



Board of Directors

Directors




Toshihiro Hisada
Chairman and CEO

- Chairman of the Board
- Nominating Committee Member
- Compensation Committee Member




Yasunori Ishiguro
President and COO
Representative Director and President, DCM Co., Ltd.


- Nominating Committee Member
- Compensation Committee Member




Keizo Honda
Director, Executive Officer
Director and Vice President, Executive Manager of Business Operating Headquarters, DCM Co., Ltd.
Representative Director and President, Hodaka Co., Ltd.




Toshimitsu Shimizu
Director, Executive Officer, in charge of Internal Control, General Affairs and Stocks
Director and Vice President, Executive Manager of Administration Headquarters, DCM Co., Ltd.
Representative Director and President, XPRICE Inc.
Director, Keiyo Co., Ltd.




Masayuki Nakagawa
Director, Executive Officer, in charge of Corporate Strategy and Public Relations
Director, Managing Executive Officer and General Manager, Corporate Strategy Office, DCM Co., Ltd.
Director, XPRICE Inc.



Hiroshi Ogame
Director
Representative Director and President, CEO, Daiki Axis Co., Ltd.




Koji Jitsukawa
Director
Representative Director and President, Keiyo Co., Ltd.



Hisato Kumagai
Director
Audit and Supervisory Committee Member, DCM Co., Ltd.


- Standing Audit and Supervisory Committee Member

Independent Outside Directors




Michio Masukawa
Director
External Director, The Yamanashi Chuo Bank, Ltd.

- Audit and Supervisory Committee Member
- Chairman of Nominating Committee Member
- Chairman of Compensation Committee Member




Naoki Uno
Director
External Director, TerraSky Co., Ltd.

- Chairman of Audit and Supervisory Committee Member
- Nominating Committee Member
- Compensation Committee Member



Hikaru Oguchi
Director
Partner, Nishimura & Asahi

- Audit and Supervisory Committee Member
- Nominating Committee Member
- Compensation Committee Member



Hitomi Iba
Director
Representative Director and President, IBA Company Co., Ltd.

- Audit and Supervisory Committee Member

Knowledge, experience, and skills held by Directors of the Company (Skill Matrix)

Name	Post	General Management	Finance and Accounting	Legal and Compliance	IT and DX	HR and Talent Development	Sales and Marketing	International	ESG
Toshihiro Hisada	Chairman and Representative Director, CEO	●	●						
Yasunori Ishiguro	Representative Director and President, COO	●	●		●		●	●	
Keizo Honda	Director, Executive Officer	●				●	●		
Toshimitsu Shimizu	Director, Executive Officer	●		●	●	●			
Masayuki Nakagawa	Director, Executive Officer	●		●		●	●		●
Hiroshi Ogame	Director	●		●				●	●
Koji Jitsukawa	Director	●	●				●		
Hisato Kumagai	Director (Standing Audit and Supervisory Committee Member)		●	●					●
Michio Masukawa	Outside, Independent Director (Audit and Supervisory Committee Member)	●	●			●	●		
Naoki Uno	Outside, Independent Director (Audit and Supervisory Committee Member)	●			●		●		
Hikaru Oguchi	Outside, Independent Director (Audit and Supervisory Committee Member)			●		●		●	●
Hitomi Iba	Outside, Independent Director (Audit and Supervisory Committee Member)	●			●	●	●	●	

External Director Roundtable Discussion

Supporting Sustainable Corporate Growth with Recommendations from External Perspectives



Michio Masukawa
Director, Audit and Supervisory Committee Member (External)

Hikaru Oguchi
Director, Audit and Supervisory Committee Member (External)

Hitomi Iba
Director, Audit and Supervisory Committee Member (External)

Naoki Uno
Director, Audit and Supervisory Committee Member (External)

Four external directors, each of whom possesses a variety of experiences and expertise and are involved in DCM management decision-making and the oversight of business execution, discuss the operation of the Board of Directors and the challenges it faces in creating further corporate value.

Masukawa: Since my appointment as an external director, DCM has continued to expand through management integration and M&A strategies. In this context, I believe that my experience in regional bank revitalization during my time at the Bank of Japan enables me to make recommendations based on the feelings of employees when their organization undergoes a change. The Bank of Japan is also a think tank that conducts economic research and various surveys and analyses, so I have knowledge of marketing and sales gained through relationships with a wide range of companies. Further, I currently serve as an auditor for an industry organization related to information systems in the financial sector, so I also convey the importance of adhering to established standards and rules.

Uno: I have been involved in a wide range of management roles at a major insurance group, mainly

in the IT department, but also in sales planning and corporate planning. For this reason, I believe that I can contribute to DCM first and foremost in the establishment of business processes utilizing IT. I have also been involved in the integration of information systems and business processes as the person in charge of corporate mergers.

I am able to advise how to be careful when integrating two companies into one under the DCM growth strategy. Additionally, as an external director of an IT company that develops systems on quantum computers, I can offer opinions based on my knowledge of cutting-edge areas as well as IT implementation and operations.

Oguchi: As a lawyer, I have been involved in the business development of Japanese companies from a legal perspective for over 20 years in various industries, mainly in Asia. Since DCM does business in various

countries, I strive to share practical perspectives, including compliance with applicable laws and regulations, as well as responsible management and sustainability. In this age of globalization and digitalization, the application of laws and regulations is becoming increasingly complex. Taking into account regulatory trends in other countries, I hope to provide a unique outside perspective through participation in various discussions.

Iba: After earning a graduate degree in business, I gained experience working at the US headquarters of several companies with a strong consumer marketing focus. I believe that my experience in launching new businesses and developing products and services for consumers facilitates a "fourfold perspective" that is difficult for DCM to possess internally.

First, is the "customer's perspective," which is what customers think. Second, is the "manufacturer's perspective," which is what DCM business partners and others expect from distribution. Third, is the "future potential perspective," which refers to overseas developments in Asia, the US, and Europe. Fourth, is the "organizational and human resource utilization perspective," which based on my management experience at the headquarters of a global company, involves the efforts I want to make in supporting management.

Board of Directors Atmosphere

Iba: Although I was recently appointed in May 2022, my impression is that the Board of Directors is "open and free in its discussions," with "each member willing to listen to and consider different points of view in a positive manner." I am able to express in my own words what I think is important for DCM's growth. In addition to Board meetings, I am welcome to participate in Management Council and other meetings as well as discussions on new products in the upcoming fiscal year, which enable me to hear firsthand the arguments and factual debates behind various strategies and deepen my understanding of DCM management.

Oguchi: Similar to Ms. Iba, I also feel that DCM has an open and flexible corporate culture. Continuously incorporating new perspectives while aiming for DCM sustainable growth, there is a sense of unity in the desire to contribute to society. I also find that when external directors ask questions or make comments, we receive immediate feedback and changes are implemented rapidly.

Masukawa: I like the fact that there are no discouraging responses to the opinions expressed by external

directors. There are no barriers between internal directors and external directors, so discussions are extremely impassioned.

Although discussions can sometimes become emotional, ultimately, objective judgments are made about what is beneficial and what is not. Discussions with external directors often lead to a reconsideration of internally fixed agendas. This flexibility has been a constant at DCM since I became an external director.

Uno: I have attended a wide variety of board meetings, from major insurance groups to venture companies, but rarely have I seen a situation where an external director recommendation caused a company to reconsider the details or direction of an agenda item. However, when we advise DCM against a course of action, they sometimes decide to reconsider without opposition to external director opinions or rigid adherence to the conclusions arrived at during internal discussions. This is a very positive corporate culture, and I think it should be maintained going forward.

Evaluation of the medium- to long-term growth strategy

Iba: I think the "store strategy centered on enhancing existing stores" and "creation of a unique 'BOPIS' style" stated in the medium-term management plan are the correct strategies from both domestic and global perspectives. Looking at sales changes by channel in the US and Europe, the growth of the e-commerce channel is plateauing, and past predictions that physical stores would become less important as the shift to e-commerce progresses do not appear to be coming true. My sense is that DCM is paying attention to important trends that will occur in the future, and on that basis, carefully considers how to grow the Company, then creates medium-term management plans.





Oguchi: With approximately 680 physical stores throughout Japan, DCM can be seen as a provider of social infrastructure. Each store will connect people, goods, and services while remaining aware of the changing needs of local customers and utilizing the convenience of e-commerce. Through these efforts, we hope to become a corporate group that can substantially contribute to the revitalization of Japanese society by confronting current and future social issues head-on and playing the role demanded by local communities.

Uno: I think the platform concept is important for DCM. Placing new business and IT on a platform combining physical stores that successfully utilize IT with e-commerce will create new value. If this structure can be solidified and maintained, DCM will be able to further incorporate new companies into the Group and grow steadily going forward.

The DCM Company Philosophy “giving shape to your dreams for life” is one of my favorite phrases. We learned during the pandemic that society does not function properly without the power of essential workers. DCM’s business of “reliably providing daily life necessities” is truly essential. I believe the most important aspect of DCM sustainable growth is to develop business that never deviates from “giving shape to your dreams for life.”

Masukawa: We are no longer in an age when national economic growth driven by an increasing population leads to prosperity. DCM’s ongoing transformation of existing stores and pursuit of the “giving shape to your dreams for life” concept are deeply meaningful corporate activities that will improve quality of life and ultimately

lead to human happiness. The expansion of the home center industry has revolutionized the structure of the distribution industry and affected the way people shop. I believe that, as a leading Company in the home center industry, DCM must fulfill its corporate responsibility by creating a mechanism enabling people throughout Japan to conveniently obtain quality products and services in order to achieve sustainable growth.

Overcoming Challenges to Achieve Further Growth

Uno: One of DCM’s strengths is that it takes business seriously. However, I am concerned that this degree of seriousness may lead to an inability to break with the past and make a fresh start. In addition to being serious and honest, it is also important that DCM communicate its presence to the world. For example, we should make it more widely known that DCM contributes to local communities through the in-store recycling of waste, DIY educational activities for parents and children, and other initiatives.

I would also like to see the further promotion of diversity, including the active participation of women. I hope to see excellence in the functions and cost of products developed by DCM, as well as product planning that incorporates women’s perspectives.

Oguchi: As the world enters a period of great change amid discontinuous environmental changes, I hope DCM is able to move forward, examining past experiences and data while anticipating customer needs with an overwhelming sense of speed and increasingly free and flexible ideas. To this end, I would also like to share different perspectives based on experiences from my daily interactions outside DCM and outside Japan.



Iba: How DCM confronts the discontinuous environmental changes Ms. Oguchi mentioned is critical for the achievement of sustainable growth. To remain connected with customers who are also undergoing discontinuous changes, DCM must maintain a deep and constant understanding of its customers. At the same time, in addition to understanding customers, DCM must maintain initiatives and efforts facilitating customer understanding of DCM. When DCM DIY Place opened at Ebisu Garden Place in central Tokyo, it was as a new beginning for DCM, which up to then had only opened stores in suburban areas. This move led to increased media exposure, and I was subsequently contacted by an acquaintance who said it was their first-time hearing of DCM. This experience made me realize that marketing activities aimed at connecting with customers is another area to focus on in pursuing DCM growth.

In regards to DCM’s seriousness, there is one additional point I would like to make. I think the seriousness everyone mentioned is a major positive for DCM. I think there is substantial room for growth if speed and boldness, which are considered lacking, are incorporated into the Company’s overall culture of seriousness.

Masukawa: Corporate culture is cultivated by human resources. I look forward to human resource changes, especially at the middle management level, for the good of DCM’s future. From my participation at Board of Directors’ and other meetings, I am well aware that DCM upper management is quite aggressive in their thinking. DCM’s transformation will be further accelerated if middle managers, who transform upper management intentions into action, are more willing to take on challenges rather than simply defending their existing privileges and work procedures.

Oguchi: I am aware of two main issues. The first is to speak freely without intimidation. I hope that conveying the experiences and perspectives I have accumulated in different countries and industries from my position outside the Company will lead to the further invigoration of discussions inside DCM.

The second issue is to become a point of contact between DCM and the outside world. In this age of discontinuous change, I think some interesting chemical reactions may result from the expansion of networks in Japan and abroad extending from different channels.

Iba: In my case, I am not yet familiar with the home center business itself, so I try to be as specific as possible in my remarks from the dual perspectives of “deeply understanding customers” and “facilitating customer understanding.”

At the same time, as I continue to follow the latest trends and technologies overseas, I feel strongly that we should have a sense of urgency about discontinuous environmental changes—in other words, we need to think about “a future beyond simply maintaining the status quo,” and I am willing to speak up when I think it appropriate. I also want to continue sharing facts and the latest case studies that I feel illustrate this idea through study groups and other methods.

Masukawa: DCM has risen to the top class in its industry in a short period of time through management integrations and proactive M&A efforts. Because of this rapid growth, there are many occasions when I feel that “I am in a position to protect what has been built up.” For DCM to continue growing, I will continuously emphasize the “importance of breaking free from the conventional way of doing things.”

I have seen many management integrations and M&A projects, but I never saw a case where the acquired company, its employees, and its culture were valued as highly as DCM values its acquisitions. I look forward to working with other external directors to contribute to DCM management so that this valuable success story can be further developed.