the Company and significant concurrent positions	Number of the Company's shares held
7	Takayo Watanabe (February 9, 1962)	<p>April 1984 Joined Daido Sanso K.K. (currently AIR WATER INC.)</p> <p>April 1987 Left Daido Sanso K.K.</p> <p>February 2003 Audit & Supervisory Board Member, Scotch Yofukuten K.K.</p> <p>January 2011 Director (to present)</p> <p>July 2014 Representative Director, T Scotch Co., Ltd. (to present)</p> <p>May 2018 Director, PAL CO., LTD. (to present)</p> <p>May 2019 Director of the Company (to present)</p> <p>Significant concurrent positions</p> <ul style="list-style-type: none"> • Representative Director of T Scotch Co., Ltd. • Director of PAL CO., LTD. and Scotch Yofukuten K.K. 	352,480
<p>Reason for candidacy as Director</p> <p>As the eldest daughter of founder Hidetaka Inoue, Takayo Watanabe has a profound understanding of the essence of the Company's management philosophy and corporate culture. The Company nominated her as a candidate for Director expecting her to keep on fulfilling her duties as a Director to improve corporate value from a long-term perspective in the future.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities at the Company and significant concurrent positions	Number of the Company's shares held
8	Hisayuki Higuchi (August 18, 1939)	<p>April 1958 Joined The Sumitomo Bank, Limited (currently Sumitomo Mitsui Banking Corporation)</p> <p>April 1990 General Manager, Umeda Branch</p> <p>August 1994 Retired from Sumitomo Mitsui Banking Corporation</p> <p>Senior Managing Director, REX INDUSTRIES CO., LTD.</p> <p>April 1995 CEO, REX INTERNATIONAL U.S.A., INC.</p> <p>March 1996 Chairman, SUZHOU REX ELECTRO MACHINERY CO., LTD.</p> <p>May 2000 Outside Audit & Supervisory Board Member of the Company</p> <p>June 2004 Chairman and Representative Director, REX INDUSTRIES CO., LTD.</p> <p>May 2008 Outside Director of the Company (to present)</p> <p>July 2010 Director and Advisor, REX INDUSTRIES CO., LTD.</p> <p>June 2014 Retired from REX INDUSTRIES CO., LTD.</p> <p>Significant concurrent positions</p> <ul style="list-style-type: none"> • Director of PAL CO., LTD. 	-
<p>Reason for candidacy as Outside Director and overview of expected roles</p> <p>After serving at a financial institution, Hisayuki Higuchi has long been engaged in the management of a company operating in Japan and globally. He has deep insight in finance and corporate management and is giving input and guidance based on his experience as an incumbent Outside Director. The Company nominated him as a candidate for Outside Director because it expects him to contribute to improving corporate value by providing advice on the Group's overall management based on his insight and knowledge, and fulfill a supervisory function from a neutral and objective standpoint.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities at the Company and significant concurrent positions	Number of the Company's shares held
9	Kensaku Teranishi (November 28, 1951)	<p>April 1975 Joined The Sumitomo Bank, Limited (currently Sumitomo Mitsui Banking Corporation)</p> <p>May 1997 General Manager, Tamatsukuri Branch</p> <p>October 1998 General Manager, Underwriting Department, Osaka Branch, Sumitomo Capital Securities Co., Ltd.</p> <p>April 2001 General Manager, Assistant to Officer in charge of Osaka Branch, Daiwa Securities SMBC Co., Ltd.</p> <p>April 2004 Retired from Daiwa Securities SMBC Co., Ltd.</p> <p>May 2004 Standing Advisor, Konoike Construction Co., Ltd.</p> <p>October 2016 Representative Director, Vice President</p> <p>November 2017 Retired from Konoike Construction Co., Ltd.</p> <p>December 2017 Senior Advisor, Osaka Branch, Yamada Consulting Group Co., Ltd. (to present)</p> <p>May 2019 Outside Director of the Company (to present)</p> <p>Significant concurrent positions</p> <ul style="list-style-type: none"> • Senior Advisor of Osaka Branch, Yamada Consulting Group Co., Ltd. 	-
<p>Reason for candidacy as Outside Director and overview of expected roles</p> <p>After serving at a financial institution, Kensaku Teranishi has long been engaged in corporate management. He has deep insight in finance and corporate management. The Company nominated him as a candidate for Outside Director because it expects him to contribute to improving corporate value by providing advice on the Group's overall management based on his insight and knowledge, and fulfill a supervisory function from a neutral and objective standpoint.</p>			

Notes:

1. There are no special interests between any of the candidates and the Company.
2. Hisayuki Higuchi is a candidate for Outside Director, as well as an independent director as stipulated by the financial instruments exchange (Tokyo Stock Exchange, Inc.). He has served as the Company's Outside Audit & Supervisory Board Member for eight (8) years since May 2000. He will also have served as the Company's Outside Director as well since May 2008, for 13 years at the close of this Meeting.
Although Hisayuki Higuchi was formerly affiliated with the Company's main bank, in light of the Company's current financial status where its deposits significantly exceed its borrowings, and the absence of a transactional relationship with the said financial institution that will affect the Company's decision-making, as well as the fact that a substantial amount of time has passed since he retired from the said financial institution, the Company deems him to be sufficiently independent.
3. Kensaku Teranishi is a candidate for Outside Director, as well as an independent director as stipulated by the financial instruments exchange (Tokyo Stock Exchange, Inc.). He will have served as the Company's Outside Director since May 2019, for two (2) years at the close of this Meeting. Although Kensaku Teranishi was formerly affiliated with the Company's main bank, in light of the Company's current financial status where its deposits significantly exceed its borrowings, and the absence of a transactional relationship with the said financial institution that will affect the Company's decision-

making, as well as the fact that a substantial amount of time has passed since he retired from the said financial institution, the Company deems him to be sufficiently independent.

4. Summary of the content of the directors and officers liability insurance contract

The Company has entered into a directors and officers liability insurance contract with an insurance company. The contract covers damages that may arise due to insured parties assuming liability for their execution of duties, or receiving claims associated with the pursuit of such liability. The candidates are included in the insured parties under this insurance contract.

Proposal 3: Election of One (1) Substitute Audit & Supervisory Board Member

At the close of this Meeting, the effect of election will expire for Mioko Nakazawa, the candidate for substitute Audit & Supervisory Board Member, elected at the 48th Ordinary General Meeting of Shareholders held on May 27, 2020. Therefore, the Company proposes the reelection of Mioko Nakazawa as a substitute Audit & Supervisory Board Member to prepare for contingencies where the number of Audit & Supervisory Board Members falls below the statutory requirement.

The effective period for the resolution of this proposal is up to the beginning of the next ordinary general meeting of shareholders. The election may be cancelled by resolution of the Board of Directors subject to the consent of the Audit & Supervisory Board provided that it is before the candidate takes office.

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

The candidate for substitute Audit & Supervisory Board Member is as follows:

Name (Date of birth)	Career summary, positions at the Company and significant concurrent positions	Number of the Company's shares held
Mioko Nakazawa (April 9, 1974)	October 2002 Joined KUBOI & PARTNERS LAW OFFICE	-
	April 2017 Joined Aimable Business Law Office	
	September 2017 Lecturer on the Food Sanitation Act, Confectionery Course, Faculty of Cookery and Confectionery, Osaka Seikei College	
	November 2018 Member of Examination Committee for Approval of Management Restructuring Plan, etc., Osaka Prefectural Government (to present)	
	March 2019 Lecturer, Small and Medium Enterprise Management Consultant Training Course, Osaka University of Economics (to present)	
	April 2019 Domestic Relations Conciliation Commissioner, Osaka Family Court (to present)	
	July 2019 Outside Audit & Supervisory Board Member, i-plug, Inc. (to present)	

Notes:

1. There are no special interests between the candidate and the Company.
2. Mioko Nakazawa is a candidate for substitute Outside Audit & Supervisory Board Member, and fulfills the requirements for an independent auditor as stipulated by the financial instruments exchange (Tokyo Stock Exchange, Inc.). Not only is she well versed in corporate legal affairs as an attorney-at-law, but also is familiar with corporate management and possesses expertise in that area. Therefore, the Company determines she is suitable as a candidate for substitute Outside Audit & Supervisory Board Member.
3. Summary of the content of the directors and officers liability insurance contract
The Company has entered into a directors and officers liability insurance contract with an insurance company. The contract covers damages that may arise due to insured parties assuming liability for their execution of duties, or receiving claims associated with the pursuit of such liability. If the election of the candidate as a substitute Audit & Supervisory Board Member is approved, and she subsequently takes office as an Audit & Supervisory Board Member, then she will become an insured party under this insurance contract.