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Securities Code: 9919

May 30, 2022

To our shareholders:

Katsuhiko Hayashi  
President and Representative Director  
Kansai Food Market Ltd.  
5-3-38 Chuo, Itami-shi, Hyogo

## Notice of the 63rd Annual General Meeting of Shareholders

We are pleased to announce the 63rd Annual General Meeting of Shareholders of Kansai Food Market Ltd. (the “Company”), which will be held as described below.

You may exercise your voting rights by mail or via the Internet, etc. Please review the attached Reference Documents for the General Meeting of Shareholders and exercise your voting rights by 6:00 p.m. on Monday, June 20, 2022 (JST).

1. **Date and time:** Tuesday, June 21, 2022, at 1:30 p.m. (Reception desk opens at 12:30 p.m.) (JST)
2. **Venue:** Murasaki Hall, 2F, Hotel New Hankyu Osaka  
1-1-35 Shibata, Kita-ku, Osaka-shi, Osaka  
\* Although it was held in Itami-shi, Hyogo in the past, in consideration of shareholder convenience, we have moved the venue to Kita-ku, Osaka-shi.

### 3. Purpose of the General Meeting of Shareholders

#### Matters to be reported:

1. The Business Report and the Consolidated and Non-consolidated Financial Statements for the 63rd fiscal year (from April 1, 2021 to March 31, 2022)
2. The results of audits of the Consolidated Financial Statements by the Financial Auditor and the Audit and Supervisory Committee

#### Matters to be resolved:

- |                       |   |
|-----------------------|---|
| <b>Proposal No. 1</b> | Amounts of Capital Stock, Legal Capital Surplus and Legal Retained Earnings to Be Decreased, and Appropriation of Surplus |
| <b>Proposal No. 2</b> | Dividends of Surplus  |
| <b>Proposal No. 3</b> | Amendment to the Articles of Incorporation  |
| <b>Proposal No. 4</b> | Election of Five Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)                          |
| <b>Proposal No. 5</b> | Election of Financial Auditor   |

#### ●For shareholders who are planning to attend the meeting in person

Shareholders are requested to check the situation regarding the spread of the novel coronavirus disease (COVID-19) and carefully take note of your own health condition. Please take measures to protect yourself from infection, such as wearing a face mask, when you attend. We also ask that you bring this Notice for reference during the meeting.

#### ●Other matters relating to this Notice

- (1) Of the documents we are required to attach to this Notice, Notes to Consolidated Financial Statements and Notes to Non-consolidated Financial Statements have been posted on the Company’s website under “IR Information/General Meeting of Shareholders/Items Disclosed on Internet Concerning Notice of the 63rd Annual General Meeting of Shareholders” (<https://www.kansai-foodmarket.co.jp/ir/meeting.html/>; in Japanese only) in accordance with the provisions of relevant laws and regulations and Article 13 of the Company’s Articles of Incorporation, and therefore not included in the attached documents to this Notice. Accordingly, the attached documents to this Notice are part of the documents that were audited by the Audit and Supervisory Committee and the Financial Auditor in preparing the audit reports.

- 2) If any circumstances necessitating amendments to the content of the Business Report, the Consolidated Financial Statements, the Non-consolidated Financial Statements and the Reference Documents for the General Meeting of Shareholders in this Notice occur by the day immediately preceding the day of the General Meeting of Shareholders, notification of those amendments will be provided by posting them on the Company's website mentioned above.

## Reference Documents for the General Meeting of Shareholders

### **Proposal No. 1** Amounts of Capital Stock, Legal Capital Surplus and Legal Retained Earnings to Be Decreased, and Appropriation of Surplus

The Company proposes to decrease the amount of capital stock, legal capital surplus and legal retained earnings and appropriate surplus in order to make our financial structure sounder by compensating for the insufficient retained earnings brought forward incurred due to the company split with KS Company Split Preparation Co., Ltd. (current Kansai Super Market Ltd.) on February 1, 2022, and enable us to implement a flexible and agile capital policy going forward.

Specifically, based on the provisions of Article 447, paragraph 1 and Article 448, paragraph 1 of the Companies Act, the Company will decrease the amount of capital stock, legal capital surplus and legal retained earnings, and based on the provision of Article 452 of the Companies Act, we will dispose of the full amount of general reserve and increase retained earnings brought forward. In addition, we will transfer part of the increase in other capital surplus resulting from the decrease in the amount of capital stock and legal capital surplus to compensate for the insufficient retained earnings brought forward.

This proposal concerns the transfer of accounts in the net assets section of the balance sheet, and there is no change in the amount of net assets of the Company. Moreover, since the total number of issued shares will not be changed, it will not affect the number of shares owned by shareholders and the amount of net assets per share.

1. Details of the decrease in the amount of capital stock, legal capital surplus and legal retained earnings
  - (1) Amount of capital stock to be decreased  
Capital stock of ¥9,862,933,871 will be decreased by ¥9,762,933,871 to ¥100,000,000.
  - (2) Amount of legal capital surplus to be decreased  
Legal capital surplus of ¥41,987,819,903 will be decreased by ¥41,887,819,903 to ¥100,000,000.
  - (3) Amount of legal retained earnings to be decreased  
The total legal retained earnings of ¥584,878,000 will be decreased to ¥0.
  - (4) Method for decreasing the amount of capital stock, legal capital surplus and legal retained earnings  
We will transfer the full amount of the reduction in capital stock and legal capital surplus to other capital surplus. As for the amount of the reduction in legal retained earnings, we will transfer the full amount to retained earnings brought forward.
2. Details of appropriation of Surplus
  - (1) Items of surplus to be decreased and the amount of decrease  
General reserve: ¥7,100,000,000  
Other capital surplus: ¥18,811,059,869
  - (2) Item of surplus to be increased and the amount of increase  
Retained earnings brought forward: ¥25,911,059,869
3. Effective date  
June 21, 2022

## **Proposal No. 2**      Dividends of Surplus

The Company's basic policy is to continually issue dividends at a stable level over the long term to shareholders while considering the internal reserves necessary to enhance the business foundation.

Based on this policy, the Company proposes the following as the year-end dividend for the fiscal year under review, with other capital surplus as the fund source, subject to Proposal No. 1 becoming effective in consideration of the Company's business performance and future business environment.

### Year-end dividends

- (1) Type of dividend property  
Cash
- (2) Allotment of dividend property to shareholders and their aggregate amount  
¥10 per common share of the Company  
Total dividends: ¥589,571,800  
Accordingly, including the interim dividend (¥8 per share), the annual dividend will be ¥18 per share.
- (3) Effective date of dividends of surplus  
June 22, 2022

**Proposal No. 3**      Amendment to the Articles of Incorporation

1. Reasons for the proposal

- (1) 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) will be enforced as of September 1, 2022, to prepare for the introduction of the system for providing informational materials for general meetings of shareholders in electronic format, we will establish Article 13 in “Proposed amendment” and supplementary provisions regarding the effective date, etc. In addition, we will delete Article 13 of the current Articles of Incorporation.
- (2) Article 20 of the current Articles of Incorporation will be amended, and a provision regarding the exemption from liability of Directors will be added as paragraph 1 and some wording will be revised. The consent of the Audit and Supervisory Committee has been obtained for the establishment of the provision of Article 20, paragraph 1.
- (3) Due to the revision of the executive officer system, the scope of directors with roles stipulated in Article 21 of the current Articles of Incorporation will be modified.
- (4) With regard to dividends of surplus, etc., Article 30 of the Articles of Incorporation will be newly established to enable the Company to implement capital and dividend policies in an agile manner. In addition, Article 30 of the current Articles of Incorporation, which sets the record date for dividends of surplus, will be revised. Moreover, Article 31 of the current Articles of Incorporation, which stipulates overlapping content, will be deleted, and the number of articles will be changed due to the establishment and deletion.

2. Details of the amendment

Proposed amendments to the Articles of Incorporation and the current Articles of Incorporation are as follows.

(The underlined parts indicate the parts to be amended.)

Current Articles of Incorporation	Proposal amendment
<p><u>(Internet Disclosure and Deemed Provision of Reference Documents for General Meetings of Shareholders, Etc.)</u></p> <p><u>Article 13</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>(Establishment)</p>	<p>(Deletion)</p> <p><u>(Measures for Providing Reference Documents for General Meetings of Shareholders, etc. in Electronic Format)</u></p> <p><u>Article 13</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 not list all or some of those items designated by the Ministry of Justice Order in the statements contained in the paper-based documents to be delivered to shareholders who requested the delivery of paper-based documents.</u></p>

Current Articles of Incorporation	Proposal amendment
<p><u>(Limitation of Liability Contract with Directors)</u> Article 20</p> <p style="text-align: center;">(Establishment)</p> <p>The Company may conclude a contract with directors <u>regarding their liability to the Company for damages</u> (excluding those who are executive directors, etc.). Provided, however, that the amount of the limitation of liability <u>for damages</u> shall be the amount stipulated by laws and regulations.</p>	<p><u>(Exemption from liability of Directors)</u> Article 20</p> <ol style="list-style-type: none"> <li><u>Pursuant to the provisions of Article 426, paragraph 1 of the Companies Act, the Company may, by a resolution of the Board of Directors, exempt Directors (including former Directors) from liability for damage caused by negligence in their duties, to the extent provided in laws and regulations.</u></li> <li><u>Pursuant to the provisions of Article 427, paragraph 1 of the Companies Act, the Company may conclude a contract with directors to limit their liability for damages caused by negligence in their duties</u> (excluding those who are executive directors, etc.). Provided, however, that the amount of the limitation of liability <u>based on the contract</u> shall be the amount stipulated by laws and regulations.</li> </ol>
<p><u>(Representative Director and Director with roles)</u> Article 21</p> <ol style="list-style-type: none"> <li>The Board of Directors elects a few Representative Directors from among Directors (excluding Directors who are Audit and Supervisory Committee Members) by a resolution.</li> <li>The Board of Directors may elect one Director and Chairman, one Director and President, and a few Director and Vice Presidents, <u>Senior Managing Directors, and Managing Directors</u> as Directors with roles from among Directors by a resolution.</li> </ol> <p style="text-align: center;">(Establishment)</p>	<p><u>(Representative Director and Director with roles)</u> Article 21</p> <ol style="list-style-type: none"> <li>(No amendment)</li> <li>The Board of Directors may elect one Director and Chairman, one Director and President, and a few Director and Vice Presidents as Directors with roles from among Directors <u>(excluding Directors who are Audit and Supervisory Committee Members)</u> by a resolution.</li> </ol> <p><u>(Decision-making body for dividends of surplus, etc.)</u> Article 30</p> <p><u>The matters stipulated in each item of Article 459, paragraph 1 of the Companies Act, including dividends of surplus, may be determined by a resolution of the Board of Directors, except as otherwise provided in laws and regulations.</u></p>
<p><u>(Record date for dividends of surplus)</u> Article 30</p> <ol style="list-style-type: none"> <li><u>The Company may, by a resolution of the general meeting of shareholders, pay year-end dividends as dividends of surplus to shareholders or registered pledgees of shares listed or recorded in the shareholder registry on March 31 of each year.</u></li> <li><u>In addition to the case prescribed in the preceding paragraph, the Company may, by a resolution of the board of directors, pay interim dividends to shareholders or registered pledgees of shares listed or recorded in the shareholder registry on September 30 of each year.</u></li> </ol> <p style="text-align: center;">(Establishment)</p>	<p><u>(Record date for dividends of surplus)</u> Article 31</p> <ol style="list-style-type: none"> <li><u>The record date of year-end dividends of the Company shall be March 31 of each year.</u></li> <li><u>The record date of interim dividends of the Company shall be September 30 of each year.</u></li> <li><u>In addition to the cases prescribed in the two preceding paragraphs, the Company may pay dividends of surplus by specifying a record date.</u></li> </ol>
<p><u>(Share buy-back)</u> Article 31</p> <p><u>The Company may, by a resolution of the Board of Directors, conduct share buy-backs through market transactions, etc.</u></p>	<p style="text-align: center;">(Deletion)</p>

Current Articles of Incorporation	Proposal amendment
(Establishment)	<p><u>Supplementary Provisions</u></p> <ol style="list-style-type: none"> <li data-bbox="823 253 1426 501">1. <u>The deletion of Article 13 (Internet Disclosure and Deemed Provision of Reference Documents for General Meetings of Shareholders, Etc.) of the pre-amended Articles of Incorporation and establishment of Article 13 (Measures for providing reference documents for general meetings of shareholders, etc. in electronic format) of the Articles of Incorporation after amendment shall be effective from September 1, 2022.</u></li> <li data-bbox="823 521 1426 734">2. <u>Notwithstanding the provision of the preceding paragraph, Article 13 (Internet Disclosure and Deemed Provision of Reference Documents for General Meetings of Shareholders, Etc.) of the pre-amended Articles of Incorporation shall remain effective regarding any general meeting of shareholders held on or before February 28, 2023.</u></li> <li data-bbox="823 754 1426 875">3. <u>These Supplementary Provisions shall be deleted on March 1, 2023, or on the date when three months have elapsed from the date of the general meeting of shareholders in the preceding paragraph, whichever is later.</u></li> </ol>

**[Proposal No. 3 Supplementary explanation for the amendment to the Articles of Incorporation]**

The system for providing information in electronic format will come into effect on September 1, 2022. Accordingly, from the next general meeting of shareholders (after March 2023), we will list the informational materials for the general meeting of shareholders on the website of the Company, etc., and will send only a simplified Notice of the Annual General Meeting of Shareholders (notification of posting on the website, including the URL, etc.) to shareholders.

For the next general meeting of shareholders and thereafter, shareholders who would like to receive paper-based materials for general meetings of shareholders may submit a Request for Paper-based Documents. As for the submission of a Request for Paper-based Documents, please contact the securities company with which you have an account or The Sumitomo Mitsui Trust Bank, Limited, which is our shareholder registry administrator.

**Proposal No. 4** Election of Five Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

At the conclusion of this meeting, the terms of office of all five currently serving Directors (excluding Directors who are Audit and Supervisory Committee Members; applicable to the rest of this proposal) will expire. Therefore, the Company proposes the election of five Directors.

The candidates for Director are as follows:

Candidate No.	Name	Gender	Position in the Company	Candidate attributes
1	Katsuhiro Hayashi	Male	President and Representative Director	Re-election
2	Koji Fukutani	Male	Director	Re-election
3	Tomoyuki Umemoto	Male	Director	Re-election
4	Yasuto Nagata	Male	Director	Re-election
5	Gaku Watanabe	Male	Director	Re-election



Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
1	Katsuhiro Hayashi (January 20, 1958) Re-election	<p>Apr. 1982      Joined Hankyu Department Stores, Inc. (current H2O RETAILING CORPORATION)</p> <p>Jun. 2009      Director and Executive Officer, H2O RETAILING CORPORATION</p> <p>Jun. 2009      Executive Officer, Hankyu Hanshin Department Stores, Inc.</p> <p>Apr. 2012      Director and Executive Officer</p> <p>Apr. 2014      Director and Managing Executive Officer, H2O RETAILING CORPORATION</p> <p>Apr. 2014      Director, Managing Executive Officer, Hankyu Hanshin Department Stores, Inc.</p> <p>Apr. 2015      Representative Director and Senior Managing Executive Officer, H2O RETAILING CORPORATION</p> <p>Apr. 2015      Representative Director, Senior Managing Executive Officer, Hankyu Hanshin Department Stores, Inc.</p> <p>Apr. 2017      Representative Director and Executive Vice President, H2O RETAILING CORPORATION (current position)</p> <p>Nov. 2019      President and Representative Director, H2O Foods Group Co., Ltd. (current position)</p> <p>Dec. 2021      Representative Director of the Company (current position)</p> <p>&lt;Significant concurrent positions outside the Company&gt;  Representative Director and Executive Vice President, H2O RETAILING CORPORATION  President and Representative Director, H2O Foods Group Co., Ltd.</p>	300 shares
<p>[Reasons for nomination]</p> <p>Katsuhiro Hayashi has abundant work experience mainly in the business administration and compliance departments of H2O RETAILING CORPORATION. Since 2019, as President and Representative Director of H2O Foods Group Co., Ltd., which handles the business administration of the food business of the company, he has been leading the restructuring of the business. In December 2021, he took office as President and Representative Director of the Company. He has a wealth of experience, achievements and knowledge, and therefore was nominated as a candidate for Director, as we believe that he is an appropriate person for the continuous improvement of the corporate value of the Company.</p>			

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
2	Koji Fukutani (December 25, 1956) Re-election	Mar. 1979      Joined Kansai Super Market Ltd. (current the Company) Oct. 2006      Manager of Finance & Accounting Group Jun. 2008      Director Oct. 2008      Manager of General Affairs Group Oct. 2010      General Manager of General Affairs Division Oct. 2011      General Manager of Store Operations Division June 2013      Managing Director June 2013      General Manager of Sales Division Oct. 2014      President and Representative Director Jun. 2020      General Manager of Sales Management Division Sep. 2021      Representative Director, KS Company Split Preparation Co., Ltd. Dec. 2021      Director and Executive Officer, and President of Food Super Company of the Company Feb. 2022      Director in charge of Kansai Super Market (current position) Feb. 2022      President and Representative Director, Kansai Super Market Ltd. (Former KS Company Split Preparation Co., Ltd.) (current position) <Significant concurrent positions outside the Company> President and Representative Director, Kansai Super Market	29,500 shares
[Reasons for nomination] Koji Fukutani has abundant work experience related to grocery supermarkets. He has been engaged in management as President and Representative Director of Kansai Super Market Ltd. He also took office as Director of the Company in December 2021. He has a wealth of experience, achievements and knowledge, and therefore was nominated as a candidate for Director, as we believe that he is an appropriate person for the continuous improvement of the corporate value of the Company.			

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
3	Tomoyuki Umemoto (September 13, 1959) Re-election	<p>Apr. 1982      Joined Izumiya Co., Ltd.</p> <p>Sep. 1988      Central Executive Committee Member, Izumiya Labor Union</p> <p>Sep. 2005      Chairman of Central Executive Committee</p> <p>Nov. 2015      Executive Director, SUNROLLY CO., LTD.</p> <p>Apr. 2016      President and Representative Director</p> <p>Apr. 2019      Director and Executive Officer, Izumiya Co., Ltd.</p> <p>Jan. 2020      President and Representative Director (current position)</p> <p>Apr. 2020      Director, H2O Foods Group Co., Ltd. (current position)</p> <p>Dec. 2021      Director in charge of Izumiya of the Company (current position)</p> <p>&lt;Significant concurrent positions outside the Company&gt;  President and Representative Director, Izumiya Co., Ltd.  Director, H2O Foods Group Co., Ltd.</p>	0 shares
		<p>[Reasons for nomination]</p> <p>Tomoyuki Umemoto has abundant work experience related to grocery supermarkets. Since 2020, he has been engaged in management as President and Representative Director of Izumiya Co., Ltd. He also took office as Director of the Company in December 2021. He has a wealth of experience, achievements and knowledge, and therefore was nominated as a candidate for Director, as we believe that he is an appropriate person for the continuous improvement of the corporate value of the Company.</p>	
4	Yasuto Nagata (November 1, 1958) Re-election	<p>Apr. 1982      Joined Hankyu Department Stores, Inc. (current H2O RETAILING CORPORATION)</p> <p>Oct. 2012      General Manager of Out-of-Store Sales Department, Hankyu Department Stores, Inc.</p> <p>Apr. 2013      General Manager of Human Resources Department, Hanshoku Co., Ltd. (Current HANKYU OASIS Co. LTD)</p> <p>Apr. 2014      Director and Executive Officer</p> <p>Apr. 2015      Director and Managing Executive Office</p> <p>Apr. 2017      Director and Senior Managing Executive Office</p> <p>Apr. 2021      President and Representative Director (current position)</p> <p>Apr. 2021      Director, H2O Foods Group Co., Ltd. (current position)</p> <p>Dec. 2021      Director in charge of Hankyu Oasis of the Company (current position)</p> <p>&lt;Significant concurrent positions outside the Company&gt;  President and Representative Director, HANKYU OASIS Co., LTD  Director, H2O Foods Group Co., Ltd.</p>	0 shares
		<p>[Reasons for nomination]</p> <p>Yasuto Nagata has abundant work experience related to grocery supermarkets. Since 2021, he has been engaged in management as President and Representative Director of HANKYU OASIS Co. LTD. He also took office as Director of the Company in December 2021. He has a wealth of experience, achievements and knowledge, and therefore was nominated as a candidate for Director, as we believe that he is an appropriate person for the continuous improvement of the corporate value of the Company.</p>	

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
5	Gaku Watanabe (May 1, 1968) Re-election	<p>Apr. 1991      Joined SANYO Electric Co., Ltd.</p> <p>Jul. 2010      Deputy General Manager of Administrative Planning Division</p> <p>Apr. 2015      Joined SIGMAXYZ Inc.</p> <p>Apr. 2015      Representative Director and Vice President, GLOBAL SECURITY EXPERTS Inc.</p> <p>Apr. 2018      General Manager of Administrative Planning Department (Director) of SIGMAXYZ Inc.</p> <p>Oct. 2019      Joined H2O RETAILING CORPORATION, Assistant to Vice President (With the status of Head of Office)</p> <p>Apr. 2020      Executive Officer</p> <p>Dec. 2021      Director in charge of the Finance Department and the General Affairs Department of the Company</p> <p>Feb. 2022      Director, Head of Administrative Planning Office, in charge of the Finance Department and the General Affairs Department (current position)</p> <p>Apr. 2022      Managing Executive Officer, H2O RETAILING CORPORATION (current position)</p> <p>&lt;Significant concurrent positions outside the Company&gt; Managing Executive Officer, H2O RETAILING CORPORATION</p>	0 shares
<p>[Reasons for nomination]</p> <p>Gaku Watanabe has abundant work experience in business administration. He has been engaged in management as Executive Officer and Managing Executive Officer of H2O RETAILING CORPORATION. He also took office as Director of the Company in December 2021. He has a wealth of experience, achievements and knowledge, and therefore was nominated as a candidate for Director, as we believe that he is an appropriate person for the continuous improvement of the corporate value of the Company.</p>			

- (Notes)
1. The section of "Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company" of Katsuhiro Hayashi, Tomoyuki Umemoto, Yasuto Nagata and Gaku Watanabe indicates the positions and duties that they currently have or have had in the past ten years as an executive of H2O RETAILING CORPORATION, our parent company, or its subsidiaries, etc.
  2. Katsuhiro Hayashi is Representative Director and Executive Vice President of H2O RETAILING CORPORATION. We borrow funds for share buy-backs from H2O RETAILING CORPORATION. In addition, we pay our share of the Group's operating cost to said company. Further, we procure products from a subsidiary of H2O RETAILING CORPORATION. There is no other special interest between any of the candidates and the Company.
  3. The Company has entered into a directors and officers liability insurance contract with an insurance company pursuant to Article 430-3, paragraph 1 of the Companies Act with each candidate as an insured person. Under the said insurance contract, if the insured is sued for damages due to an act committed (including omission) based on the position of a director or officer of the Company, damages and legal costs shall be covered. As a policyholder, the Company bears the cost of the insurance. However, insured persons shall bear the insurance cost that covers damages and litigation expense in the event of losing a shareholder derivative suit. If each candidate is elected and takes office as a Director, each candidate will continue to be an insured person. From the next renewal of the insurance contract (scheduled for February 1, 2023), the Company will start bearing the insurance premiums equivalent to the portion that secures the damages and litigation expenses in the case of losing a shareholder derivative action.
  4. On February 1, 2022, the Company conducted a company split to have KS Company Split Preparation Co., Ltd. succeed to all business operated by the Company, and changed the company name to "Kansai Food Market Ltd." On the same day, KS Company Split Preparation Co., Ltd. changed its name to "Kansai Super Market Ltd."
  5. On October 1, 2007, Hankyu Department Stores, Inc. conducted a company split to have the newly established Hankyu Department Stores, Inc. succeed to the department store business, and changed its company name to "H2O RETAILING CORPORATION." Furthermore, on October 1, 2008, the newly established Hankyu Department Stores, Inc. merged with Hanshin Department Store, Ltd., and changed its company name to "Hankyu Hanshin Department Stores, Inc."
  6. On July 1, 2016, Izumiya Co., Ltd. (the company name of which was changed to "H2O Asset Management Co., Ltd." Subsequently, on April 1, 2021, due to the absorption-type merger with Hankyu Hanshin Department Stores, Inc., it was dissolved.) conducted a company split to have the newly established Izumiya Co., Ltd. succeed to the retail business.

### Directors' skill matrix after the General Meeting of Shareholders (plan)

If Proposal No. 4 is approved and adopted as originally proposed, the skill matrix of Directors (including Directors who are Audit and Supervisory Committee Members) will be as follows.

	Corporate management	Finance and accounting	Legal risk management	Expertise in the industry	DX/IT	Human resources development and management
Katsuhiko Hayashi	○		○	○		○
Koji Fukutani	○	○		○		○
Tomoyuki Umemoto	○			○		○
Yasuto Nagata	○			○		○
Gaku Watanabe	○	○			○	
Toshimitsu Konishi	○	○	○			
Shigeo Mori			○			
Yoshihiro Nishiguchi	○	○				
Chie Sawa						○

\* The list above does not indicate all knowledge, experience and capabilities of the Directors (candidates).

**Proposal No. 5** Election of Financial Auditor

The term of office of Grant Thornton Taiyo LLC, which is the Financial Auditor of the Company, will expire at the conclusion of this meeting. Therefore, based on the decision of the Audit and Supervisory Committee, we will propose the election of a new Financial Auditor as the said Financial Auditor will not be reappointed.

The Audit and Supervisory Committee did not reappoint Grant Thornton Taiyo LLC as it took into consideration the consecutive audit period of the said Financial Auditor and the efficiency of financial audits for the overall H2O Retailing Group, to which the Company belongs.

Furthermore, the Audit and Supervisory Committee nominated KPMG AZSA LLC as a candidate for Financial Auditor as it judged that it is qualified as a Financial Auditor considering the audit system, independence, expertise, etc. of the audit corporation. In addition, it assessed that, by using the same Financial Auditor as that of H2O RETAILING CORPORATION, our parent company, we can improve the efficiency of financial auditing and establish a central management system for the Group's consolidated closing of accounts.

The candidate for Financial Auditor is as follows:

(As of March 31, 2022)

Name	KPMG AZSA LLC	
Office	Main office: 1-2, Tsukudo-cho, Shinjuku-ku, Tokyo Number of offices: 12	
Corporate history	Jul. 1969	Established Asahi & Co.
	Jul. 1985	Established Audit firm Asahi Shinwa & Co
	Oct. 1993	Merged with Inoue Saito Eiwa Audit Corporation (established in April 1978) and established under the name "Asahi & Co."
	Jan. 2004	Merged with AZSA & Co. (established in February 2003) and established under the name "KPMG AZSA & Co."
	Jul. 2010	It was changed into a limited liability auditing corporation with a new name, KPMG AZSA LLC.
Overview	Capital	¥3,000 million
	Composition of staff	Certified public accountants: 2,970 Newly certified and Junior CPAs: 1,172 Professionals: 1,190 Administration: 724 Total: 6,056
	Number of audit clients	3,660 companies