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Securities Code 8198
May 6, 2022

To Those Shareholders with Voting Rights

Keiji Kamio
President, Representative Director
Maxvalu Tokai Co., Ltd.
1295-1 Sasagase-cho, Higashi-ku,
Hamamatsu-shi, Shizuoka Prefecture

NOTICE OF THE 60TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

You are cordially invited to attend the 60th Ordinary General Meeting of Shareholders of Maxvalu Tokai Co., Ltd. (the “Company”). The meeting will be held as described below.

If you attend the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk on arrival at the meeting. If you are unable to attend the meeting, you can exercise your voting rights by mail or via the internet. Please review the Reference Documents for the General Meeting of Shareholders, and exercise your voting rights by Monday, May 23, 2022 at 6:00 p.m.

1. **Date and Time:** Tuesday, May 24, 2022 at 10:00 a.m.
2. **Place:** Hotel Crown Palais Hamamatsu, 4F, Large Banquet Hall “*Fuyō-no-ma*”
110-17 Itaya machi, Naka-ku, Hamamatsu-shi, Shizuoka Prefecture
3. **Agenda of the Meeting:**
 - Matters to be reported:**
 1. Business Report, Consolidated Financial Statements, and results of audits by the Independent Auditor and by the Board of Corporate Auditors of the Consolidated Financial Statements for the 60th Fiscal Year (from March 1, 2021 to February 28, 2022)
 2. Non-consolidated Financial Statements for the 60th Fiscal Year (from March 1, 2021 to February 28, 2022)
 - Proposals to be resolved:**
 - Proposal No. 1:** Partial Amendments to the Articles of Incorporation
 - Proposal No. 2:** Election of Eight Directors
 - Proposal No. 3:** Election of One Corporate Auditor

For those attending, please present the enclosed Voting Rights Exercise Form at the reception desk on arrival at the meeting.

Subsequent amendments to the Reference Documents for the General Meeting of Shareholders, Business Report, Consolidated Financial Statements and Non-consolidated Financial Statements (if any) will be listed on the Company’s website (<https://www.mv-tokai.co.jp/ir/>).

Among the documents required to be provided, the Company, pursuant to the laws and regulations and the provisions in Article 15 of the Company’s Articles of Incorporation, posts the following items on the Company’s website (<https://www.mv-tokai.co.jp/ir/>), therefore, they are not included in this convocation notice.

- Notes to the Consolidated Financial Statements, and Notes to the Non-consolidated Financial Statements.

Reference Documents for the General Meeting of Shareholders

Proposal No. 1: Partial Amendments to the Articles of Incorporation

1. Reasons for the Proposal

Since the revised provisions provided for in the proviso to Article 1 of the Supplementary Provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019) are to be enforced on September 1, 2022, the Company proposes to make the following changes to its Articles of Incorporation in preparation for the introduction of the system for providing informational materials for the general meeting of shareholders in electronic format.

- (1) Article 15, paragraph 1 in “Proposed amendments” below will stipulate that the Company shall take measures for providing information that constitutes the content of reference documents for the general meeting of shareholders, etc. in electronic format.
- (2) Article 15, paragraph 2 in “Proposed amendments” below will establish the provision to limit the scope of the items to be stated in the paper-based documents to be delivered to shareholders who requested the delivery of paper-based documents.
- (3) Since the provisions for Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, Etc. (Article 15 of the current Articles of Incorporation) will no longer be required, they will be deleted.
- (4) Accompanying the aforementioned establishment and deletion of provisions, supplementary provisions regarding the effective date, etc. will be established.

2. Details of the Amendment

(Underlined parts are amended.)

| Current Articles of Incorporation | Proposed amendments |
|---|--|
| <p><u>Article 15. (Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, Etc.)</u></p> <p><u>When the Company convenes a general meeting of shareholders, if it discloses information that is to be stated or presented in the reference documents for the general meeting of shareholders, business report, financial statements and consolidated financial statements through the internet in accordance with the provisions prescribed by the Ministry of Justice Order, it may be deemed that the Company has provided this information to shareholders.</u></p> <p style="text-align: center;">(Newly established)</p> <p style="text-align: center;">(Newly established)</p> | <p style="text-align: center;">(Deleted)</p> <p><u>Article 15. (Measures, etc. for Providing Information in Electronic Format)</u></p> <ol style="list-style-type: none"> <u>1. When the Company convenes a general meeting of shareholders, it shall take measures for providing information that constitutes the content of reference documents for the general meeting of shareholders, etc. in electronic format.</u> <u>2. Among items for which the measures for providing information in electronic format will be taken, the Company may exclude all or some of those items designated by the Ministry of Justice Order from statements in the paper-based documents to be delivered to shareholders who requested the delivery of paper-based documents by the record date of voting rights.</u> <p style="text-align: center;">(Supplementary Provisions)</p> <ol style="list-style-type: none"> <u>1. The deletion of Article 15 (Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, Etc.) in the pre-amended Articles of Incorporation and the establishment of the new Article 15 (Measures, etc. for Providing Information in Electronic Format) in the amended Articles of Incorporation shall be effective from September 1, 2022, which is the date of enforcement of the revised provisions provided for in the proviso to Article 1 of the Supplementary Provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019) (hereinafter referred to as the “Date of Enforcement”).</u> |

| Current Articles of Incorporation | Proposed amendments |
|-----------------------------------|---|
| | <p data-bbox="818 181 1445 315"><u>2. Notwithstanding the provision of the preceding paragraph, Article 15 of the pre-amended Articles of Incorporation shall remain effective regarding any general meeting of shareholders held on a date within six months from the Date of Enforcement.</u></p> <p data-bbox="818 327 1445 461"><u>3. These Supplementary Provisions shall be deleted on the date when six months have elapsed from the Date of Enforcement or three months have elapsed from the date of the general meeting of shareholders in the preceding paragraph, whichever is later.</u></p> |

Proposal No. 2: Election of Eight Directors

The terms of office of all eight Directors will expire at the conclusion of the meeting. Accordingly, election of the following eight Directors, including three External Directors, is proposed.

The candidates for Directors are as follows:

■The List of Candidates

| No. | Name | Current positions and responsibilities at the Company (*1) | Record of attendance at the 60th fiscal year Board of Directors' meetings (*2) |
|-----|----------------------|--|--|
| 1 | Keiji Kamio | President, Representative Director, concurrently serving as Chief Executive Officer <u>Reelection</u> | 18/18 |
| 2 | Masaaki Tsukurimichi | Director, concurrently serving as Executive Officer General Manager of Merchandise Headquarters <u>Reelection</u> | 18/18 |
| 3 | Kenichiro Yamada | Director, concurrently serving as Managing Executive Officer General Manager of Sales Headquarters <u>Reelection</u> | 18/18 |
| 4 | Yoshihiko Nikami | Director, concurrently serving as Executive Officer General Manager of Human Resources and General Affairs Headquarters <u>Reelection</u> | 18/18 |
| 5 | Satoshi Saito | Executive Officer General Manager of Business Management Headquarters <u>New Candidate</u> | – |
| 6 | Kensuke Yabe | External Director <u>Reelection</u> <u>External</u> <u>Independent</u> | 18/18 |
| 7 | Takeki Kajimoto | External Director <u>Reelection</u> <u>External</u> <u>Independent</u> | 14/14 |
| 8 | Yumiko Ashiwa | External Director <u>Reelection</u> <u>External</u> <u>Independent</u> | 14/14 |

*1 The positions and responsibilities of the candidates stated above are as of May 6, 2022.

External Candidate for External Director

Independent Candidate for Independent Director to be notified to the Tokyo Stock Exchange

*2 The records of attendance at the Board of Directors' meetings for Mr. Takeki Kajimoto and Ms. Yumiko Ashiwa reflect the Board of Directors' meetings held after they were appointed as Directors on May 25, 2021.

1 Keiji Kamio

Reelection

| Date of birth | July 11, 1957 | Number of shares of the Company held | 36,550 |
|---|--|---|--------|
| Career summary, positions, responsibilities and significant concurrent positions | March 1980 | Joined the Company | |
| | February 1998 | General Manager of Sales Coordination Department | |
| | September 2001 | Store Manager of Hachimancho store | |
| | March 2003 | Manager responsible for daily operations of Merchandise Management Department | |
| | March 2004 | General Manager of Store Management Headquarters | |
| | May 2004 | Director | |
| | September 2006 | General Manager of Merchandise Management Headquarters | |
| | May 2008 | Managing Director | |
| | March 2009 | General Manager of Staples Management Headquarters | |
| | March 2011 | Responsible for Sales, concurrently serving as General Manager of Merchandise Management Headquarters | |
| | May 2011 | General Manager of Merchandise Management Headquarters | |
| | May 2013 | President, Representative Director (current position) | |
| | May 2019 | Chief Executive Officer (current position) | |
| | March 2022 | Executive Officer responsible for Supermarket Business of AEON CO., LTD. (current position) | |
| Reason for the election of candidate for Director | <p>Mr. Keiji Kamio has demonstrated strong leadership to all employees as the chief executive and performed an appropriate role in the operation of the Board of Directors as chairman of the Board of Directors, based on his abundant experience and broad insight accumulated through his management career. The Company has judged that he is a person that will contribute to the Company's sustainable growth and improvement of corporate value over the medium to long term, and proposes his continued election as Director of the Company.</p> | | |

2 Masaaki Tsukurimichi

Reelection

| Date of birth | June 27, 1969 | Number of shares of the Company held | 7,613 |
|---|---|--|-------|
| Career summary, positions, responsibilities and significant concurrent positions | March 1992 | Joined Hokuriku Jusco Co., Ltd. (currently AEON CO., LTD.) | |
| | March 2013 | General Manager of Sales Department II of Maxvalu Chubu Co., Ltd. (currently the Company) | |
| | March 2014 | General Manager of Sales Department III and IV, Sales Headquarters of Maxvalu Chubu Co., Ltd. (currently the Company) | |
| | September 2014 | Deputy General Manager of Sales Headquarters, concurrently serving as Supervisor responsible for Operational Reform of Maxvalu Chubu Co., Ltd. (currently the Company) | |
| | March 2015 | General Manager of Merchandise Headquarters of Maxvalu Chubu Co., Ltd. (currently the Company) | |
| | May 2015 | Director, concurrently serving as Executive Officer of Maxvalu Chubu Co., Ltd. (currently the Company) | |
| | September 2017 | General Manager of Maxvalu Business Headquarters of Maxvalu Chubu Co., Ltd. (currently the Company) | |
| | September 2019 | Director of the Company (current position) | |
| | September 2019 | Executive Officer (current position) | |
| | September 2019 | General Manager of Merchandise Headquarters (current position) | |
| Reason for the election of candidate for Director | <p>Mr. Masaaki Tsukurimichi has served as the person responsible for business execution of merchandise policy. He has demonstrated broad insight accumulated through his abundant experience in business operations and management related to sales and merchandising and can be expected to effectively strengthen the decision-making and supervisory functions of the Board of Directors. The Company has judged that he is a person that will contribute to the Company's sustainable growth and improvement of corporate value over the medium to long term, and proposes his continued election as Director of the Company.</p> | | |

3 Kenichiro Yamada

Reelection

| Date of birth | June 10, 1961 | Number of shares of the Company held | 21,200 |
|---|--|--|--------|
| Career summary, positions, responsibilities and significant concurrent positions | March 1985 | Joined the Company | |
| | April 1996 | Store Manager of Ninomiya store | |
| | February 2002 | Manager of Store Operation Department | |
| | March 2005 | General Manager of Store Operation Department | |
| | March 2007 | General Manager of Human Resources and Training Department | |
| | March 2009 | General Manager of Human Resources and General Affairs Headquarters | |
| | May 2009 | Director (current position) | |
| | March 2012 | General Manager of Human Resources Headquarters, concurrently serving as General Manager of Human Resources Department | |
| | May 2013 | General Manager of Sales Support Headquarters, concurrently serving as General Manager of CS Promotion Department | |
| | April 2014 | General Manager of Sales Management Headquarters | |
| | March 2015 | General Manager of Merchandise Management Headquarters | |
| | May 2017 | Managing Director | |
| | May 2019 | Managing Executive Officer (current position) | |
| September 2019 | General Manager of Sales Headquarters (current position) | | |
| Reason for the election of candidate for Director | <p>Mr. Kenichiro Yamada has served as the person responsible for business execution of human resources, general affairs, sales, and merchandise policy. He has abundant experience and broad insight accumulated through his management career and can be expected to effectively strengthen the decision-making functions and the supervisory functions of the Board of Directors. The Company has judged that he is a person that will contribute to the Company's sustainable growth and improvement of corporate value over the medium to long term, and proposes his continued election as Director of the Company.</p> | | |

4 Yoshihiko Nikami

Reelection

| Date of birth | July 29, 1968 | Number of shares of the Company held | 1,100 |
|---|---|---|-------|
| Career summary, positions, responsibilities and significant concurrent positions | March 1992 | Joined Jusco Co., Ltd. (currently AEON CO., LTD.) | |
| | May 2008 | Manager of BS Operation Department of Jusco Co., Ltd. (currently AEON CO., LTD.) | |
| | August 2009 | Manager of BS Operation Department of Aeon Integrated Business Service Co., Ltd. | |
| | September 2011 | Leader of New Human Resource System Establishment Project of Group Human Resources Department of AEON CO., LTD. | |
| | April 2016 | General Manager of BS Operation Department of Aeon Integrated Business Service Co., Ltd. | |
| | March 2020 | Executive Officer of the Company (current position) | |
| | March 2020 | General Manager of Human Resources and General Affairs Headquarters (current position) | |
| | May 2020 | Director (current position) | |
| Reason for the election of candidate for Director | <p>Mr. Yoshihiko Nikami has served appropriately as the person responsible for business execution of human resources and general affairs, and has abundant experience and broad insight accumulated through his management career and can be expected to effectively strengthen the decision-making functions and the supervisory functions of the Board of Directors. The Company has judged that he is a person that will contribute to the Company's sustainable growth and improvement of corporate value over the medium to long term, and proposes his continued election as Director of the Company.</p> | | |

5 Satoshi Saito

New Candidate

| | | | |
|---|--|--|---|
| Date of birth | January 6, 1975 | Number of shares of the Company held | 0 |
| Career summary, positions, responsibilities and significant concurrent positions | April 1997 | Joined HAC Kimisawa Co., Ltd. (currently WELCIA YAKKYOKU CO., LTD.) | |
| | June 2013 | General Manager of Coordination Department of Merchandise Management Headquarters of the Company | |
| | March 2016 | General Manager of Marketing Office | |
| | September 2019 | Deputy General Manager of Business Management Headquarters | |
| | March 2022 | Executive Officer (current position) | |
| | March 2022 | General Manager of Business Management Headquarters (current position) | |
| Reason for the election of candidate for Director | Mr. Satoshi Saito has served appropriately as the person responsible for merchandise policy and business management, and has abundant experience and broad insight accumulated through his management career and can be expected to effectively strengthen the decision-making functions and the supervisory functions of the Board of Directors. The Company has judged that he is a person that will contribute to the Company's sustainable growth and improvement of corporate value over the medium to long term, and proposes his new election as Director of the Company. | | |

6 Kensuke Yabe

Reelection

Candidate for External Director

Candidate for Independent Director

| Date of birth | December 16, 1972 | Number of shares of the Company held | 100 |
|---|---|---|-----|
| Career summary, positions, responsibilities and significant concurrent positions | April 1997 | Joined Sanwa Research Institute Corp. (currently Mitsubishi UFJ Research and Consulting Co., Ltd.) | |
| | July 1999 | Consultant of Sanwa Research Institute Corp. (currently Mitsubishi UFJ Research and Consulting Co., Ltd.) | |
| | January 2002 | Senior Consultant of Roland Berger Ltd. | |
| | January 2003 | Project Manager of Roland Berger Ltd. | |
| | April 2008 | Associate Professor of Faculty of Accounting and Finance of Nagoya University of Commerce & Business | |
| | April 2010 | Professor of Faculty of Commerce of Nagoya University of Commerce & Business | |
| | April 2011 | Associate Professor of School of Management of Chukyo University | |
| | April 2016 | Professor of School of Management of Chukyo University | |
| | May 2018 | External Director of Maxvalu Chubu Co., Ltd. (currently the Company) | |
| | September 2019 | External Director of the Company (current position) | |
| | April 2020 | Professor of School of Global Studies of Chukyo University (current position) | |
| Reason for the election of candidate for External Director and outline of expected roles | <p>Mr. Kensuke Yabe has been engaged in management consulting, including establishing management strategies and supporting the formulation of medium-term management plans for corporations, and has been serving as a university professor thereafter. Since assuming office as an External Director of the Company in September 2019, he has appropriately carried out his role and responsibilities in undertaking highly effective supervision of the Company's management based on his abundant academic experience and broad insight. The Company thus proposes his continued election as External Director. Despite his lack of experience in the area of company management other than as External Officer of the Company, the Company has judged that he can be expected to fulfill his responsibilities as External Director due to the reasons stated above. His term of office as an External Director will be two years and nine months at the conclusion of this General Meeting of Shareholders.</p> | | |

7 Takeki Kajimoto

Reelection

Candidate for External Director

Candidate for Independent Director

| | | | |
|---|---|---|---|
| Date of birth | May 14, 1957 | Number of shares of the Company held | 0 |
| Career summary, positions, responsibilities and significant concurrent positions | <p>March 1981 Joined Kajimoto Machine Industry Co., Ltd. (currently K•E Corporation Co., Ltd)</p> <p>July 1989 Director of Kajimoto Machine Industry Co., Ltd. (currently K•E Corporation Co., Ltd)</p> <p>July 1993 Senior Managing Director of K•E Corporation Co., Ltd</p> <p>July 1995 Representative Director and President of K•E Corporation Co., Ltd</p> <p>April 2012 Representative Director and President of KE•OS Machinery Co., Ltd</p> <p>June 2017 Director of KE•OS Machinery Co., Ltd (current position)</p> <p>May 2021 External Director of the Company (current position)</p> <p>June 2021 Representative Director and Chairman of K•E Corporation Co., Ltd (current position)</p> | | |
| Reason for the election of candidate for External Director and outline of expected roles | <p>Mr. Takeki Kajimoto has been engaged in the management of K•E Corporation Co., Ltd as a member of its founding family over many years. Since assuming office as an External Director of the Company in May 2021, he has appropriately carried out his role and responsibilities in undertaking highly effective supervision of the Company's management based on his abundant experience and broad insight as a corporate manager. The Company thus proposes his continued election as External Director. His term of office as an External Director will be one year at the conclusion of this General Meeting of Shareholders.</p> | | |

8 Yumiko Ashiwa

Reelection

Candidate for External Director

Candidate for Independent Director

| | | | |
|---|---|---|---|
| Date of birth | April 1, 1959 | Number of shares of the Company held | 0 |
| Career summary, positions, responsibilities and significant concurrent positions | <p>September 1990 Registered as a tax accountant (Tokai Certified Public Tax Accountants' Association) and joined Ashiwa Accounting Office</p> <p>January 2013 Representative of Ashiwa Accounting Office (current position)</p> <p>June 2014 Auditor (part-time) of Shizuoka Prefecture Association of Shinkin Banks (current position)</p> <p>February 2015 Committee member of Shizuoka City Shizuoka hospital evaluation Committee (current position)</p> <p>March 2016 Outside Director of TriIs Incorporated</p> <p>January 2018 Representative Director and President of Bloom Corporation (current position)</p> <p>June 2020 Auditor (part-time) of THE SEISHIN SHINKIN BANK (current position)</p> <p>May 2021 External Director of the Company (current position)</p> <p>June 2021 Non-executive Director of Murakami Corporation (current position)</p> | | |
| Reason for the election of candidate for External Director and outline of expected roles | <p>Ms. Yumiko Ashiwa has been active as a tax accountant over many years. She founded Bloom Corporation with the purpose of developing human resources and has been engaged in the management of the said company as its representative. Since assuming office as an External Director of the Company in May 2021, she has appropriately carried out her role and responsibilities in undertaking highly effective supervision of the Company's management based on her abundant experience and broad insight. The Company thus proposes her continued election as External Director. Her term of office as an External Director will be one year at the conclusion of this General Meeting of Shareholders.</p> | | |

- (Notes) 1. There is no conflict of interest between the Company and any of the candidates for Director.
2. The "Career summary, positions, responsibilities and significant concurrent positions" of each candidate for Director includes positions and responsibilities that they still have or had in the previous ten years in relation to the execution of duties at AEON CO., LTD., the parent company of the Company, as well as its subsidiaries.

3. The Company has concluded a contract with Mr. Kensuke Yabe, Mr. Takeki Kajimoto and Ms. Yumiko Ashiwa to limit their liability for damages stipulated in Article 423, Paragraph (1) of the Companies Act. The limitation of liability for damages under the contract shall be the higher of either 5 million yen or the minimum liability amount prescribed by laws and regulations, and in the event that their reelection is approved, the Company plans to continue with said contract.
4. The Company has filed a required notification to the Tokyo Stock Exchange for appointing Mr. Kensuke Yabe, Mr. Takeki Kajimoto and Ms. Yumiko Ashiwa as its independent Directors. In the event that they are reelected, the Company plans to continue to file said notification for independent Directors.
5. The Company's parent company AEON CO., LTD. has entered into a directors and officers liability insurance policy with an insurance company with all Directors of the Group companies as insureds as provided for in Article 430-3, paragraph (1) of the Companies Act, and the Company pays its share of the insurance premiums as one of those companies. This policy is expected to continue and be renewed going forward. If each candidate for Director is elected and assumes office as Director, they will be insureds under this policy. This policy covers losses, such as damages and litigation expenses incurred by the insureds for liability for damages of Directors toward third parties or the Company, but does not cover them if caused by intent or gross negligence.

Proposal No. 3: Election of One Corporate Auditor

Corporate Auditor Ms. Keiko Fukui will resign at the conclusion of this meeting. Therefore, the Company proposes the new election of one Corporate Auditor.

In addition, the consent of the Board of Corporate Auditors has been obtained for this proposal.

The candidate for Corporate Auditor is as follows:

Michio Kumagai

New Candidate

Candidate for External Corporate Auditor

| Date of birth | March 4, 1966 | Number of shares of the Company held | 0 |
|--|---|---|---|
| Career summary, positions and significant concurrent positions | April 1999 | Joined Maxvalu Hokkaido Co., Ltd. (currently AEON Hokkaido Corporation) | |
| | October 2000 | Store Manager of Kyowa store of Maxvalu Hokkaido Co., Ltd. (currently AEON Hokkaido Corporation) | |
| | March 2004 | General Manager of Merchandise Department of Maxvalu Hokkaido Co., Ltd. (currently AEON Hokkaido Corporation) | |
| | June 2006 | Director and General Manager of Merchandise Department of Maxvalu Hokkaido Co., Ltd. (currently AEON Hokkaido Corporation) | |
| | September 2012 | Director and General Manager of Food Merchandise Planning Department of Merchandise Management Division of AEON BIG CO., LTD. | |
| | March 2014 | Representative Director and President of MAXVALU MINAMI TOHOKU CO., LTD. | |
| | October 2016 | Vice President of AEON BIG (M) SDN. BHD. | |
| | May 2018 | Director and President of AEON ORANGE COMPANY LIMITED | |
| | March 2021 | President of AEON EAST CHINA (SUZHOU) CO., LTD. | |
| March 2022 | Human Resources Department of AEON CO., LTD. (current position) | | |
| Reason for the election of candidate for External Corporate Auditor | Mr. Michio Kumagai has served in important positions in AEON Group companies. He has accumulated abundant experience and superior insight through his career, and the Company proposes his new election to enable audit of the execution of duties by Directors of the Company. | | |

- (Notes)
1. There is no conflict of interest between the Company and Mr. Michio Kumagai.
 2. The above “Career summary, positions and significant concurrent positions” of Mr. Michio Kumagai includes positions and responsibilities that he had in the previous ten years or still has in relation to the execution of duties at AEON CO., LTD., the parent company of the Company, as well as its subsidiaries.
 3. Mr. Michio Kumagai is expected to retire from AEON CO., LTD. by the meeting date of the Company’s Ordinary General Meeting of Shareholders.
 4. Mr. Michio Kumagai is expected to assume office as Full-time Corporate Auditor of KOHYO Co., Ltd. on May 14, 2022.
 5. The Company’s parent company AEON CO., LTD. has entered into a directors and officers liability insurance policy with an insurance company with all Corporate Auditors of the Group companies as insureds as provided for in Article 430-3, paragraph (1) of the Companies Act, and the Company pays its share of the insurance premiums as one of those companies. This policy is expected to continue and be renewed going forward. If Mr. Michio Kumagai is elected and assumes office as Corporate Auditor, he will be an insured under this policy. This policy covers losses, such as damages and litigation expenses incurred by the insureds for liability for damages of Corporate Auditors toward third parties or the Company, but does not cover them if caused by intent or gross negligence.

<Board of Directors' Policies for Nominating Candidates for Director and Corporate Auditor>

- (1) Candidates for Director are proposed by the President, Representative Director in accordance with the following requirements and determined at the Board of Directors' meeting.
 - 1) Individuals who are familiar with the corporate philosophy and management policies of the Company.
 - 2) Individuals with knowledge and experience required to deliberate proposals at the Board of Directors meetings, or with expertise required to exercise management supervision functions.
 - 3) Individuals with a keen managerial sense and leadership.
 - 4) Individuals with appropriate personalities and insights as Director and in good health both physically and mentally.
- (2) Candidates for Corporate Auditor are proposed by the President, Representative Director in accordance with the following requirements and determined at the Board of Directors' meeting after deliberating and obtaining consent of the Board of Corporate Auditors.
 - 1) Individuals who possess a wealth of knowledge and experience in various fields and with considerable knowledge of accounting shall be nominated as at least one of the Corporate Auditors.
 - 2) Individuals who are capable of executing audits from a neutral and objective perspective to secure the soundness and transparency for management.
 - 3) Individuals who are capable of securing effectiveness of compliance and corporate governance.

<Standards for Independence of External Officers>

Maxvalu Tokai Co., Ltd. (hereinafter, the "Company") believes that it is desirable that its External Officers (External Directors and External Corporate Auditors) are sufficiently independent in order to secure objectivity and transparency required to maintain appropriate governance of the Company.

The Company hereby stipulates the standard of independence of its External Officers (including candidates). If its External Officers (including candidates) come under any of the following items, the Company deems that the sufficient independence from the Company is not secured.

- (1) An executive of the Company or a subsidiary and associates of the Company (Note 1).
- (2) A shareholder or an executive thereof with 10% or more of the voting rights of the Company.
- (3) An executive of a company, etc., that comes under any of the following:
 - 1) A major business partner of the Company (Note 2).
 - 2) A major lender of the Company (Note 3).
 - 3) A shareholder with 10% or more of the shares as based on the voting rights of the Company.
- (4) A certified public accountant who belongs to an audit cooperation that serves as Independent Auditor of the Company.
- (5) A business consultant, certified public accountant, licensed tax accountant, lawyer, judicial clerk, patent attorney or any other specialist who has received a large sum of money (Note 4) or other properties from the Company, or in the case of a corporate entity, association or any other types of entity, a person who belongs to the entity in question.
- (6) A payee of a large (Note 4) donation from the Company.
- (7) A person who is coming from a company which has a relationship of interlocking executives (Note 5) with the Company.
- (8) A person who has a close relative (Note 6) who falls under any of items (1) through (7) above (limited to significant executives who execute duties (Note 7), excluding (4) and (5)).
- (9) A person who has recently come under any of the foregoing items from (2) through (8).
- (10) Notwithstanding the foregoing items, any person who is deemed to have conflict of interest with the Company for special reasons.

Notes:

1. An executing person means a person who currently belongs to and serves as Executive Director, Officer, Executive Officer and any other similar positions thereto, as well as an employee (collectively, "an executive" under this standard) or executing person who has belonged to the Group in the past ten years.
2. A major business partner means a supplier of products, etc., that constitute a considerable portion of the sales, etc. of the Company, or a business partner whose sales to the Company constitute a substantial portion of the sales of that certain company.
3. A major lender means an institution from which the Company borrows money, with a loan balance that constitutes a considerable portion of the total assets at the fiscal year-end of the Company.
4. A large sum of money means money with an aggregate amount of 10 million yen or more for the immediately preceding fiscal year.

5. A relationship of interlocking executives refers to a case where the Company's executive is serving concurrently as an external officer of another company, and such an executive of another company is serving as an External Officer of the Company.
6. A relative means a spouse or relative within the second degree of kinship.
7. A significant executive means Director, Officer, Executive Officer, and an executive occupying a position higher than general manager, or an executive with similar authority thereto.

<Views on Balance, Diversity and Scale of the Board of Directors as a Whole>

In order to ensure effectiveness of independent and objective supervision of the management by the Board of Directors, one-third of Directors shall be independent External Directors, and in order to appropriately carry out oversight and supervision of the execution of duties of the Board of Directors and Directors, the Company shall be a company with a Board of Corporate Auditors in which at least half of the members are External Corporate Auditors.

Internal Directors shall consist of personnel who not only possess "achievements, decisiveness, the ability to execute and a sense of balance," which are important elements for management, but also abundant knowledge and experience regarding sales, merchandise, finance, human resources, store development, governance, etc.

Furthermore, External Directors comprise personnel who possess the necessary elements for the Company to continue sound management, such as people with abundant management experience, professionals in the fields of accounting, finance, legal affairs, etc., and people with academic experience, on the premise of combining diverse knowledge and perspectives while maintaining independence.

Going forward, the Board of Directors, which consists of personnel with these necessary achievements, experience and skills, will continue to conduct robust deliberations and make swift decisions, and work to realize the Company's management strategy.