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(Securities Code: 8194)

May 10, 2022

To our shareholders:

Takaharu Iwasaki
Representative Director and President
LIFE CORPORATION
3-6-2 Nihonbashi-Honcho, Chuo-ku, Tokyo

Notice of the 67th Annual General Meeting of Shareholders

We are pleased to announce the 67th Annual General Meeting of Shareholders of LIFE CORPORATION (the “Company”) to be held as indicated below.

If you will not be attending the meeting in person, you may exercise your voting rights in writing (postal mail) or via the internet. Please review the attached Reference Documents for the General Meeting of Shareholders, follow the “Guide to Exercising Voting Rights” (in Japanese only), and exercise your voting rights by 6:00 p.m. on Wednesday, May 25, 2022 (JST).

1. Date and Time: Thursday, May 26, 2022, at 10:00 a.m. (JST)

**2. Venue: Large conference room, 1st floor of the Osaka Headquarters of the Company
2-2-22, Nishimiyahara, Yodogawa-ku, Osaka**

3. Purpose of the Meeting

Matters to be reported:

1. The Business Report and the Consolidated Financial Statements for the 67th fiscal year (from March 1, 2021 to February 28, 2022), and the audit results of the Consolidated Financial Statements by the Accounting Auditor and the Board of Corporate Auditors
2. The Non-consolidated Financial Statements for the 67th fiscal year (from March 1, 2021 to February 28, 2022)

Matters to be resolved:

- Proposal No. 1** Appropriation of Surplus
Proposal No. 2 Amendment to the Articles of Incorporation
Proposal No. 3 Election of Nine (9) Directors

- When you attend the meeting, please present the enclosed voting form at the reception.
- Among the documents to be provided with this notice, “Matters Related to Establishing System for Ensuring the Propriety of Business Activities” in the Business Report, “Notes to the Consolidated Financial Statements” in the Consolidated Financial Statements and “Notes to the Non-consolidated Financial Statements” in the Non-consolidated Financial Statements are posted on the Company’s website (<http://www.lifecorp.jp/>) pursuant to laws and regulations, as well as Article 15 of the Company’s Articles of Incorporation, and are not included in the documents attached to this notice. Accordingly, the attached documents to this notice constitute a part of the documents that were audited by the Corporate Auditors and the Accounting Auditors in preparing the audit results.
- Any corrections to the Reference Documents for the General Meeting of Shareholders, the Business Report, the Non-consolidated Financial Statements or Consolidated Financial Statements will be posted on the Company’s website (<http://www.lifecorp.jp/>).

[Important Notices]

COVID-19 Measures for the General Meeting of Shareholders

- For those attending the General Meeting of Shareholders in person, please confirm the status of COVID-19 infection trends and your own health on the day of the meeting, wear a mask, and take efforts to prevent infection.
- Please fully utilize the option of exercising voting rights at this General Meeting of Shareholders in writing (postal mail) or via the internet.
- We may take measures to prevent the spread of infectious diseases at the venue for the General Meeting of Shareholders. Please cooperate with such measures.

We ask for the understanding and cooperation of all shareholders under the given circumstances.

Reference Documents for the General Meeting of Shareholders

Proposal No. 1 Appropriation of Surplus

The Company regards the return of profit to its shareholders as one of the management policies of utmost importance and maintains a basic policy to continuously carry out stable payment of dividends. The Company has given comprehensive consideration to matters including the above basic policy, strengthening of our management structure and future business development. The Company also wishes to commemorate the 60th anniversary of opening its first supermarket and express gratitude for the daily support of all shareholders. Therefore, the Company proposes the payment of the year-end dividend and other appropriation of surplus for the 67th fiscal year as set forth below.

1. Year-end dividends

(1) Type of dividend property

To be paid in cash.

(2) Allotment of dividend property and their aggregate amount

In addition to ¥30 per common share in regular dividends, the Company proposes to add ¥10 per share as a commemorative dividend for a total of ¥40 per share. In this event, the total dividends will be ¥1,878,303,920.

Accordingly, including the interim dividend (¥30 per share), the annual dividend will be ¥70 per share.

(3) Effective date of dividends of surplus

The effective date of dividends will be May 27, 2022.

(Reference) Trends in dividends per share and dividend payout ratio

	63rd Fiscal Year ended February 2018	64th Fiscal Year ended February 2019	65th Fiscal Year ended February 2020	66th Fiscal Year ended February 2021	67th Fiscal Year ended February 2022
Interim dividend (¥)	15.00	15.00	20.00	25.00	30.00
Year-end dividend (¥)	15.00	15.00	20.00	25.00	40.00 (Includes commemorative dividend of ¥10)
Consolidated dividend payout ratio (%)	21.4	19.0	23.9	13.1	21.6

2. Other appropriation of surplus

(1) Item of surplus to be increased and amount of increase

General reserve: ¥10,700,000,000

(2) Item of surplus to be decreased and amount of decrease

Retained earnings brought forward: ¥10,700,000,000

Proposal No. 2 Amendment to the Articles of Incorporation

1. Reasons for the amendment

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. Amendments

Details of amendments are as follows.

(Changed portion is underlined)

Current Articles of Incorporation	Proposed Amendments
<p>Articles 1. through 14. (Text omitted)</p> <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>(Newly established)</p> <p>Articles 16. through 37. (Text omitted)</p>	<p>Articles 1. through 14. (Unchanged)</p> <p>(Deleted)</p> <p><u>Article 15. (Measures, etc. for Providing Information in Electronic Format)</u></p> <p><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></p> <p><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> <p>Articles 16. through 37. (Unchanged)</p>

Current Articles of Incorporation	Proposed Amendments
(Newly established)	<p data-bbox="986 219 1262 248" style="text-align: center;">(Supplementary provisions)</p> <p data-bbox="804 271 1441 331"><u>(Transitional Measures for Providing Informational Materials for the General Meeting of Shareholders in Electronic Format)</u></p> <ol style="list-style-type: none"> <li data-bbox="804 349 1441 568">1. <u>The amendment to the Articles of Incorporation pertaining to Article 15 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> <li data-bbox="804 573 1441 757">2. <u>Notwithstanding the provisions of the preceding paragraph, Article 15 of the Articles of Incorporation (Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, Etc.) shall remain effective regarding any general meeting of shareholders held on a date within six months from the Date of Enforcement.</u> <li data-bbox="804 761 1441 913">3. <u>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>

Proposal No. 3 Election of Nine (9) Directors

At the conclusion of this meeting, the terms of office of all ten (10) Directors will expire. Therefore, the Company proposes to elect nine (9) Directors.

The details of this proposal were deliberated at the “Nomination & Remuneration Advisory Committee,” which is a consultative body to the Board of Directors with an independent outside Director as the chair. The results of the deliberation were reported to the Board of Directors, where the proposal was approved.

The candidates for Directors are as follows:

Candidate No.	Name	Gender	Current position in the Company	Attendance at Board of Directors meetings in FY2021
1	<u>Re-election</u> Takaharu Iwasaki	Male	Representative Director and President	16/16 (100%)
2	<u>Re-election</u> Toshiaki Namiki	Male	Director & Senior Managing Executive Officer	16/16 (100%)
3	<u>Re-election</u> Tomehisa Morishita	Male	Director & Senior Managing Executive Officer	16/16 (100%)
4	<u>Re-election</u> Takashi Sumino	Male	Director & Managing Executive Officer	16/16 (100%)
5	<u>Re-election</u> Nobuyuki Kawai	Male	Director & Managing Executive Officer	16/16 (100%)
6	<u>Re-election</u> <u>Independent Outside</u> Koichi Narita	Male	Director	16/16 (100%)
7	<u>Re-election</u> <u>Independent Outside</u> Haruhiko Yahagi	Male	Director	13/13 (100%)
8	<u>Re-election</u> <u>Independent Outside</u> Hiroko Kono	Female	Director	13/13 (100%)
9	<u>New election</u> <u>Independent Outside</u> Takashi Katayama	Male	–	–

Note: For Haruhiko Yahagi and Hiroko Kono, attendance at Board of Directors meetings indicates their attendance after they assumed office as Directors.

Reference: Major experience fields of Director candidates (skill matrix)

The major experience fields for candidates for Directors are as follows:

Name	Expertise and experience										
	Overall management	Sustainability and ESG	HR and labor	Finance and accounting	Legal and Compliance	IT	Digital marketing	International experience	Sales	Logistics	Store development
Takaharu Iwasaki	●	●						●	●		●
Toshiaki Namiki		●							●		●
Tomehisa Morishita		●	●	●	●	●			●		
Takashi Sumino									●	●	
Nobuyuki Kawai		●	●	●	●			●			
Koichi Narita	●	●	●		●	●		●	●	●	
Haruhiko Yahagi		●				●	●	●			
Hiroko Kono			●	●				●			
Takashi Katayama	●					●		●			

Note: The above table does not represent all of the expertise and experience possessed by each candidate.

Candidate No.	Name (Date of birth)	Career summary, positions and responsibilities in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
1	<p>Takaharu Iwasaki (March 27, 1966)</p> <p>Re-election</p> <p>Period as Director: 23 years (as of conclusion of this General Meeting of Shareholders)</p>	<p>Apr. 1989 Joined Mitsubishi Corporation</p> <p>Feb. 1994 Princes Limited</p> <p>May 1999 Director, Assistant to Division COO of Sales General Division of the Company</p> <p>Oct. 2001 Senior Managing Director, Division COO of Tokyo Region Business Division</p> <p>Mar. 2006 Representative Director, President & Chief Operating Officer, and Group CEO of Business Group Headquarters</p> <p>June 2014 Representative Director, President & Chief Operating Officer, Group CEO of Business Group Headquarters, and Group CEO of Development Group Headquarters</p> <p>Jan. 2017 Representative Director, President & Chief Operating Officer, and Group CEO of Business Group Headquarters</p> <p>Jan. 2018 Representative Director, President & Chief Operating Officer, and Group CEO of Business Group Headquarters</p> <p>May 2019 Representative Director and President, and Group CEO of Business Group Headquarters (current position)</p> <p>(Significant concurrent positions outside the Company) Representative Director and Vice President of Nihon Ryutsu Sangyo Co., Ltd. Representative Director and Chairman of LIFE FINANCIAL SERVICE</p> <p>(Reason for nomination as Director) Takaharu Iwasaki, in addition to gaining experience at a general trading company, has amassed knowledge in the distribution industry and the Company's overall management through serving as President of the Company for 16 years since 2006. Therefore, the Company has nominated him as a candidate for Director.</p>	<p>21,507 shares (of which, the number of shares to be granted under the performance-linked share remuneration plan: 8,145 shares)</p>

Candidate No.	Name (Date of birth)	Career summary, positions and responsibilities in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
2	<p data-bbox="357 958 520 1021">Toshiaki Namiki (May 15, 1954)</p> <p data-bbox="379 1055 497 1081">Re-election</p> <p data-bbox="296 1122 580 1240">Period as Director: 21 years (as of conclusion of this General Meeting of Shareholders)</p>	<p data-bbox="612 264 719 286">Aug. 1983</p> <p data-bbox="612 297 719 320">Apr. 1994</p> <p data-bbox="612 365 719 387">Dec. 1999</p> <p data-bbox="612 495 719 517">May 2001</p> <p data-bbox="612 651 719 674">Mar. 2007</p> <p data-bbox="612 786 719 808">Feb. 2008</p> <p data-bbox="612 875 719 898">Jan. 2011</p> <p data-bbox="612 1133 719 1155">Mar. 2012</p> <p data-bbox="612 1335 719 1357">Apr. 2014</p> <p data-bbox="612 1525 719 1547">Jan. 2017</p> <p data-bbox="612 1659 719 1682">May 2019</p> <p data-bbox="612 1783 719 1805">Sept. 2020</p> <p data-bbox="772 264 1238 1906"> Joined the Company General Manager of Public Relations and Secretary Section in Tokyo General Manager of Public Relations and Secretary Section in the Tokyo Region, and General Manager of Environmental Measure Office Director, General Manager of President's Office, General Manager of Public Relations and Secretary Section in the Tokyo Region, and General Manager of Environmental Measure Office Managing Director, General Manager of President's Office, and General Manager of Public Relations and Secretary Section in the Osaka Region Managing Director, Division COO of Human Resources Division, and General Manager of Secretary Section Managing Director, Division COO of Sales Planning and Marketing Division, General Manager of Sales Planning and Marketing Department in the Tokyo Region, General Manager of Secretary Section, General Manager of Public Relations Department, and General Manager of CSR and Environmental Affairs Department Senior Managing Director, Group CEO of Administration and Management Headquarters, Division COO of General Affairs Division, General Manager of Secretary Section, and General Manager of Public Relations Department Senior Managing Director, Group CEO of Administration and Management Headquarters, General Manager of Secretary Section, General Manager of Public Relations Department, and General Manager of CSR and Environmental Affairs Department Senior Managing Director, Group CEO of Development Group Headquarters, General Manager of Secretary Section, and in charge of Industry Group Relations Director & Senior Managing Executive Officer, Group CEO of Development Group Headquarters, and General Manager of Secretary Section Director & Senior Managing Executive Officer, Assistant to the President, and Group CEO of Development Group Headquarters (current position) </p>	<p data-bbox="1305 992 1437 1014">12,016 shares</p> <p data-bbox="1254 1025 1437 1211">(of which, the number of shares to be granted under the performance-linked share remuneration plan: 3,620 shares)</p>

Candidate No.	Name (Date of birth)	Career summary, positions and responsibilities in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
		<p>(Reason for nomination as Director)</p> <p>Toshiaki Namiki has successively served as head of corporate planning and administration division of the Company. He has a wide range of operation knowledge as well as insight on the Company's overall management, administration and business operation. Therefore, the Company has nominated him as a candidate for Director.</p>	

Candidate No.	Name (Date of birth)	Career summary, positions and responsibilities in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
3	<p style="text-align: center;">Tomehisa Morishita (December 9, 1959)</p> <p style="text-align: center;">Re-election</p> <p style="text-align: center;">Period as Director: 8 years (as of conclusion of this General Meeting of Shareholders)</p>	<p>Apr. 1982 Joined the Company</p> <p>Sept. 2001 General Manager of Osaka Region Apparel Department</p> <p>Feb. 2007 General Manager of Information System Department</p> <p>Mar. 2009 Executive Officer, Division COO of Corporate Strategy and Planning Division, and General Manager of Corporate Strategy and Planning Department</p> <p>Nov. 2009 Executive Officer, Division COO of Osaka Region Apparel and Lifestyle Products Division, General Manager of Osaka Region Apparel Department, and General Manager of Osaka Region Lifestyle Products Department</p> <p>Feb. 2014 Executive Officer, Deputy Division COO of Osaka Region Sales Division, and Division COO of Osaka Region Apparel and Lifestyle Products Division</p> <p>May 2014 Director, Deputy Division COO of Osaka Region Sales Division, and Division COO of Osaka Region Apparel and Lifestyle Products Division</p> <p>June 2015 Director, Division COO of Corporate Strategy and Planning Division, and Division COO of New Business Development Division</p> <p>June 2016 Managing Director, Division COO of Corporate Strategy and Planning Division, and in charge of New Businesses</p> <p>Jan. 2017 Managing Director, Group CEO of Administration and Management Headquarters</p> <p>Jan. 2018 Managing Director, Group CEO of Corporate Functions Group Headquarters</p> <p>May 2019 Director & Managing Executive Officer, Group CEO of Corporate Functions Group Headquarters</p> <p>Feb. 2020 Director & Managing Executive Officer, Group CEO of Corporate Functions Group Headquarters, and Division COO of Information Strategy Division</p> <p>Apr. 2020 Director & Senior Managing Executive Officer, Group CEO of Corporate Functions Group Headquarters, and Division COO of Information Strategy Division (current position)</p> <p>(Reason for nomination as Director) Tomehisa Morishita has successively served as head in various divisions including sales, systems and corporate strategy and planning in the Company and has amassed insight on the Company's overall management, administration and business operation. Therefore, the Company has nominated him as a candidate for Director.</p>	<p style="text-align: center;">5,141 shares (of which, the number of shares to be granted under the performance-linked share remuneration plan: 3,365 shares)</p>

Candidate No.	Name (Date of birth)	Career summary, positions and responsibilities in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
4	<p style="text-align: center;">Takashi Sumino (January 25, 1956)</p> <p style="text-align: center;">Re-election</p> <p style="text-align: center;">Period as Director: 10 years (as of conclusion of this General Meeting of Shareholders)</p>	<p>Mar. 1980 Joined the Company</p> <p>Jan. 2001 General Manager of Osaka Region Sales Promotion Department</p> <p>Mar. 2004 General Manager of Osaka Region Logistics Department</p> <p>Mar. 2006 General Manager of Osaka Region Operational Reforms Promotion Office</p> <p>Mar. 2008 Executive Officer, General Manager of Osaka Region Operational Reforms Promotion Office</p> <p>Mar. 2009 Executive Officer, General Manager of Logistics Planning of Sales Management Division</p> <p>Feb. 2010 Executive Officer, Division COO of Osaka Region Store Support Division</p> <p>May 2012 Director, Division COO of Osaka Region Chain Store Division, and Division COO of Osaka Region Store Support Division</p> <p>June 2015 Managing Director, Division COO of Osaka Region Sales Division</p> <p>Jan. 2017 Managing Director, Division COO of Corporate Strategy and Planning Division, and in charge of New Businesses</p> <p>Jan. 2018 Managing Director, Group CEO of Infrastructure Group Headquarters, and Division COO of Information Strategy Division</p> <p>May 2019 Director & Managing Executive Officer, Group CEO of Infrastructure Group Headquarters, and Division COO of Information Strategy Division</p> <p>Feb. 2021 Director & Managing Executive Officer, Group CEO of Infrastructure Group Headquarters, and Division COO of E-Commerce Operation Division</p> <p>Jan. 2022 Director & Managing Executive Officer, Group CEO of Infrastructure Group Headquarters (current position)</p> <p>(Reason for nomination as Director) Takashi Sumino has successively served as head of sales division of the Company. He has abundant operation knowledge, mainly in the sales division, as well as insight on distribution industry and the Company's overall management. Therefore, the Company has nominated him as a candidate for Director.</p>	<p style="text-align: center;">7,815 shares</p> <p>(of which, the number of shares to be granted under the performance-linked share remuneration plan: 2,561 shares)</p>

Candidate No.	Name (Date of birth)	Career summary, positions and responsibilities in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
5	<p>Nobuyuki Kawai (April 18, 1963)</p> <p>Re-election</p> <p>Period as Director: 3 years (as of conclusion of this General Meeting of Shareholders)</p>	<p>Apr. 1987 Joined Mitsubishi Corporation</p> <p>Dec. 2005 Senior Manager, Accounting & Finance Team Accounting Department, Kansai Branch</p> <p>May 2010 Head, Planning and Development, Structured Finance, M&A Advisory Dept.</p> <p>May 2012 Deputy General Manager, Corporate Auditors' Office</p> <p>Apr. 2014 Executive Vice President and CFO, Mitsubishi Company (Thailand) Ltd. Executive Vice President and CFO, Thai-MC Company Limited</p> <p>May 2016 Chief Administrative Officer, Tata Consultancy Services Japan, Ltd.</p> <p>July 2018 General Manager of Department in charge of Special Missions, Business Group Headquarters of the Company</p> <p>Oct. 2018 Assistant to Group CEO of Corporate Functions Group Headquarters</p> <p>Jan. 2019 Executive Officer, Deputy Division COO of Corporate Finance and Accounting Division, and responsible for Corporate Strategy and Planning Department</p> <p>May 2019 Director & Senior Executive Officer, Division COO of Corporate Finance and Accounting Division</p> <p>Mar. 2021 Director & Managing Executive Officer, Assistant to Group CEO of Corporate Functions Group Headquarters, and Division COO of Corporate Finance and Accounting Division</p> <p>Jan. 2022 Director & Managing Executive Officer, Deputy Group CEO of Corporate Functions Group Headquarters, and Division COO of Corporate Finance and Accounting Division (current position)</p> <p>(Reason for nomination as Director) Nobuyuki Kawai has amassed significant knowledge in finance and accounting through his long-standing experience at the finance and accounting divisions in a general trading company and has also abundant knowledge in compliance. Therefore, the Company has nominated him as a candidate for Director.</p>	<p>2,173 shares</p> <p>(of which, the number of shares to be granted under the performance-linked share remuneration plan: 1,973 shares)</p>

Candidate No.	Name (Date of birth)	Career summary, positions and responsibilities in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
6	<p data-bbox="363 725 512 786">Koichi Narita (June 30, 1954)</p> <p data-bbox="379 819 496 909">Re-election Independent Outside</p> <p data-bbox="284 949 592 1070">Period as outside Director: 4 years (as of conclusion of this General Meeting of Shareholders)</p>	<p data-bbox="612 264 1238 1048"> Apr. 1977 Joined Mitsubishi Corporation Aug. 1992 Counselor, Deputy Division COO of Sales General Division of the Company May 1993 Director June 1993 Director, Deputy Division COO of Sales General Division, and Division COO of Store Business Division May 1995 Retired from Director May 1995 Mitsubishi Corporation (returned) Sept. 2003 General Manager of Living Essentials Group CEO Office Apr. 2006 Division COO of Foods (Products) Div. Apr. 2008 Executive Officer, Division COO of Foods (Products) Div. Apr. 2009 Executive Officer, General Manager of Living Essentials Group CEO Office Apr. 2010 Representative Director and President of SIGMAXYZ Inc. (seconded) Apr. 2013 Representative Director, President and Executive Officer of IT Frontier Corporation July 2014 Representative Director, Senior Vice President of Tata Consultancy Services Japan, Ltd. May 2018 Outside Director of the Company (current position) </p> <p data-bbox="612 1093 1238 1529"> (Reasons for nomination as outside Director and outline of expected role) The Company has nominated Koichi Narita as a candidate for outside Director because he left a record of remarkable accomplishments as a corporate manager of Tata Consultancy Services Japan, Ltd. and other companies, possesses a high level of knowledge of business operation in IT solutions, and has contributed to the enhancement of corporate value as an outside Director of the Company by appropriately giving advice for the Company's management and supervising business execution. The Company expects that he will continue to fulfill his role described above. Mr. Narita's period as outside Director of the Company will have been four years at the conclusion of this meeting. </p>	0 shares

Candidate No.	Name (Date of birth)	Career summary, positions and responsibilities in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
7	<p data-bbox="331 656 544 712">Haruhiko Yahagi (December 21, 1962)</p> <p data-bbox="376 752 499 837">Re-election Independent Outside</p> <p data-bbox="288 880 587 999">Period as outside Director: 1 year (as of conclusion of this General Meeting of Shareholders)</p>	<p data-bbox="612 264 1235 349">Apr. 1989 General Manager of Innovation and Integration Division of Pricewaterhouse Consultant Co., Ltd.</p> <p data-bbox="612 360 1155 416">Jan. 1998 Manager of Global Service Division of Electronic Data Systems Corp.</p> <p data-bbox="612 427 1227 512">Dec. 1998 General Manager of Consumer Business Division of Deloitte Tohmatsu Consulting Co., Ltd.</p> <p data-bbox="612 524 1171 580">Sept. 2001 Division COO of Consulting Division of ASUKATECHNOLOGY Corporation</p> <p data-bbox="612 591 1227 647">Mar. 2003 Director, Head of Business Process Innovation (BPI) Team of Capgemini Japan K.K.</p> <p data-bbox="612 658 1230 743">Sept. 2009 Leader of Japan and Asian Consumer Business Industry Headquarters of Deloitte Tohmatsu Consulting LLC</p> <p data-bbox="612 754 1206 810">Mar. 2015 Partner, in charge of Consumer Products and Retail Industry of PwC Consulting LLC</p> <p data-bbox="612 822 1134 855">July 2020 Managing Director (current position)</p> <p data-bbox="612 866 1182 900">May 2021 Outside Director of the Company (current position)</p> <p data-bbox="612 954 1243 1010">(Reasons for nomination as outside Director and outline of expected role)</p> <p data-bbox="612 1021 1243 1391">Haruhiko Yahagi has never been directly involved in the management of a company. However, the Company has nominated him as a candidate for outside Director because he has amassed knowledge in retail and digital marketing through serving as a consultant, and his performance and insight that can be found in his writings are highly regarded and the Company expects that he will continue to fulfill his role as outside Director of the Company as he can contribute to the enhancement of corporate value by appropriately giving advice for the Company's management and supervising business execution. Mr. Yahagi's period as outside Director of the Company will have been one year at the conclusion of this meeting.</p>	0 shares

Candidate No.	Name (Date of birth)	Career summary, positions and responsibilities in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
8	<p>Hiroko Kono (May 8, 1965)</p> <p>Re-election Independent Outside</p> <p>Period as outside Director: 1 year (as of conclusion of this General Meeting of Shareholders)</p>	<p>Apr. 1989 Joined Mitsubishi Corporation</p> <p>July 1992 Joined Tokyo Office, Capital International Research, Inc.</p> <p>Jan. 2001 Los Angeles Headquarters, The Capital Group Companies, Inc.</p> <p>Feb. 2003 Washington, D.C. Office, Capital International Research, Inc.</p> <p>July 2008 Tokyo Office, Capital International, Inc.</p> <p>July 2011 Council and Director of International School of Asia, Karuizawa Establishment Preparation Foundation</p> <p>Nov. 2013 Director and Head of Operations of International School of Asia, Karuizawa</p> <p>Mar. 2016 Head of Operations of UWC ISAK Japan</p> <p>Nov. 2018 Executive Coach of COACH A Co., Ltd.</p> <p>May 2021 Outside Director of the Company (current position)</p> <p>Mar. 2022 Officer, Executive Coach of COACH A Co., Ltd. (current position)</p> <p>(Reasons for nomination as outside Director and outline of expected role) Hiroko Kono has never been directly involved in the management of a company. However, the Company has nominated her as a candidate for outside Director because her work experience at investment companies and performance and insight concerning school operation and human resource development nurtured in a human resource development company are highly regarded and the Company expects that she will continue to fulfill her role as outside Director of the Company as she can contribute to the enhancement of corporate value by appropriately giving advice for the Company's management and supervising business execution. Ms. Kono's period as outside Director of the Company will have been one year at the conclusion of this meeting.</p>	0 shares

Candidate No.	Name (Date of birth)	Career summary, positions and responsibilities in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
9	Takashi Katayama (October 27, 1953) New election Independent Outside Period as outside Director: 0 years (as of conclusion of this General Meeting of Shareholders)	<p>Apr. 1976 Assistant at College of Science and Technology, Nihon University</p> <p>Apr. 1977 Joined Teraoka Seiko Co., Ltd.</p> <p>Apr. 1989 Director of Digi Europe Ltd. (UK)</p> <p>Apr. 1994 Managing Director</p> <p>Mar. 1996 Managing Director of Teraoka Weigh-System Ltd. (Singapore)</p> <p>Mar. 2001 Director and General Manager of Global Business Development Department of Teraoka Seiko Co., Ltd.</p> <p>Jan. 2004 Director and General Manager of Food Industry System Department</p> <p>Mar. 2013 Senior Director</p> <p>Jan. 2015 President</p> <p>Mar. 2018 Advisor</p> <p>Mar. 2019 Representative of RTK-Design (current position)</p> <p>(Reasons for nomination as outside Director and outline of expected role) The Company has nominated Takashi Katayama as a candidate for outside Director because he left a record of remarkable accomplishments as a corporate manager of Teraoka Seiko Co., Ltd. and other companies and possesses a high level of knowledge related to logistics environment systems and overseas logistics. Therefore, the Company expects that he will fulfill his role as outside Director of the Company such as by appropriately giving advice for the Company's management and supervising business execution.</p>	200 shares

- Notes:
1. Takaharu Iwasaki, a candidate for Director, is concurrently serving as Representative Director of Nihon Ryutsu Sangyo Co., Ltd. The Company and Nihon Ryutsu Sangyo Co., Ltd. have a business relationship, which includes the purchase of products.
 2. Koichi Narita, a candidate for outside Director, previously served as a person who executed business in the Company during the period from August 1992 to May 1995. For part of that period, from May 1993 to May 1995, Mr. Narita served as Director of the Company.
For ten years, Mr. Narita served as a person who executed business in the Mitsubishi Corporation, a specified related business operator of the Company. His other positions and responsibilities are listed in "Career summary, positions and responsibilities in the Company, and significant concurrent positions outside the Company" above. He resigned from Mitsubishi Corporation in April 2013.
 3. There is no special interest between any other candidates for Director and the Company.
 4. Koichi Narita, Haruhiko Yahagi, Hiroko Kono, and Takashi Katayama are candidates for outside Director.
 5. The Company has submitted notification to Tokyo Stock Exchange that Koichi Narita, Haruhiko Yahagi, and Hiroko Kono, candidates for outside Director, have been appointed as an independent officer.
Since Takashi Katayama also meets the requirements for independent officer pursuant to the rules of the Tokyo Stock Exchange, the Company plans to notify him as an independent officer if he is elected.
 6. The Company states in the Articles of Incorporation that the Company may enter into an agreement with outside Directors to limit their liability for damages to the Company in order for outside Directors to fully perform the roles expected of them as outside Directors. The Company has entered into the aforementioned limited liability agreement with Koichi Narita, Haruhiko Yahagi, and Hiroko Kono. If they are elected, the Company plans to renew this agreement with them. If Takashi Katayama is elected, the Company plans to newly enter into the same limited agreement with him.
The outline of the agreement is as follows:
 - Outside Directors shall be liable to the Company for damages caused by neglect of his/her duties up to the minimum liability amount provided for under Article 425, paragraph (1) of the Companies Act.
 - The limitation of the liability above shall apply only when outside Director in question acted in good faith and without gross negligence in performing the duties giving rise to said liabilities.
 7. The Company has entered into a directors and officers liability insurance policy, as defined in Article 430-3, paragraph (1) of the Companies Act, with an insurance company to provide coverage under said insurance policy for damages that may arise from the assumption of liability incurred in the course of the execution of duties by the insured, including

Directors of the Company, or claims pertaining to the pursuit of such liability. If candidates are elected and assume the office as Directors, they will be added to the insured of said insurance policy. The Company plans to renew this insurance policy with the same contents at the next renewal.

Reference: Nomination Policy

After consultation at the Board of Directors and deliberation and reports by the Nomination & Remuneration Advisory Committee, the Company nominates officer candidates who fulfill the following requirements. The evaluation of effectiveness of the Board of Directors confirms whether or not current Directors fulfill the following requirements and whether they will be nominated again.

Also, the Company maintains a policy for selecting candidates from both inside and outside the Company who are suitable as officers.

[Requirements of all officers]

1. Deeply share the corporate philosophy, “through reliable management with noble aspirations, contribute towards the realization of a sustainable and flourishing society.”
2. Possess an excellent personality, strong virtue, a sense of fairness, a rich knowledge and wealth of experience.
3. Understand social responsibility and missions, possess the ability to perform fair and accurate business operations and management based on the corporate philosophy and code of conduct of the Company.
4. Possess adaptability to boldly address changes in the external environment, as well as objective decision making ability, insight, and foresight.
5. Does not possess an interest that could impact execution of duties.

[Requirements of inside Directors]

1. Possess rich knowledge, experience and accomplishments related to the business of the Group.
2. Ability to execute business and manage organizations under a cross-company perspective, not just in the field of one’s own experience.

[Requirements of outside Directors]

1. Possess a wealth of experience and expertise in the following areas: corporate management, industrial knowledge, finance/accounting, crisis management, internal controls, legal affairs, government, education, HR, marketing, development/investment, technology, and others.
2. Can provide objective management supervision and judgement, and advice and support for the sustainable growth of the Company.

[Requirements of Corporate Auditors]

Possess experience and expertise of legal affairs, accounting, tax accounting, auditing, and others.

Reference: Criteria for Determining Independence of Outside Officers of the Company

Outside officers who do not correspond to any of the following are designated as independent officers.

- 1 A person who is currently or has been within the past ten years an executive director, executive officer, manager, or employee (hereinafter “Business Executor”) of the Company or its subsidiaries.
- 2 A shareholder who directly or indirectly holds 10% or more of the voting rights of the Company.
- 3 A party in which the Company or its subsidiaries directly or indirectly hold 10% or more of the voting rights.
- 4 A party whose major business partner is the Company or its subsidiaries (a party for whom total sales to the Company or its subsidiaries in the most recent fiscal year comprise 2% or more of the party’s net sales for that fiscal year).
- 5 A party who is a major business partner of the Company or its subsidiaries (a party to whom total annual sales of the Company or its subsidiaries in the most recent fiscal year comprise 2% or more of consolidated net sales of the Company for that fiscal year, or a party who has provided financing for 2% or more of consolidated total assets of the Company at the end of the most recent fiscal year).
- 6 A party receiving over ¥10 million annually in donations or monetary aid from the Company or its subsidiaries.
- 7 A Business Executor or full-time corporate auditor of a company in which a Business Executor or full-time Corporate Auditor of the Company or its subsidiaries is also serving concurrently as a Director or Corporate Auditor.
- 8 A CPA, or partner, manager, or employee of a CPA office or auditing corporation that is the accounting auditor of the Company or its subsidiaries.
- 9 A consultant, accounting professional, or legal expert receiving ¥10 million or more annually in monetary or other assets (outside of officer remuneration) from the Company or its subsidiaries (if the party receiving the assets is a corporation or organization, a party to whom the total amount paid by the Company or its subsidiaries in the most recent fiscal year is 2% or more of the party’s consolidated net sales for that fiscal year).
- 10 For items 2 to 6, a Business Executor of the party’s parent company or consolidated subsidiary in the case where the party is a corporation.
- 11 A person to whom any of items 2 to 10 have applied within the past three years.
- 12 A relative within the second degree of kinship of a person described in items 1 to 11.
In the case where a relative within the second degree of kinship is the subject of this item, a Business Executor refers to a Director (excluding outside Directors), Executive Officer, or General Manager.
- 13 A person who does not fall under the above items, but whose independence is questionable due to a risk of enduring and substantial conflict of interest with general shareholders.

Reference: Corporate Governance Basic Policy

Under the corporate philosophy, “through reliable management with noble aspirations, contribute towards the realization of a sustainable and flourishing society,” the Group ensures compliance and achieves sustainable company growth to enhance the Group’s contribution to society as a supermarket group trusted by all stakeholders.

In order to achieve this, the Group established a Corporate Governance Basic Policy to realize transparent, fair, swift, and bold decision-making, and continuously strive to fulfill corporate governance based on this policy.

The Group also established the Internal Controls System Management Committee, Risk Management Committee, and Nomination & Remuneration Advisory Committee as organizations to enhance corporate governance. Each committee engages in vibrant discussion, deliberates measures, and makes decisions to fulfill their purpose. These details are deliberated in the Board of Directors meetings. The Group also established the Sustainability Promotion Committee in March 2022 in order to strengthen sustainability efforts.

The Internal Controls System Management Committee deliberates proper execution of internal controls and reports the results of these discussions and makes proposals to the Board of Directors. The Risk Management Committee deliberates risks related to the business execution of the Group and reports the results of these discussions and makes proposals to the Board of Directors. The Nomination & Remuneration Advisory Committee advises the Board of Directors on matters related to the nomination of Directors and Executive Officers as well as remuneration.

The Sustainability Promotion Committee deliberates the proper promotion of sustainability and reports the results of these discussions and makes proposals to the Board of Directors.

(Attached Documents)

Business Report

(March 1, 2021 to February 28, 2022)

I. Status of the corporate group

1. Business activities and results

Operating revenue	Change from the previous fiscal year	Operating profit	Change from the previous fiscal year
¥768,335 million	+1.2%	¥22,932 million	-16.3%
Ordinary profit	Change from the previous fiscal year	Profit attributable to owners of parent	Change from the previous fiscal year
¥23,695 million	-15.8%	¥15,208 million	-14.7%

In the fiscal year under review, the Japanese economy continued to see weak recovery due to the impact of repeated outbreaks of the COVID-19 pandemic. The situation remained far from optimistic also because of geopolitical risks and other factors impacting the Japanese economy.

In this economic environment, there are clouds on the horizon for the food supermarket industry, which is the Group's area of business, despite the industry continuing to benefit from increased demand for eating at home caused by COVID-19. In addition, amid sluggish growth in individual income and limited recovery in consumer confidence, increasing price competition, expansion of e-commerce, expansion of grocery delivery services, expansion of takeout and delivery services from restaurants, intensifying competition across industry boundaries, and higher costs, including personnel expenses and raw materials expenses, have led to a tougher environment for business operations.

In an environment characterized by the presence of COVID-19, the Group has put in place a variety of measures including social distancing, so it can continue fulfilling its mission of providing a lifeline to residents while putting the highest priority on ensuring the safety and security of customers and employees. Also, the Group ran ongoing promotions, such as sales to support specific locales, to help producers, restaurant industry companies, and manufacturers who were impacted by fewer tourists due to people staying at home.

Other major initiatives during the fiscal year under review included those for the online supermarket business, which has received positive reviews in various private surveys. In terms of systems, the Group collaborated with 10X, Inc. to further improve convenience and launched the Life Online Supermarket App, the first mobile app version of the online supermarket, in March 2021, and acquired downloads steadily. In terms of distribution, the Group made efforts to construct a stable and high-quality distribution network for the online supermarket service as well as the home delivery service for in-store purchases. In April, the Company and Maguchi Holdings Co., Ltd. established LIFE HOME DELIVERY, a new company that provides last-mile delivery. Having started operations in June, this company is gradually expanding its business, with nine stores for the online supermarket service and 25 stores for the home delivery service covered as of the end of February 2022. In terms of organization, in January 2022, the Company established E-Commerce Business Division, which directly reports to the President, in order to accelerate the further development and expansion of the online supermarket business, and reorganized related organizations into the new division.

Also, the Group held a special campaign from September 2021 through February 2022 to celebrate the 60th anniversary of the Company and the 5th anniversary of the LC JCB CARD, the Group's co-branded credit card. The Company is striving to expand credit card memberships and usage such as by establishing Card Business Department in January.

Further, the Company expanded the delivery area of its service for Amazon Prime members that began in September 2019. In the Tokyo region, the delivery area now covers all or part of 23 wards and 13 cities in Tokyo, eight cities in Kanagawa prefecture, 13 cities in Chiba prefecture, and five cities in Saitama prefecture. In the Osaka region, it now covers 23 cities in Osaka prefecture, six cities in Hyogo prefecture, and three cities in Kyoto prefecture, with the exception of certain areas.

In addition, the Group strengthened its product development and lineup of BIO-RAL, a private brand that uses healthy materials and production methods for customers interested in health and natural products. The Group also created new BIO-RAL natural supermarkets as well as dedicated sections at existing stores.

The Group opened eight new stores: Higashinipori Store (Tokyo) in March 2021, Mizonokuchi Store (Kanagawa prefecture) in April, Shijo karasuma Store (Kyoto prefecture) and Hongo 3-chome Ekimae Store (Tokyo) in September, BIO-RAL EKI MARCHE OSAKA Store (Osaka prefecture), which is the third location for the natural supermarket brand, in October, SEVEN PARK Amami Store (Osaka prefecture) in November, HIRAKATA T-SITE Store (Osaka prefecture) in December, and BIO-RAL Shimokitazawa Ekimae Store (Tokyo), the fourth location for the natural supermarket brand, in February 2022. On the other hand, three stores were closed. For existing stores, the Group proactively made renovations at a total of 32 stores to address the changing needs of customers, including Oyodo Store, Tatsumi Store, Nagata Store, Kyodo Store, Takidani Store, Nijo Ekimae Store, Central Square Morinomiya Store, Fuchu Nakagawara Store, Bentencho Store, and Kawasaki Miyuki Store.

Effects of opening new stores, expanding e-commerce such as online supermarkets (e-commerce, electronic sales), bolstering BIO-RAL and other private brand products, and implementing product initiatives that sought to enhance taste contributed to the Group's performance. As a result, operating revenue was ¥768,335 million (up 1.2% year on year) and gross profit increased due to improved profit margin. On the other hand, as for selling, general and administrative expenses, the Group saw increases in personnel expenses from increased hiring activities, rent expenses from opening new stores, and non-personnel expenses from strengthening the growing e-commerce business. As a result, operating profit was ¥22,932 million (down 16.3% year on year), ordinary profit was ¥23,695 million (down 15.8% year on year), and profit attributable to owners of parent was ¥15,208 million (down 14.7% year on year) as each item saw a year-on-year decline.

Results by segment are as follows:

Retail Business

Operating revenue was ¥767,379 million (up 1.2% year on year), with net sales of ¥745,080 million (up 1.2% year on year) and segment profit of ¥23,556 million (down 15.8% year on year).

Net sales by department were ¥323,082 million (up 2.6% year on year) for fresh produce, ¥324,343 million (up 0.9% year on year) for general food, ¥64,823 million (down 3.2% year on year) for lifestyle products, ¥23,150 million (down 1.6% year on year) for apparel, and ¥9,680 million (up 0.01% year on year) for tenants.

(Unit: Millions of yen; figures in () indicate percentage of net sales)
* Amounts less than one million yen are rounded down.

	Fresh produce	General food	Lifestyle products	Apparel	Tenants	Total
65th Fiscal Year (2019/3 - 2020/2)	289,745 (41.8)	303,211 (43.8)	64,268 (9.3)	25,875 (3.7)	9,961 (1.4)	693,062 (100.0)
66th Fiscal Year (2020/3 - 2021/2)	314,783 (42.8)	321,393 (43.6)	66,971 (9.1)	23,516 (3.2)	9,680 (1.3)	736,346 (100.0)
67th Fiscal Year (2021/3 - 2022/2)	323,082 (43.4)	324,343 (43.5)	64,823 (8.7)	23,150 (3.1)	9,680 (1.3)	745,080 (100.0)

Other Business

Operating revenue from LIFE FINANCIAL SERVICE was ¥2,415 million (up 3.7% year on year), with segment profit of ¥139 million (down 24.5% year on year).

New store information for March 2021 to February 2022

Mar. 2021	Higashinipori Store (Tokyo)	Apr. 2021	Mizonokuchi Store (Kanagawa Prefecture)
Sept. 2021	Shijo karasuma Store (Kyoto Prefecture)	Sept. 2021	Hongo 3-chome Ekimae Store (Tokyo)
Oct. 2021	BIO-RAL EKI MARCHE OSAKA Store (Osaka Prefecture)	Nov. 2021	SEVEN PARK Amami Store (Osaka Prefecture)
Dec. 2021	HIRAKATA T-SITE Store (Osaka Prefecture)	Feb. 2022	BIO-RAL Shimokitazawa Ekimae Store (Tokyo)

2. Capital expenditures

Major capital expenditures during the fiscal year under review are as follows:

(1) Stores opened during the fiscal year under review

Osaka Region: Shijo karasuma Store, BIO-RAL EKI MARCHE OSAKA Store, SEVEN PARK Amami Store, and HIRAKATA T-SITE Store

Tokyo Region: Higashinippori Store, Mizonokuchi Store, Hongo 3-chome Ekimae Store, and BIO-RAL Shimokitazawa Ekimae Store

(2) Stores renovated during the fiscal year under review

Osaka Region: Oyodo Store, Tatsumi Store, Nagata Store, Takidani Store, Nijo Ekimae Store, Central Square Morinomiya Store, Bentencho Store, Sakaisuji Honmachi Store, Kishibe Store, Hattori Store, Okamachi Store, Shiokusa Store, Shimodera Store, Kitabatake Store, Central Square Nishi-miyahara Store, and Hishie Store

Tokyo Region: Kyodo Store, Fuchu Nakagawara Store, Kawasaki Miyuki Store, Kanda Izumi-cho Store, Rokucho Ekimae Store, Shakujidai Store, Osaki Hyakutan-dori Store, Katsushika Kamakura Store, Nishi-oizumi Store, Actopia Kita-akabane Store, Tsurumi Store, Higashi-ogu Store, Sagamihara Mall Store, Osaki New City Store, Central Square Oshiage Ekimae Store, and Niiza Store

Financing for the abovementioned facilities was primarily allocated from the Group's own funds.

3. Financing

Not applicable.

4. Trends in assets and operating results

(1) Trends in assets and operating results of the corporate group

Category \ Period	64th Fiscal Year ended February 2019	65th Fiscal Year ended February 2020	66th Fiscal Year ended February 2021	67th Fiscal Year (fiscal year under review) ended February 2022
Operating revenue (Millions of yen)	698,693	714,684	759,146	768,335
Ordinary profit (Millions of yen)	12,831	14,558	28,156	23,695
Profit attributable to owners of parent (Millions of yen)	7,401	7,834	17,824	15,208
Earnings per share (Yen)	157.91	167.17	380.32	324.50
Total assets (Millions of yen)	246,812	262,053	268,307	270,229
Net assets (Millions of yen)	75,340	81,360	97,560	110,299
Net assets per share (Yen)	1,607.47	1,735.94	2,081.61	2,353.44

- Notes:
- Earnings per share is calculated based on the average number of shares outstanding during each fiscal year and amount of net assets per share is calculated based on the total number of shares outstanding at the end of each fiscal year. Treasury shares are excluded from the average number of shares outstanding during each fiscal year and from the total number of shares outstanding at the end of each fiscal year.
 - Amounts less than one million yen are rounded down, except for amounts of earnings per share and net assets per share.

(2) Trends in assets and operating results of the reporting company

Category \ Period	64th Fiscal Year ended February 2019	65th Fiscal Year ended February 2020	66th Fiscal Year ended February 2021	67th Fiscal Year (fiscal year under review) ended February 2022
Operating revenue (Millions of yen)	698,075	713,879	758,259	767,379
Ordinary profit (Millions of yen)	12,850	14,541	27,972	23,556
Profit (Millions of yen)	7,423	7,787	17,665	15,066
Earnings per share (Yen)	158.39	166.15	376.93	321.46
Total assets (Millions of yen)	253,497	269,377	274,950	275,299
Net assets (Millions of yen)	76,646	82,616	98,170	110,634
Net assets per share (Yen)	1,635.32	1,762.74	2,094.63	2,360.60

- Notes:
- Earnings per share is calculated based on the average number of shares outstanding during each fiscal year and amount of net assets per share is calculated based on the total number of shares outstanding at the end of each fiscal year. Treasury shares are excluded from the average number of shares outstanding during each fiscal year and from the total number of shares outstanding at the end of each fiscal year.
 - Amounts less than one million yen are rounded down, except for amounts of earnings per share and net assets per share.

5. Significant parent company and subsidiaries

(1) Parent company

Not applicable.

(2) Significant subsidiaries

Company name	Share capital	Ownership	Principal lines of business
LIFE FINANCIAL SERVICE	¥499 million	100.0%	Credit card and e-money business

6. Issues to be addressed

The future outlook for the Japanese economy continues to provide little room for optimism, given the ongoing impact of COVID-19 with factors including an increase in the number of cases and the progress of vaccinations. There are also overseas factors that would affect the Japanese economy, such as excessive inflation, frequent occurrence of natural disasters, U.S. financial, monetary, and trade policies, trends in the Chinese economy, and geopolitical risks including the situation in Ukraine.

Although demand for eating at home is still strong due to changes in consumer behavior caused by COVID-19, conditions in the retail industry remain challenging due to concerns about deterioration of corporate profitability, slow growth in personal income, and a decline in consumer confidence in the future. The industry is undergoing significant changes, as seen by new entrants from outside the sector, including major e-commerce players, offering fresh produce.

In this difficult environment, we decided to extend the scope of the 6th Medium-Term Plan by one year, making fiscal 2022 its final year, in order to address issues remaining from the COVID-19 pandemic. This plan, commenced in fiscal 2018, aims to make each of our stores the No. 1 in the area with even greater trust from customers.

In the 6th Medium-Term Plan, while reassessing the issues that the Company is facing, we have clearly expressed the Group's vision as the "True to LIFE Declaration" comprised of three keywords: "delicious," "exciting," and "happy." To achieve this vision, we will continue to execute the action plan whose outline is set out below.

- The store is the star! – Each and every store strives to embody the concept of "True to LIFE" in a way that meets the needs of local customers, with all initiatives based on the notion that "the store is the star" so that we can empower eager and spirited store staff to independently think and put ideas into action.
- Investment in people – We seek to become a company that provides great job satisfaction to its employees, at which diverse people succeed in a stress-free environment without being pressed for time.
- Investment in stores – We will review all of our measures from the ground up, including customer service, store design and displays, renovations, and new stores, with the goal of creating stores that customers associate with ideas and feelings such as "True to LIFE," "delicious," "welcoming," "comfortable," "reassuring," and "a little fun."
- Investment in merchandise – In addition to focusing on a customer-oriented perspective, we aim to provide merchandise that does not compromise on the elements that make up "delicious," namely ingredients, recipes, and freshness.
- LIFE's strengths – By honing in on our online supermarket strategy and card business strategy in particular, we will significantly differentiate ourselves from competitors and grow these aspects into strengths of the Company.
- Strategy to support "True to LIFE" – We will enhance our sales support strategy involving sales promotions and other measures, infrastructure strategy on logistics, food process centers, and information systems, and cost reduction / funds procurement strategy, which consists of initiatives for optimizing purchasing costs and for finance.

- Activities to instill, develop, and maintain the concept of “True to LIFE” – By ensuring that every individual from officers to employees including part-timers understand the concept of “True to LIFE,” base their thinking on this notion, and practice it in day-to-day operations, we aim to not only convey this “True to LIFE” concept to customers but also to create an organization that develops the next generation of human resources with excellent teamwork through such activities.

Through the abovementioned action plan, we aim to improve our corporate value and achieve sustained growth, as a business entity that is trusted by customers, society and employees.

Further, based on reflections of the 6th Medium-Term Plan and changes in the external environment, the Group will shift into a new 7th Medium-Term Plan, whose period will begin in fiscal 2023. Under the new plan, the Group will seek to differentiate itself from the competition and further refine the “True to LIFE” concept by taking measures that utilize data and technology, further developing its online supermarkets and the BIO-RAL natural supermarket business, and expanding its unique product lineup, while reassessing the status of current issues.

The COVID-19 pandemic has made it extremely difficult to accurately forecast performance outlook, given the serious negative impact it has had on operations of certain industries, despite causing changes to consumer behavior that generate demand for eating at home in the food supermarket industry, including the Company. For the final year of the 6th Medium-Term Plan (fiscal 2022), the Group forecasts operating revenue of ¥770.0 billion^(Note), operating profit of ¥23.2 billion (up 1.2% year on year), ordinary profit of ¥24.0 billion (up 1.3% year on year), and profit attributable to owners of parent of ¥15.5 billion (up 1.9% year on year), although the outlook remains unclear due to the presence of COVID-19. The performance forecast may be revised in response to changes in the socioeconomic environment and other factors, but in order to achieve the goal of “True to LIFE” that was set in the 6th Medium-Term Plan, we will continue to steadily make investments in people, investments in stores, and investments in merchandise, all based on the notion that “the store is the star.”

Note: The Company has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29), etc., from the beginning of the fiscal year ending February 28, 2023. Therefore, the operating revenue forecast represents the amount calculated by applying the said accounting standard, etc., but does not include year-on-year change as the accounting treatment method subject to comparison differs.

The Company expects operating revenue to decrease by approximately ¥22.0 billion due to this change.

7. Principal lines of business (As of February 28, 2022)

The Group is mainly engaged in a retail business handling fresh produce, general food, sundries and other lifestyle products, and apparel, as well as a credit card and e-money business. The Group also conducts incidental operations including leasing of stores.

8. Major business locations (As of February 28, 2022)

285 stores			
160 stores in the Osaka region		125 stores in the Tokyo region	
Osaka Prefecture	124 stores	Tokyo	84 stores
Kyoto Prefecture	16 stores	Kanagawa Prefecture	29 stores
Hyogo Prefecture	17 stores	Chiba Prefecture	5 stores
Nara Prefecture	3 stores	Saitama Prefecture	7 stores

(1) Logistics centers and other locations of the Company

- | | |
|---------------------|---|
| 1) Osaka Prefecture | Nanko Food Process Center |
| | Sakai Food Process Center |
| | Suminoe Logistics Center |
| | Shintempezan Low Temperature Logistics Center |
| | Tempozan Food Process Center |

- | | |
|------------------------|--|
| | Osaka Hirabayashi Comprehensive Logistics Center |
| | Osaka Hirabayashi Food Process Center |
| 2) Tokyo | Higashigotanda Satellite Delicatessen Center |
| | Sakurashinmachi Satellite Delicatessen Center |
| 3) Saitama Prefecture | Kurihashi Food Process Center |
| | Yoshikawa Ekimae Bakery Center |
| | Kazo Food Process Center |
| 4) Chiba Prefecture | Matsudo Comprehensive Logistics Center |
| | Funabashi Food Process Center |
| 5) Kanagawa Prefecture | Kawasaki Comprehensive Logistics Center |

(2) Head offices and headquarters of subsidiaries

LIFE FINANCIAL SERVICE

Head Office and Headquarters (Taito-ku, Tokyo)

9. Employees (As of February 28, 2022)

(1) Employees of the corporate group

Number of employees	Increase/decrease from the previous fiscal year-end
6,847	+271

Note: In addition to the above, the average number of part-timers employed during the period was 23,972 (converted on an eight-hour workday basis).

(2) Employees of the reporting company

Number of employees	Increase/decrease from the previous fiscal year-end	Average age	Average years of service
6,839	+270	41.2 years old	15.4 years

Note: In addition to the above, the average number of part-timers employed during the period was 23,972 (converted on an eight-hour workday basis).

10. Major creditor banks and balance of borrowings (As of February 28, 2022)

(Millions of yen)

Creditor banks	Balance of borrowings
Sumitomo Mitsui Trust Bank, Limited	17,726
The Norinchukin Bank	15,388
MUFG Bank, Ltd.	9,656
Sumitomo Mitsui Banking Corporation	4,302
Mizuho Bank, Ltd.	4,124
Resona Bank, Limited	1,560
The Shoko Chukin Bank, Ltd.	1,224
Development Bank of Japan Inc.	1,203

Note: Amounts less than one million yen are rounded down.

11. Other important matters relating to current status of the corporate group

Not applicable.

II. Shares of the Company (As of February 28, 2022)

- 1. Total number of authorized shares** 120,000,000 shares
2. Total number of issued shares 49,450,800 shares (including 2,493,202 shares of treasury shares)

Note: The total number of issued shares decreased by 4,000,000 due to the cancellation of treasury shares on April 30, 2021.

- 3. Number of shareholders** 5,320

4. Major shareholders

Name	Number of shares held (shares)	Shareholding ratio (%)
Mitsubishi Corporation	10,562,500	22.5
Seishin Kosan Corporation	5,382,000	11.5
The Master Trust Bank of Japan, Ltd. (Trust Account)	3,975,700	8.5
LIFE Sport Foundation	3,229,200	6.9
LIFE Mutual Prosperity Association	2,317,612	4.9
Sumitomo Mitsui Trust Bank, Limited	2,264,000	4.8
The Norinchukin Bank	2,100,276	4.5
Custody Bank of Japan, Ltd. (Trust Account)	799,500	1.7
SUMITOMO LIFE INSURANCE COMPANY	737,000	1.6
Nobutsugu Shimizu	697,300	1.5

Note: Shareholding ratio is calculated after deducting treasury shares (2,493,202 shares).

Treasury shares do not include 90,300 shares of the Company held by Custody Bank of Japan, Ltd. as trust assets for the "Trust for Delivering Shares to Directors."

5. Other important matters related to shares

At its meeting held on April 9, 2021, the Board of Directors passed a resolution for the cancellation of treasury shares based on the provisions of Article 178 of the Companies Act.

- (1) Classes of shares cancelled Ordinary shares of the Company
(2) Number of shares cancelled 4,000,000 shares (7.48% of total number of issued shares before cancellation)
(3) Cancellation date April 30, 2021
(4) Reason for cancellation

The Group executed a cancellation of treasury shares to increase the floating stock ratio in anticipation of the transition to the Prime Market in the market restructuring by the Tokyo Stock Exchange.

(Reference) Distribution of shares by shareholder type

Foreign corporations, etc.	6.02%
Financial institutions	27.44%
Individuals and others	10.68%
Treasury shares	5.04%
Securities firms	1.71%
Other domestic corporations	49.11%

III. Share acquisition rights, etc. of the Company

Not applicable.

IV. Company Officers

1. Directors and Corporate Auditors (As of February 28, 2022)

Position	Name	Responsibilities in the Company and significant concurrent positions outside the Company
Director, Honorary Chairman	Nobutsugu Shimizu	
Representative Director and President	Takaharu Iwasaki	Group CEO of Business Group Headquarters Member of the Nomination & Remuneration Advisory Committee Representative Director and Vice President of Nihon Ryutsu Sangyo Co., Ltd. Representative Director and Chairman of LIFE FINANCIAL SERVICE
Director & Senior Managing Executive Officer	Toshiaki Namiki	Assistant to the President and Group CEO of Development Group Headquarters
Director & Senior Managing Executive Officer	Tomehisa Morishita	Group CEO of Corporate Functions Group Headquarters and Division COO of Information Strategy Division
Director & Managing Executive Officer	Takashi Sumino	Group CEO of Infrastructure Group Headquarters
Director & Managing Executive Officer	Nobuyuki Kawai	Deputy Group CEO of Corporate Functions Group Headquarters and Division COO of Corporate Finance and Accounting Division
Director	Koichi Narita	Chairperson of the Nomination & Remuneration Advisory Committee
Director	Hayuru Tsutsumi	
Director	Haruhiko Yahagi	
Director	Hiroko Kono	
Full-Time Corporate Auditor	Kaoru Sueyoshi	
Corporate Auditor	Junichi Hamahira	Certified tax accountant
Corporate Auditor	Mitsuo Maki	Attorney at law
Corporate Auditor	Naoko Miyatake	Member of the Nomination & Remuneration Advisory Committee

- Notes:
- The Company has established a Nomination & Remuneration Advisory Committee, with an independent outside Director as the chair, as a non-mandatory advisory body to the Board of Directors.
 - Koichi Narita, Hayuru Tsutsumi, Haruhiko Yahagi, and Hiroko Kono are outside Directors. The Company has submitted notification to Tokyo Stock Exchange that they have been appointed as independent officers.
 - Junichi Hamahira, Mitsuo Maki, and Naoko Miyatake are outside Corporate Auditors. The Company has submitted notification to Tokyo Stock Exchange that they have been appointed as independent officers.
 - Corporate Auditor Junichi Hamahira is a certified tax accountant and has considerable knowledge of finance and accounting.
 - Corporate Auditor Mitsuo Maki is well-versed in corporate legal affairs as an attorney at law and has sufficient knowledge to audit corporate management.
 - Corporate Auditor Naoko Miyatake has sufficient knowledge to audit corporate management, given her extensive experience as a corporate executive.
 - The Company has entered into a directors and officers liability insurance policy, as defined in Article 430-3, paragraph (1) of the Companies Act, with an insurance company. The scope of those insured by this policy is Directors, Corporate Auditors, and Executive Officers of the Company, as well as Directors, Corporate Auditors, and Executive Officers of the Company's subsidiaries. The insured does not pay for the insurance premiums. This insurance policy provides coverage for damages that may arise from the assumption of liability incurred in the course of the execution of duties by the insured or claims pertaining to the pursuit of such liability. The Company plans to renew the insurance policy with the same contents at the next renewal.

2. Changes to Directors during the fiscal year under review

(1) New appointment

At the 66th Annual General Meeting of Shareholders held on May 27, 2021, Haruhiko Yahagi and Hiroko Kono were newly elected and appointed as Directors.

(2) Retirement

Not applicable.

(3) Changes in positions and responsibilities of Directors during the fiscal year under review

Name	New position	New responsibilities	Former position	Former responsibilities	Date of change
Nobuyuki Kawai	Director & Managing Executive Officer	Assistant to Group CEO of Corporate Functions Group Headquarters and Division COO of Corporate Finance and Accounting Division	Director & Senior Executive Officer	Assistant to Group CEO of Corporate Functions Group Headquarters and Division COO of Corporate Finance and Accounting Division	March 1, 2021
		Deputy Group CEO of Corporate Functions Group Headquarters and Division COO of Corporate Finance and Accounting Division	Director & Managing Executive Officer	Assistant to Group CEO of Corporate Functions Group Headquarters and Division COO of Corporate Finance and Accounting Division	January 16, 2022
Nobutsugu Shimizu	Director, Honorary Chairman	—	Representative Director, Chairman & Chief Executive Officer	—	May 27, 2021
Takashi Sumino	Director & Managing Executive Officer	Group CEO of Infrastructure Group Headquarters	Director & Managing Executive Officer	Group CEO of Infrastructure Group Headquarters and Division COO of E-Commerce Operation Division	January 16, 2022

(4) Changes in positions and responsibilities of Directors after the end of the fiscal year under review

Not applicable.

3. Total amount of remuneration for Directors and Corporate Auditors

Category	Total amount of remuneration (Millions of yen)	Total amount of remuneration by type (Millions of yen)			Number of recipients
		Fixed remuneration	Performance-linked remuneration, etc.	Retirement benefits for officers	
Director (of which outside Directors)	251 (30)	230 (30)	20 (—)	— (—)	10 (4)
Corporate Auditor (of which outside Corporate Auditors)	45 (32)	45 (32)	— (—)	— (—)	4 (3)
Total (of which outside officers)	296 (62)	276 (62)	20 (—)	— (—)	14 (7)

Notes: 1. At the 52nd Annual General Meeting of Shareholders held on May 24, 2007, it was resolved that remuneration for Directors shall be no more than ¥35,000 thousand per month. The number of Directors at the conclusion of this General Meeting of Shareholders was 14.

In addition, separate from the above monetary remuneration, at the 64th Annual General Meeting of Shareholders held on May 23, 2019, it was resolved that the upper limit of money contributed by the Company to the board benefit trust for performance-linked share remuneration shall be ¥200,000 thousand in total for the five fiscal years from the fiscal

year ended February 29, 2020 to the fiscal year ending February 29, 2024 (the term of which may be extended), and that the total number of points to be granted as share remuneration shall be no more than 20,000 points (where one point equates to one share in the Company) for each fiscal year (outside Directors and non-residents of Japan shall not be eligible for share remuneration). The number of Directors at the conclusion of this General Meeting of Shareholders was seven, excluding outside Directors.

2. At the 64th Annual General Meeting of Shareholders held on May 23, 2019, it was resolved that remuneration for Corporate Auditors shall be no more than ¥6,000 thousand per month. The number of Corporate Auditors at the conclusion of this General Meeting of Shareholders was four.

4. Policies for determining remuneration for Directors and other officers

(1) Remuneration for Directors

At the Board of Directors meeting held on March 15, 2019, the Company passed a resolution on the decision-making policy related to remuneration of individual Directors.

The basic policy for remuneration of Directors is to appropriately reflect the Company's performance and individual contribution in remuneration for each component described below, considering industry levels and levels of similar sized companies with reference to survey results from external institutions.

In addition, the Company has adopted performance-linked remuneration for the purpose of increasing the Directors' motivation to contribute to improving medium-to-long-term performance and increasing corporate value.

Remuneration for outside Directors is comprised solely of role-based remuneration in light of their role and independence.

In order to ensure transparency and fairness of the process for determining remuneration for Directors, the Nomination & Remuneration Advisory Committee, a majority of whose members are outside officers and which is established as an advisory body to the Board of Directors, deliberates on remuneration and reports its findings to the Board of Directors. The Board of Directors has passed a resolution that it will make its decision in accordance with the details of such findings. Furthermore, regarding the remuneration of individual Directors for the fiscal year under review, the Board of Directors has confirmed that the method for determining the content of remuneration and the determined content of remuneration are consistent with the decision-making policy and the report from the Nomination & Remuneration Advisory Committee is respected, and judged that the content is in line with the policy.

Members of the Nomination & Remuneration Advisory Committee include the Representative Director, independent outside Directors, and independent outside Corporate Auditors. The reason for including independent outside Corporate Auditors in the Nomination & Remuneration Advisory Committee is to make more appropriate decisions about the nomination and remuneration of Directors by receiving opinions on nomination and remuneration of Directors from members of the Board of Corporate Auditors.

[Components of Director remuneration]

- (i) Role-based remuneration : Remuneration paid for duties and responsibilities as Director, outside Director, or Representative Director (fixed remuneration)
- (ii) Remuneration for business execution : Remuneration paid for duties and responsibilities as those in charge of business execution as well as results of business execution (individually determined commensurate with the state of business execution by each Director, based on a range of remuneration set according to their duties and responsibilities)
- (iii) Performance-linked remuneration : Based on target figures for consolidated ordinary profit and ordinary profit margin, which are the Company's management targets, each Director is granted points, which are converted into shares, determined for each position according to the achievement of the targets for each fiscal year. The Company's shares are then delivered based on the number of points (the Board of Directors determines the target figures each fiscal year, and achieving both the target ordinary profit and ordinary profit margin is required)

[Performance-linked remuneration]

This is a performance-linked share remuneration plan (the “Plan”), established in accordance with the details of a resolution at the General Meeting of Shareholders, under which the Company grants points pursuant to the Director Performance-Linked Share Distribution Regulations set by the Board of Directors and delivers shares based on the total number of points accumulated at retirement.

A target figure of consolidated ordinary profit, which is the Company’s management target, is used as an indicator for remuneration, and each Director is granted points, which are converted into shares, determined for each position according to the achievement of the targets for each fiscal year as follows.

- Points to be granted are calculated based on the following formula (rounded down to the nearest integer).
Points to be granted = position-based base points^(*1) x performance-linked coefficient^(*2)

(*1) Position-based base points

Position	Position-based base points
Director & Chairman	1,716
Director and President	2,439
Director & Senior Managing Executive Officer	1,084
Director & Managing Executive Officer	767
Director & Senior Executive Officer	496

(*2) Performance-linked coefficient is set as below between 0.0 and 1.5 based on the achievement of the targets for ordinary profit and ordinary profit margin^(*3) for the corresponding evaluation period.

Ordinary profit achievement level	Performance-linked coefficient
120% and higher	1.5
100% and higher, less than 120%	2.5 x achievement level - 1.5
90% and higher, less than 100%	6.0 x achievement level - 5.0
Less than 90%	0.0

(*3) The targets for ordinary profit and ordinary profit margin are determined by the Board of Directors each fiscal year. Achievements of targets for both ordinary profit and ordinary profit margin are required for the targets to be considered achieved.

This Plan aims to increase Directors' motivation to contribute to improving medium-to-long-term performance and increasing the Company's corporate value by better clarifying the link between the Company's share value and Director remuneration, in addition to granting shares based on performance for each fiscal year, having these Directors benefit from the advantages of rising share prices while at the same time assuming the risks of falling share prices, and sharing the benefits and risks of share price fluctuations with shareholders.

The Company selected consolidated ordinary profit as a target indicator based on this premise because it was determined to be an appropriate indicator for improving the ordinary state of management of the Company, and because achieving this business target will maintain a strong motivation toward performance.

Furthermore, the target consolidated ordinary profit for the fiscal year under review is a profit margin of at least 2.73% and ordinary profit of ¥22.2 billion, and the remuneration will not be provided unless the consolidated ordinary profit reaches at least 90% of the target. The actual results for the fiscal year under review were a profit margin of 3.18% and ordinary profit of ¥23,695 million, which is 106.7% of the target. As the payment requirement has been met, performance-linked remuneration corresponding to the points granted in accordance with the target level achieved have been recorded as an expense in accordance with the Director Performance-Linked Share Distribution Regulations.

(2) Remuneration for Corporate Auditors

Remuneration for Corporate Auditors is determined by discussion among Corporate Auditors within the limits of the total remuneration determined by the General Meeting of Shareholders, with the results of such determination reported to the Board of Directors.

(3) Process of determining remuneration and limits of remuneration for Directors and other officers

In accordance with the above basic policy and the remuneration limits resolved by the General Meeting of Shareholders, the Nomination & Remuneration Advisory Committee deliberates on and evaluates the amounts of Director remuneration, and the Board of Directors passes a resolution on the decision based on the reports of the Nomination & Remuneration Advisory Committee. Further, remuneration limits for Directors and other officers are as follows.

Directors: No more than ¥35 million per month (pursuant to the resolution at the 52nd Annual General Meeting of Shareholders held on May 24, 2007)

Corporate Auditors: No more than ¥6 million per month (pursuant to the resolution at the 64th Annual General Meeting of Shareholders held on May 23, 2019)

Separate from the limits above, a resolution on the performance-linked share remuneration plan was passed at the 64th Annual General Meeting of Shareholders held on May 23, 2019, whereby the target period of the trust established for this Plan shall be five fiscal years from the fiscal year ended February 29, 2020 to the fiscal year ending February 29, 2024 (the target period may be extended). The maximum amount of contribution was set at ¥200 million. Officers eligible for payment under the Plan are Directors excluding outside Directors.

5. Outside Directors and outside Corporate Auditors

- (1) Relationships between the Company and organizations where outside officers hold important concurrent positions

Not applicable.

- (2) Major activities during the fiscal year under review

Category	Name	Attendance at meetings, comments made, and outline of duties performed in relation to the roles expected of outside Directors
Director	Koichi Narita	He attended all 16 Board of Directors meetings held during the fiscal year under review, actively offered opinions in the meetings mainly based on his expertise and from a perspective of a corporate executive with rich experience, and fulfilled appropriate roles in ensuring appropriate and proper decision-making. He also serves as the chairperson of the Nomination & Remuneration Advisory Committee.
Director	Hayuru Tsutsumi	She attended all 16 Board of Directors meetings held during the fiscal year under review, actively offered opinions in the meetings from a perspective of a corporate executive with rich experience and mainly based on her expertise in human resource training, and fulfilled appropriate roles in ensuring appropriate and proper decision-making.
Director	Haruhiko Yahagi	He attended all 13 Board of Directors meetings held during the fiscal year under review after his appointment, actively offered opinions in the meetings mainly based on his deep knowledge of the retail industry and digital marketing, and fulfilled appropriate roles in ensuring appropriate and proper decision-making.
Director	Hiroko Kono	She attended all 13 Board of Directors meetings held during the fiscal year under review after her appointment, actively offered opinions in the meetings mainly based on her deep knowledge of human resource development and from a perspective of an investor, and fulfilled appropriate roles in ensuring appropriate and proper decision-making.
Corporate Auditor	Junichi Hamahira	He attended all 16 Board of Directors meetings and all 13 Board of Corporate Auditors meetings held during the fiscal year under review, providing remarks mainly based on his expertise as a certified tax accountant.
Corporate Auditor	Mitsuo Maki	He attended all 16 Board of Directors meetings and all 13 Board of Corporate Auditors meetings held during the fiscal year under review, providing remarks mainly based on his expertise as an attorney at law.
Corporate Auditor	Naoko Miyatake	She attended all 16 Board of Directors meetings and all 13 Board of Corporate Auditors meetings held during the fiscal year under review, providing remarks mainly based on her expertise as a corporate executive. She also serves as a member of the Nomination & Remuneration Advisory Committee.

- (3) Matters pertaining to limited liability agreements

The Company has entered into agreements with Directors Koichi Narita, Hayuru Tsutsumi, Haruhiko Yahagi, and Hiroko Kono, as well as Corporate Auditors Junichi Hamahira, Mitsuo Maki, and Naoko Miyatake, to limit their liability stipulated in Article 423, paragraph (1) of the Companies Act. Under these agreements, their liability shall be limited to the minimum liability amount provided for under Article 425, paragraph (1) of the Companies Act.

V. Accounting Auditor

1. Name KPMG AZSA LLC

2. Amount of remuneration

	Amount of remuneration (Millions of yen)
Amount of remuneration for accounting auditor for the fiscal year under review	36
Total of money and other economic benefits payable by the Company and its subsidiaries	36

- Notes:
1. In the audit agreement between the Company and the Accounting Auditor, no clear distinction is made between the amounts of remuneration for audits pursuant to the Companies Act and audits pursuant to the Financial Instruments and Exchange Act, and in practical terms such distinction cannot be made. Accordingly, the amount of remuneration stated for the fiscal year under review is the total of those amounts.
 2. The Board of Corporate Auditors received explanations from the Accounting Auditor on the auditing time required for the accounting audit plan for the fiscal year under review, verified and assessed audit performance for the previous fiscal year, and scrutinized the efficiency of audit services, the reasonableness of the Accounting Auditor's execution of the audit, and the assumptions used to calculate the quotation that forms the basis for remuneration. As a result, it has given its approval to remuneration for the Accounting Auditor.

3. Policy on decisions of dismissal or non-reappointment of Accounting Auditor

If the Board of Corporate Auditors of the Company determines that the Accounting Auditor falls under any of the items in Article 340, paragraph (1) of the Companies Act, the Company shall dismiss the Accounting Auditor based on the unanimous consent of Corporate Auditors. If, based on a comprehensive judgment on the state of execution of duties by the Accounting Auditor, the Board of Corporate Auditors determined that the properness and reliability of the audit cannot be ensured, the Board of Corporate Auditors shall determine the content of a proposal pertaining to the dismissal or non-reappointment of the Accounting Auditor to be submitted to the General Meeting of Shareholders.