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(Securities Code: 8194)

May 8, 2023

To our shareholders:

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

Notice of the 68th General Meeting of Shareholders

We are pleased to announce the 68th Annual General Meeting of Shareholders of LIFE CORPORATION (the “Company”) to be held as indicated below.

When convening this general meeting of shareholders, the Company takes measures for providing the matters described below that constitutes the content of Reference Documents for the General Meeting of Shareholders, etc. (matters for which measures for providing information in electronic format) in electronic format, and posts this on the Company’s website. Please access the following website using the internet to review the information.

The Company’s website

<http://www.lifecorp.jp/company/ir/procedure.html> (in Japanese)

In addition, apart from the Company’s website, matters for which measures for providing information in electronic format are also posted on the website of the Tokyo Stock Exchange (TSE). Please refer to the following.

TSE website (Listed Company Search)

<https://www2.jpx.co.jp/tseHpFront/JJK010010Action.do?Show=Show>

(Access the TSE website indicated above, enter “LIFE CORPORATION” in the “Issue name (company name)” or the Company’s securities code “8194” in the “Code” and search. Then select “Basic information” followed by “Documents for public inspection/PR information” and review the information from the “Notice of General Shareholders Meeting/Information Materials for a General Shareholder Meeting” under “Filed information available for public inspection.”)

If you will not be attending the meeting in person, you may exercise your voting rights via the internet or in writing (postal mail). Please review the 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 24, 2023 (JST).

1. Date and Time: Thursday, May 25, 2023, 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 68th fiscal year (from March 1, 2022 to February 28, 2023), 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 68th fiscal year (from March 1, 2022 to February 28, 2023)

Matters to be resolved:

- | | |
|-----------------------|--|
| Proposal No. 1 | Appropriation of Surplus |
| Proposal No. 2 | Amendment to the Articles of Incorporation |
| Proposal No. 3 | Election of Eight (8) Directors |
| Proposal No. 4 | Election of Three (3) Corporate Auditors |

4. Decisions on convening the meeting

In the event that the voting rights have been exercised in writing (postal mail) and where no vote for or against a proposal has been indicated on the voting form, the vote shall be treated as for the proposal.

- When you attend the meeting, please present the enclosed voting form to reception.
- Shareholders who requested the delivery of paper-based documents will also be sent paper-based documents that describe the matters for which measures for providing information in electronic format will be taken, but such paper-based documents shall exclude the following matters pursuant to the provisions of laws and regulations and Article 15, paragraph (2) of the Articles of Incorporation.
 - (i) “Matters Related to Establishing System for Ensuring the Propriety of Business Activities” in the Business Report
 - (ii) “Notes to the Consolidated Financial Statements” in the Consolidated Financial Statements
 - (iii) “Notes to the Non-consolidated Financial Statements” in the Non-consolidated Financial StatementsAccordingly, the Business Report, Consolidated Financial Statements and Non-consolidated Financial Statements attached to such paper-based documents constitute a part of the documents that were audited by the Corporate Auditors and the Accounting Auditors in preparing the audit results.
- If revisions to the matters for which measures for providing information in electronic format are to be taken arise, a notice of the revisions and the details of the matters before and after the revisions will be posted via the internet on the Company’s website and the TSE website listed above.

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 the management structure and future business development. Therefore, the Company proposes the payment of the year-end dividend and other appropriation of surplus for the 68th 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

The Company proposes to pay a dividend of ¥35 per common share of the Company. In this event, the total dividends will be ¥1,645,430,990.

Accordingly, including the interim dividend (¥35 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 26, 2023.

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

| | 64th Fiscal Year ended February 2019 | 65th Fiscal Year ended February 2020 | 66th Fiscal Year ended February 2021 | 67th Fiscal Year ended February 2022 | 68th Fiscal Year ended February 2023 |
|--|--|--|--|---|--|
| Interim dividend (¥) | 15.00 | 20.00 | 25.00 | 30.00 | 35.00 |
| Year-end dividend (¥) | 15.00 | 20.00 | 25.00 | 40.00 (Includes commemorative dividend of ¥10) | 35.00 |
| Consolidated dividend payout ratio (%) | 19.0 | 23.9 | 13.1 | 21.6 | 24.6 |

2. Other appropriation of surplus

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

General reserve: ¥9,300,000,000

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

Retained earnings brought forward: ¥9,300,000,000

Proposal No. 2 Amendment to the Articles of Incorporation

1. Reasons for the amendment

The Company has relocated its head office for the purpose of improvement management and operational efficiencies.

Consequently, the Company proposes to change the location of the head office prescribed in Article 3 (Location of the Head Office) of the current Articles of Incorporation from Chuo-ku, Tokyo to Osaka City, Osaka Prefecture. This amendment shall take effect on the date of relocation of the head office (May 27, 2023) resolved at the Board of Directors meeting held on January 27, 2023 and a supplementary provision indicating this fact shall be established. The supplementary provision shall be eliminated after the effective date of the relocation of the head office.

2. Amendments

Details of amendments are as follows.

(Changed portion is underlined)

| Current Articles of Incorporation | Proposed Amendments |
|--|--|
| <p>Article 3 Location of the Head Office</p> <p>The head office of the Company shall be located at <u>Chuo-ku, Tokyo, Japan.</u></p> <p>(Newly established)</p> | <p>Article 3 Location of the Head Office</p> <p>The head office of the Company shall be located at <u>Osaka City, Osaka Prefecture, Japan.</u></p> <p><u>Supplementary provision</u></p> <p><u>(Transitional Measures for the Relocation of the Head Office)</u></p> <p><u>Article 1 The amendment of Article 3 (Location of the Head Office) shall take effect on May 27, 2023, and this supplementary provision shall be eliminated after the effective date of the relocation of the head office.</u></p> |

Proposal No. 3 Election of Eight (8) Directors

At the conclusion of this meeting, the terms of office of all nine (9) Directors will expire. Therefore, the Company proposes to elect eight (8) 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 FY2022 |
|---------------|---|--------|--|---|
| 1 | <input type="checkbox"/> Re-election Takaharu Iwasaki | Male | Representative Director and President | 17/17 (100%) |
| 2 | <input type="checkbox"/> Re-election Tomehisa Morishita | Male | Director & Senior Managing Executive Officer | 17/17 (100%) |
| 3 | <input type="checkbox"/> Re-election Takashi Sumino | Male | Director & Managing Executive Officer | 17/17 (100%) |
| 4 | <input type="checkbox"/> Re-election Nobuyuki Kawai | Male | Director & Managing Executive Officer | 17/17 (100%) |
| 5 | <input type="checkbox"/> Re-election <input type="checkbox"/> Independent <input type="checkbox"/> Outside Koichi Narita | Male | Director | 17/17 (100%) |
| 6 | <input type="checkbox"/> Re-election <input type="checkbox"/> Independent <input type="checkbox"/> Outside Haruhiko Yahagi | Male | Director | 17/17 (100%) |
| 7 | <input type="checkbox"/> Re-election <input type="checkbox"/> Independent <input type="checkbox"/> Outside Hiroko Kono | Female | Director | 17/17 (100%) |
| 8 | <input type="checkbox"/> Re-election <input type="checkbox"/> Independent <input type="checkbox"/> Outside Takashi Katayama | Male | Director | 13/14 (93%) |

Note: For Takashi Katayama, attendance at Board of Directors meetings indicates his attendance after he assumed office as a Director.

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 | ● | ● | | | | | | ● | ● | | ● |
| 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: 24 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 the President of the Company for 17 years since 2006. Therefore, the Company has nominated him as a candidate for Director.</p> | <p>21,739 shares</p> <p>(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 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: 9 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 successfully 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;">5,513 shares</p> <p>(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 |
|---------------|--|--|--|
| 3 | <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: 11 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 successfully served as head of sales division of the Company. He has abundant operation knowledge, mainly in the sales division, as well as insight on the 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;">8,047 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 |
|---------------|--|--|--|
| 4 | <p data-bbox="352 786 520 846">Nobuyuki Kawai (April 18, 1963)</p> <p data-bbox="379 882 494 907">Re-election</p> <p data-bbox="280 943 595 1066">Period as Director: 4 years (as of conclusion of this General Meeting of Shareholders)</p> | <p data-bbox="612 264 1241 1361"> Apr. 1987 Joined Mitsubishi Corporation Dec. 2005 Senior Manager, Accounting & Finance Team, Accounting Department, Kansai Branch May 2010 Head, Planning and Development, Structured Finance, M&A Advisory Dept. May 2012 Deputy General Manager, Corporate Auditors' Office Apr. 2014 Executive Vice President and CFO, Mitsubishi Company (Thailand) Ltd. Executive Vice President and CFO, Thai-MC Company Limited May 2016 Chief Administrative Officer, Tata Consultancy Services Japan, Ltd. July 2018 General Manager of Department in charge of Special Missions, Business Group Headquarters of the Company Oct. 2018 Assistant to Group CEO of Corporate Functions Group Headquarters Jan. 2019 Executive Officer, Deputy Division COO of Corporate Finance and Accounting Division, and responsible for Corporate Strategy and Planning Department May 2019 Director & Senior Executive Officer, Division COO of Corporate Finance and Accounting Division Mar. 2021 Director & Managing Executive Officer, Assistant to Group CEO of Corporate Functions Group Headquarters, and Division COO of Corporate Finance and Accounting Division 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 data-bbox="612 1406 1241 1583"> (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 data-bbox="1256 819 1445 1037"> 2,173 shares (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 |
|---------------|--|---|--------------------------------------|
| 5 | <p data-bbox="363 725 512 786">Koichi Narita (June 30, 1954)</p> <p data-bbox="379 824 496 913">Re-election Independent Outside</p> <p data-bbox="284 949 592 1070">Period as outside Director: 5 years (as of conclusion of this General Meeting of Shareholders)</p> | <p data-bbox="612 264 1241 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 1241 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 five 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 |
|---------------|---|--|--------------------------------------|
| 6 | <p style="text-align: center;">Haruhiko Yahagi (December 21, 1962)</p> <p style="text-align: center;">Re-election Independent Outside</p> <p style="text-align: center;">Period as outside Director: 2 years (as of conclusion of this General Meeting of Shareholders)</p> | <p>Apr. 1989 Director-in-charge, Change Integration 5, Price Waterhouse Consultants Co., Ltd.</p> <p>Jan. 1998 Manager, Global Service Group, EDS Japan Co., Ltd.</p> <p>Dec. 1998 Director-in-charge, Consumer Business, Deloitte Tohmatsu Consulting Co., Ltd.</p> <p>Sept. 2001 Director-in-charge, Aska Technology Co., Ltd.</p> <p>Mar. 2003 Director, Business Process Innovation (BPI) Team, Capgemini Japan K.K.</p> <p>Sept. 2009 Partner, Consumer Business Industry Leader of Asia and Japan, Deloitte Tohmatsu Consulting Co., Ltd.</p> <p>Mar. 2015 Partner, In-charge of Retail & Consumer Industry, PwC Consulting LLC</p> <p>July 2020 Managing Director, Consumer Market</p> <p>May 2021 Outside Director of the Company (current position)</p> <p>July 2022 Officer, Managing Director, Consumer Market, PwC Consulting LLC (Current Position)</p> <p>(Reasons for nomination as outside Director and outline of expected role) 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 two 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="363 689 507 750">Hiroko Kono (May 8, 1965)</p> <p data-bbox="375 786 496 875">Re-election Independent Outside</p> <p data-bbox="280 913 592 1032">Period as outside Director: 2 years (as of conclusion of this General Meeting of Shareholders)</p> | <p data-bbox="611 264 1241 981"> Apr. 1989 Joined Mitsubishi Corporation July 1992 Joined Tokyo Office, Capital International Research, Inc. Jan. 2001 Los Angeles Headquarters, The Capital Group Companies, Inc. Feb. 2003 Washington, D.C. Office, Capital International Research, Inc. July 2008 Tokyo Office, Capital International, Inc. July 2011 Council and Director of International School of Asia, Karuizawa Establishment Preparation Foundation Nov. 2013 Director and Head of Operations of International School of Asia, Karuizawa Mar. 2016 Head of Operations of UWC ISAK Japan Nov. 2018 Executive Coach of COACH A Co., Ltd. May 2021 Outside Director of the Company (current position) Mar. 2022 Officer, Executive Coach of COACH A Co., Ltd. (current position) Aug. 2022 Outside Director, Audit and Supervisory Committee Member of SATUDORA HOLDINGS CO., LTD. (current position) </p> <p data-bbox="611 1021 1241 1462"> (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 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 two 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 |
|---------------|---|--|--------------------------------------|
| 8 | Takashi Katayama (October 27, 1953) Re-election Independent Outside Period as Director: 1 year (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>Managing Director</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 and CEO</p> <p>Mar. 2018 Advisor</p> <p>Mar. 2019 Representative of RTK-Design (current position)</p> <p>May 2022 Outside Director of the Company (current position)</p> <p>(Reasons for nomination as outside Director and outline of expected role)</p> <p>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 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. Mr. Katayama's period as outside Director of the Company will have been one year at the conclusion of this meeting.</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 the Tokyo Stock Exchange that Koichi Narita, Haruhiko Yahagi, Hiroko Kono, and Takashi Katayama, candidates for outside Director, have been appointed as an independent officer.
 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, Hiroko Kono, and Takashi Katayama. If they are elected, the Company plans to renew this agreement with them. 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.

Proposal No. 4 Election of Three (3) Corporate Auditors

At the conclusion of this meeting, the terms of office of Corporate Auditors Kaoru Sueyoshi, Junichi Hamahira, and Naoko Miyatake will expire. Therefore, the Company proposes to elect three (3) Corporate Auditors.

The consent of the Board of Corporate Auditors has been obtained for this proposal.

The candidates for Corporate Auditors are as follows:

| Candidate No. | Name | Gender | Current position in the Company | Attendance at Board of Corporate Auditors meetings in FY2022 |
|---------------|---|--------|---------------------------------|--|
| 1 | <u>Re-election</u> Kaoru Sueyoshi | Male | Full-Time Corporate Auditor | 14/14 (100%) |
| 2 | <u>Re-election</u> <u>Independent</u> <u>Outside</u> Naoko Miyatake | Female | Corporate Auditor | 14/14 (100%) |
| 3 | <u>New election</u> <u>Independent</u> <u>Outside</u> Koji Shiono | Male | – | – |

| Candidate No. | Name (Date of birth) | Career summary and positions in the Company, and significant concurrent positions outside the Company | Number of the Company's shares owned |
|---------------|---|---|--------------------------------------|
| 1 | <p data-bbox="331 555 544 618">Kaoru Sueyoshi (December 26, 1958)</p> <p data-bbox="379 651 496 678">Re-election</p> <p data-bbox="284 719 592 837">Period as Corporate Auditor: 4 years (as of conclusion of this General Meeting of Shareholders)</p> | <p data-bbox="611 264 1233 815"> Apr. 1982 Joined the Company July 2007 General Manager of Tokyo Region Accounting Department Aug. 2011 General Manager of Finance Department May 2014 General Manager of Tokyo Region Accounting Department Oct. 2016 General Manager of Department in charge of Special Missions, Administration and Management Headquarters Jan. 2018 General Manager of Finance Department and General Manager of Department in charge of Special Missions, Corporate Functions Group Headquarters Jan. 2019 General Manager of Department in charge of Special Missions, Corporate Functions Group Headquarters May 2019 Full-Time Corporate Auditor (current position) </p> <p data-bbox="611 853 1233 1133"> (Reason for nomination as Corporate Auditor) Kaoru Sueyoshi has amassed significant knowledge in finance and accounting through his long-standing experience in finance and accounting divisions of the Company and is also well-versed in the Company's overall management through finance and accounting operations. He is currently fulfilling his role as a full-time Corporate Auditor, auditing the Company's management, and the Company expects that he will continue to fulfill his role described above. </p> | 2,021 shares |

| Candidate No. | Name (Date of birth) | Career summary and positions in the Company, and significant concurrent positions outside the Company | Number of the Company's shares owned |
|---------------|---|--|--------------------------------------|
| 2 | <p data-bbox="331 544 544 607">Naoko Miyatake (December 16, 1959)</p> <p data-bbox="376 640 499 730">Re-election Independent Outside</p> <p data-bbox="280 768 592 920">Period as outside Corporate Auditor: 4 years (as of conclusion of this General Meeting of Shareholders)</p> | <p data-bbox="612 264 1214 752"> Apr. 1982 Joined JCB Co., Ltd. Sept. 1998 Group Manager, Human Resources Development, Personnel Department Aug. 2001 General Manager, Quality Control Oct. 2004 General Manager, Communication Center June 2006 Executive Officer and General Manager, Communication Center June 2008 Representative Director and President of JCB Service Co., Ltd. Aug. 2013 Representative Director of KANSEI worker Research Ltd. (current position) Jun. 2018 Outside Director (Audit & Supervisory Committee Members) of Odelic Co., Ltd. May 2019 Outside Corporate Auditor of the Company (current position) </p> <p data-bbox="612 792 1241 1196"> (Reason for nomination as outside Corporate Auditor) The Company has nominated Naoko Miyatake as a candidate for outside Corporate Auditor because she has long-standing business experience in customer service, and as the Representative Director and President of JCB Service Co., Ltd. and is also highly regarded for her performance in her current position as Representative Director of KANSEI worker Research Ltd. She is currently fulfilling her role as outside Corporate Auditor, auditing the Company's management, and the Company expects that she will continue to fulfill her role described above. Ms. Miyatake's period as outside Corporate Auditor 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 and positions in the Company, and significant concurrent positions outside the Company | Number of the Company's shares owned |
|---------------|--|--|--------------------------------------|
| 3 | Koji Shiono (February 21, 1955) New election Independent Outside Period as outside Corporate Auditor: 0 years (as of conclusion of this General Meeting of Shareholders) | <p>Apr. 1978 Recruited as Assistant Director (Taxation) of the National Tax Agency Official, Co-ordination Division, Management and Co-ordination Department, Tokyo Regional Taxation Bureau</p> <p>July 1978 Examiner, Suginami Tax Office</p> <p>July 1982 Assistant Director, Tax Counsel Office, Management and Co-ordination Department</p> <p>July 1985 Examiner, Special Management Division, Higashi Murayama Tax Office</p> <p>July 1987 Assistant Chief, Income Tax Section, Direct Tax Division</p> <p>July 1988 Assistant Director, Planning Division, Management and Co-ordination Department</p> <p>Apr. 1996 Joined Hamahira Junichi Tax & Accounting Office</p> <p>Jan. 1999 Joined Sakai Certified Public Accountants' Office</p> <p>Oct. 2001 Established Koji Shiono Tax & Accounting Office</p> <p>Jan. 2014 Founding Representative, Nihonbashi Hamahira & Shiono Partners Tax & Accounting Company (current position)</p> <p>(Reason for nomination as outside Corporate Auditor) Koji Shiono has never been directly involved in the management of a company. However, the Company has nominated him as a candidate for outside Corporate Auditor because he has a tax accountant qualification and operational experience at the National Tax Agency. The Company expects that he will fulfill his role as an outside Corporate Auditor, auditing the Company's management from an objective perspective due to his expertise and high level of knowledge related to finance and accounting.</p> | 0 shares |

- Notes:
- There are no special interests between any of the candidates for Corporate Auditor and the Company.
 - Naoko Miyatake and Koji Shiono are both candidates for outside Corporate Auditor.
 - The Company has submitted notification to the Tokyo Stock Exchange that Naoko Miyatake, candidate for Corporate Auditor, has been appointed as an independent officer.
Since Koji Shiono also meets the requirements for independent officer pursuant to the rules of the Tokyo Stock Exchange, the Company plans to notify him to the said exchange as an independent officer if he is elected.
 - The reasons the candidates were judged capable of appropriately performing the duties of outside Corporate Auditor
The Company judges that Naoko Miyatake is capable of appropriately performing her duty as outside Corporate Auditor because she has sufficient knowledge to audit corporate management through her work experience to date and her abundant experience as a corporate manager at JCB Service Co., Ltd. and KANSEI worker Research Ltd.
Although Koji Shiono has never been directly involved in the management of a company, the Company judges that he is capable of appropriately performing his duty as outside Corporate Auditor because he is well-versed in finance and accounting as a tax accountant and has sufficient knowledge to audit corporate management.
 - The Company states in the Articles of Incorporation that the Company may enter into an agreement with outside Corporate Auditors to limit their liability for damages to the Company in order for outside Corporate Auditors to fully perform the roles expected of them as outside Corporate Auditors. The Company has entered into the aforementioned limited liability agreement with Naoko Miyatake. If she is elected, the Company plans to renew this agreement with her. Also, if Koji Shiono is elected, the Company plans to newly enter into the same limited agreement with him.
The outline of the agreement is as follows:
 - Outside Corporate Auditors 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 Corporate Auditor in question acted in good faith and without gross negligence in performing the duties giving rise to said liabilities.

6. 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 Corporate Auditors of the Company, or claims pertaining to the pursuit of such liability. If candidates are elected and assume the office as Corporate Auditors, 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, 2022, to February 28, 2023)

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 |
| ¥765,426 million | -% | ¥19,148 million | -16.5% |
| Ordinary profit | Change from the previous fiscal year | Profit attributable to owners of parent | Change from the previous fiscal year |
| ¥20,015 million | -15.5% | ¥13,327 million | -12.4% |

The Company has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29), etc., from the beginning of the fiscal year ended February 28, 2023. As a result, the accounting treatment method for revenues differs from that used in the previous fiscal year; therefore, in the following explanation of operating results, no increase or decrease amounts or year-on-year comparisons (%) are shown for operating revenues and net sales.

During the current fiscal year, in the Japanese economy, the normalization of socioeconomic activities was pursued while measures against COVID-19 were taken. On the other hand, the outlook remained uncertain, largely due to the acceleration of cost-push inflation stemming from a sharp rise in resource prices under the unstable international situation, the global economic downturn, particularly in Europe and the U.S., and the depreciation of the yen.

In the food supermarket industry, which is the Group’s area of business, the environment surrounding corporate operations is becoming increasingly severe, mainly due to intensifying competition across industries and business categories, rising procurement costs for raw materials, soaring utilities expenses, personnel costs and other costs, and the growing tendency for consumers to economize due to a decline in real wages.

In this economic environment, the current fiscal year is positioned as the year for the total completion of the 6th Medium-Term Plan, which commenced in fiscal 2018, with the aim of making all of our stores No. 1 in their areas and creating even greater trust from our customers. While breaking away from the homogeneous competition and promoting differentiation, we are working on various measures. Specifically, we are focusing on the development of original products, such as BIO-RAL, a private brand that uses healthy materials and production methods for customers interested in health and natural products (the number of stores with product sections based on the BIO-RAL concept will be increased to 240 stores, approximately 80% of all stores), as well as expanding our online supermarket business, including services for Amazon Prime members, and aggressively opening new stores.

Our Central Square Yebisu Garden Place Store, which opened in April 2022 as the flagship store, is positioned as a next-generation supermarket that combined brick-and-mortar stores and an online supermarket with the business concepts of Central Square (“making daily shopping not only more convenient but also more enjoyable”) and BIO-RAL (“organic, local, healthy, and sustainable”). It has been performing well with the support of many customers.

Furthermore, in March 2022, as part of our efforts to realize a sustainable and flourishing society, we started full-scale operation of one of the largest bio-gas power generation facilities in the Japanese retail industry at Tempoan, which reduces food residues by more than 4,000 tons per year and creates renewable energy. The Tempoan bio-gas power generation plant won the Award for Decarbonization at the Sustainability Video Awards 2022, which is a joint project by the Ministry of Agriculture, Forestry and Fisheries, the Consumer Affairs Agency and the Ministry of the Environment in January 2023. In addition, in April 2022, we switched all electricity used at the Tokyo and Osaka headquarters and Central Square Nishi-miyahara Store, adjacent to the Osaka headquarters, to power from renewable energy sources. At the same time, in response to soaring electricity prices and tight power supply, stores and the headquarters are working to save electricity by adjusting the temperature settings of air conditioners and turning off some lights.

In addition, as part of our social contributions, we offered food products and daily supplies to those living in Kyoto City who have evacuated from Ukraine to assist “Kyoto Citizens’ Acceptance Support Network for Kyiv and Ukraine evacuees,” a support organization launched by Kyoto City and others.

We opened 11 new stores: Central Square Yebisu Garden Place Store (Tokyo) (mentioned above), Kameido Clock Store (Tokyo) and Horikawa Kitayama Store (Kyoto) in April 2022, BIO-RAL Shinjuku Marui Store (Tokyo) in May, Moriguchi Takii Store (Osaka) and Nishiogikubo Store (Tokyo) in July, Toyosu Store (Tokyo), Hanazono Central Park Store (Osaka) and Shijoomiya Store (Kyoto) in September, VIERRA Maita Store (Kanagawa) in October, and Ichigayayakuoji Store (Tokyo) in December. For existing stores, we also temporarily closed the Hatsushiba Store in January 2021 for reconstruction works and continued operating at a temporary store “Hatsushiba Higashi Store,” and opened the new “Hatsushiba Store” in December 2022. We also undertook major renovation of four existing stores to expand product lines and frozen foods that meet the needs of health consciousness, simplicity and convenience at Shiki Store, Oyodonaka Store, and Ichikawakokubun Store, and we set up one of the largest “BIO-RAL” sections in the Osaka region at the annex to the Central Square Namba Store, etc.

The Group’s operating revenue totaled ¥765,426 million as a result of the expansion of new stores and online supermarkets, the strengthening of private brand products such as “BIO-RAL,” and implementing product initiatives that sought to enhance the taste of products. On the other hand, as for selling, general and administrative expenses, the Group saw increases in utilities expenses, various property expenses such as rent expenses from opening new stores, and personnel expenses from increased hiring activities. Operating profit was ¥19,148 million (¥22,932 million in the previous year), ordinary profit was ¥20,015 million (¥23,695 million in the previous year), and profit attributable to owners of parent was ¥13,327 million (¥15,208 million in the previous year).

Results by segment are as follows:

Retail Business

Operating revenue was ¥765,240 million, with net sales of ¥738,494 million, and segment profit of ¥19,683 million (¥23,556 million in the previous year).

Net sales by department were ¥323,247 million for fresh produce, ¥327,577 million for general food, ¥64,667 million for lifestyle products, and ¥23,001 million for apparel.

Units: 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 |
|---------------------------------------|-------------------|-------------------|--------------------|-----------------|----------------|--------------------|
| 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) |
| 68th Fiscal Year (2022/3 - 2023/2) | 323,247 (43.8) | 327,577 (44.3) | 64,667 (8.8) | 23,001 (3.1) | – (–) | 738,494 (100.0) |

Other Business

Operating revenue from LIFE FINANCIAL SERVICE was ¥2,577 million (¥2,415 million in the previous year), with segment profit of ¥332 million (¥139 million in the previous year).

New store information for March 2022 to February 2023

| | | | |
|-----------|--|-----------|--------------------------------------|
| Apr. 2022 | Central Square Yebisu Garden Place Store (Tokyo) | Apr. 2022 | Horikawa Kitayama Store (Kyoto) |
| Apr. 2022 | Kameido Clock Store (Tokyo) | May 2022 | BIO-RAL Shinjuku Marui Store (Tokyo) |
| Jul. 2022 | Moriguchi Takii Store (Osaka) | Jul. 2022 | Nishiogikubo Store (Tokyo) |
| Sep. 2022 | Toyosu Store (Tokyo) | Sep. 2022 | Hanazono Central Park Store (Osaka) |
| Sep. 2022 | Shijoomiya Store (Kyoto) | Oct. 2022 | VIERRA Maita Store (Kanagawa) |
| Dec. 2022 | Ichigayayakuoji 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: Horikawa Kitayama Store, Moriguchi Takii Store, Hanazono Central Park Store, Shijoomiya Store, Hatsushiba Store (reconstruction)

Tokyo Region: Central Square Yebisu Garden Place Store, Kameido Clock Store, BIO-RAL Shinjuku Marui Store, Nishiogikubo Store, Toyosu Store, VIERRA Maita Store, Ichigayayakuoji Store

(2) Stores that underwent large-scale renovation during the fiscal year under review

Osaka Region: Shiki Store, Oyodonaka Store, Central Square Namba Store

Tokyo Region: Ichikawakokubun 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 | 65th Fiscal Year ended February 2020 | 66th Fiscal Year ended February 2021 | 67th Fiscal Year ended February 2022 | 68th Fiscal Year (fiscal year under review) ended February 2023 |
|---|---|---|---|--|
| Operating revenue (Millions of yen) | 714,684 | 759,146 | 768,335 | 765,426 |
| Ordinary profit (Millions of yen) | 14,558 | 28,156 | 23,695 | 20,015 |
| Profit attributable to owners of parent (Millions of yen) | 7,834 | 17,824 | 15,208 | 13,327 |
| Earnings per share (Yen) | 167.17 | 380.32 | 324.50 | 284.35 |
| Total assets (Millions of yen) | 262,053 | 268,307 | 270,229 | 280,810 |
| Net assets (Millions of yen) | 81,360 | 97,560 | 110,299 | 122,002 |
| Net assets per share (Yen) | 1,735.94 | 2,081.61 | 2,353.44 | 2,599.79 |

- Notes:
1. Earnings per share is calculated based on the average number of shares outstanding during each fiscal year, and the 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.
 2. Amounts less than one million yen are rounded down, except for amounts of earnings per share and net assets per share.
 3. The Group has applied the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020), etc. from the beginning of the fiscal year under review, and each figure for the fiscal year under review is the figure after applying the accounting standard, etc.

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

| Category \ Period | 65th Fiscal Year ended February 2020 | 66th Fiscal Year ended February 2021 | 67th Fiscal Year ended February 2022 | 68th Fiscal Year (fiscal year under review) ended February 2023 |
|-------------------------------------|---|---|---|--|
| Operating revenue (Millions of yen) | 713,879 | 758,259 | 767,379 | 765,240 |
| Ordinary profit (Millions of yen) | 14,541 | 27,972 | 23,556 | 19,683 |
| Profit (Millions of yen) | 7,787 | 17,665 | 15,066 | 12,977 |
| Earnings per share (Yen) | 166.15 | 376.93 | 321.46 | 276.87 |
| Total assets (Millions of yen) | 269,377 | 274,950 | 275,299 | 283,477 |
| Net assets (Millions of yen) | 82,616 | 98,170 | 110,634 | 120,563 |
| Net assets per share (Yen) | 1,762.74 | 2,094.63 | 2,360.60 | 2,569.11 |

- Notes:
1. Earnings per share is calculated based on the average number of shares outstanding during each fiscal year, and the 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.
 2. Amounts less than one million yen are rounded down, except for amounts of earnings per share and net assets per share.
 3. The Company has applied the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020), etc. from the beginning of the fiscal year under review, and each figure for the fiscal year under review is the figure after applying the accounting standard, etc.

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

As for the future economic outlook for Japan, the government's response to COVID-19 is under review, and inbound demand is expected to grow as socioeconomic activities begin to normalize. Overseas, however, excessive inflation, frequent natural disasters, fiscal, monetary, and trade policies in Europe and the United States, economic trends in China, the situation in Ukraine, and other geopolitical risks continue to affect the Japanese economy, and the situation remains less optimistic.

In the retail industry, rising wages will support consumption in addition to the accumulation of household savings due to COVID-19, but the retail industry is still in a difficult situation due to concerns about deteriorating corporate earnings, high prices, declining demand for eating at home due to renewed responses to COVID-19, and a drop in consumer confidence.

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, which commenced in fiscal 2018, aims to make each of our stores 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 have worked on the action plan, such as the following: The store is the star!, Investment in people, Investment in stores, Investment in merchandise, LIFE's strengths, Activities to instill, develop, and maintain the concept of "True to LIFE," and Strategy to support "True to LIFE."

Based on the reflections of the 6th Medium-Term Plan and changes in the external environment, we have formulated the 7th Medium-Term Plan, which will begin in fiscal 2023, to realize our Corporate Philosophy, Vision, and the "True to LIFE Declaration," with a view to looking toward to what we want to be in fiscal 2030. The three main themes that we will address are as follows.

- Investment in people – We aim to increase motivation through employee growth and satisfaction, which will advance the 7th Medium-Term Plan and lead to company growth.
- Break away from homogeneous competition – We aim to provide customers with a comfortable shopping experience by expanding our internet business while refining our unique products and services in order to realize seamless and convenient shopping.
- Contributing towards the realization of a sustainable and flourishing society – As a "lifeline for the community" – we aim to implement initiatives necessary for a sustainable and flourishing society (reduction of environmental impacts, contribution to the local community, etc.).

In promoting the three themes, all employees will personally engage in "kaizen" activities under the slogan of "Linking the Circle of Kaizen" in order to promote efficiency and secure funds for investment to realize the 7th Medium-Term Plan, even in the current situation of labor shortages.

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

While wages are expected to rise in addition to the accumulation of household savings as social and economic activities move toward normalization, there are concerns that consumer confidence will decline due to lower demand for eating at home and higher prices, making it extremely difficult to discern performance trends. Even though the outlook remains unclear, however, for the first year of the 7th Medium-Term Plan (fiscal 2023), the Group forecasts operating revenue of ¥801.0 billion (up 4.6% year on year), operating profit of ¥19.8 billion (up 3.4% year on year), ordinary profit of ¥20.5 billion (up 2.4% year on year), and profit attributable to owners of parent of ¥13.5 billion (up 1.3% year on year). Although we may revise our business outlook in response to changes in the social and economic environment, we will steadily implement all measures to “realize our Corporate Philosophy, Vision, and the True to LIFE Declaration,” which are the goals of the 7th Medium-Term Plan.

7. Principal lines of business (as of February 28, 2023)

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

8. Major business locations (as of February 28, 2023)

| LIFE: 296 stores | | | |
|--------------------------------|------------|--------------------------------|-----------|
| 164 stores in the Osaka Region | | 132 stores in the Tokyo Region | |
| Osaka | 126 stores | Tokyo | 90 stores |
| Kyoto | 18 stores | Kanagawa | 30 stores |
| Hyogo | 17 stores | Saitama | 7 stores |
| Nara | 3 stores | Chiba | 5 stores |

(1) Logistics centers and other locations of the Company

- | | |
|-------------|--|
| 1) Osaka | Nanko Food Process Center Sakai Food Process Center Suminoe Logistics Center Shintempoan Low Temperature Logistics Center Tempoan 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 | Kurihashi Food Process Center Yoshikawa Ekimae Bakery Center |
| 4) Chiba | Kazo Food Process Center Matsudo Comprehensive Logistics Center Funabashi Food Process Center |
| 5) Kanagawa | 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, 2023)

(1) Employees of the corporate group

| Number of employees | Increase/decrease from the previous fiscal year-end |
|---------------------|---|
| 7,125 | +278 |

Note: In addition to the above, the average number of part-timers employed during the period was 24,520 (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 |
|---------------------|---|----------------|--------------------------|
| 7,117 | +278 | 41.0 years old | 15.3 years |

Note: In addition to the above, the average number of part-timers employed during the period was 24,520 (converted on an eight-hour workday basis).

10. Major creditor banks and balance of borrowings (as of February 28, 2023)

(Millions of yen)

| Creditor banks | Balance of borrowings |
|-------------------------------------|-----------------------|
| Sumitomo Mitsui Trust Bank, Limited | 18,132 |
| The Norinchukin Bank | 16,760 |
| MUFG Bank, Ltd. | 10,525 |
| Sumitomo Mitsui Banking Corporation | 5,756 |
| Mizuho Bank, Ltd. | 4,466 |
| Resona Bank, Limited | 1,356 |
| Development Bank of Japan Inc. | 1,212 |
| The Shoko Chukin Bank, Ltd. | 636 |

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

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

Not applicable.

II. Shares of the Company (as of February 28, 2023)

1. Total number of authorized shares 120,000,000 shares
2. Total number of issued shares 49,450,800 shares (including 2,438,486 treasury shares)
3. Number of shareholders 7,676
4. Major shareholders

| Name | Number of shares held (shares) | Shareholding ratio (%) |
|--|--------------------------------|------------------------|
| Mitsubishi Corporation | 10,562,500 | 22.5 |
| Seishin Kosan Corporation | 5,382,000 | 11.4 |
| The Master Trust Bank of Japan, Ltd. (Trust Account) | 3,238,500 | 6.9 |
| LIFE Sport Foundation | 3,229,200 | 6.9 |
| LIFE Mutual Prosperity Association | 2,322,212 | 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) | 1,104,200 | 2.3 |
| SUMITOMO LIFE INSURANCE COMPANY | 737,000 | 1.6 |
| Nobutsugu Shimizu | 701,400 | 1.5 |

Note: The shareholding ratio is calculated after deducting treasury shares (2,438,486 shares).
The treasury shares do not include 84,300 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 January 16, 2023, the Board of Directors passed a resolution for the disposal of treasury shares as restricted stock compensation.

- (1) Classes of shares disposed of Ordinary shares of the Company
- (2) Allotted parties 550 employees, 55,000 shares
- (3) Date of payment February 27, 2023
- (4) Reason for disposal

The Company disposed of treasury shares for the purpose of providing employees of the Company who meet certain requirements with incentives to achieve sustainable enhancement of the Group's corporate value and to further promote the sharing of value with shareholders.

(Reference) Distribution of shares by shareholder type

| | |
|-----------------------------|--------|
| Foreign corporations, etc. | 7.46% |
| Financial institutions | 25.61% |
| Individuals and others | 11.86% |
| Treasury shares | 4.93% |
| Securities firms | 1.36% |
| Other domestic corporations | 48.78% |

III. Share acquisition rights, etc. of the Company

Not applicable.

IV. Company Officers

1. Directors and Corporate Auditors (as of February 28, 2023)

| Position | Name | Responsibilities of the Company and significant concurrent positions outside the Company |
|--|--------------------|---|
| 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 | Haruhiko Yahagi | |
| Director | Hiroko Kono | |
| Director | Takashi Katayama | |
| 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, Haruhiko Yahagi, Hiroko Kono, and Takashi Katayama are outside Directors. The Company has submitted notification to the 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 and Corporate Auditors of the Company, as well as Directors and Corporate Auditors of the Company's subsidiaries. The insured do not pay 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 67th Annual General Meeting of Shareholders held on May 26, 2022, Takashi Katayama was newly elected and appointed as Director.

(2) Retirement

Directors Nobutsugu Shimizu and Hayuru Tsutsumi retired upon the expiry of their terms of office at the conclusion of the 67th Annual General Meeting of Shareholders held on May 26, 2022.

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

Not applicable.

(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 | |
| Director (of which outside Directors) | 206 (32) | 206 (32) | 0 (-) | 11 (5) |
| Corporate Auditor (of which outside Corporate Auditors) | 45 (32) | 45 (32) | - (-) | 4 (3) |
| Total (of which outside officers) | 252 (65) | 252 (65) | 0 (-) | 15 (8) |

- Notes:
1. The abovementioned figures include two Directors (including one outside Director) who retired at the conclusion of the 67th Annual General Meeting of Shareholders held on May 26, 2022.
 2. 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 (excluding outside Directors) at the conclusion of this Annual General Meeting of Shareholders was seven.
 3. At the 64th Annual General Meeting of Shareholders held on May 23, 2019, it was resolved that the 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 it is 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 performing duties and responsibilities as well as for the results of business executed (individually determined commensurate with the state of business execution and other factors of each Director, based on a range of remuneration set according to duties and responsibilities)
- (iii) Performance-linked remuneration : Based on target figures for consolidated ordinary profit, which is the Company's management target, 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 the targeted ordinary profit 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 for 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) The performance-linked coefficient is set, as below, between 0.0 and 1.5, based on the achievement of the target for ordinary profit^(*3) for the corresponding evaluation period.

| Achievement level of the target for ordinary profit | 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 target for ordinary profit is determined by the Board of Directors each fiscal year. Achieving the targeted ordinary profit is required for the target to be considered achieved.

The 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 Directors' 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 of ¥23.9 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 of ¥20,015 million, which is 83.7% of the target. As the payment requirement has not been met, no performance-linked remuneration corresponding to the points granted in accordance with the target level achieved has 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 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 the 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 contributions 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 17 Board of Directors meetings held during the fiscal year under review, actively offered opinions in the meetings that were 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 | Haruhiko Yahagi | He attended all 17 Board of Directors meetings held during the fiscal year under review, 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 17 Board of Directors meetings held during the fiscal year under review, 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. |
| Director | Takashi Katayama | He attended 13 of the 14 Board of Directors meetings held during the fiscal year under review after his appointment, actively offered opinions in the meetings mainly based on his rich experience of a corporate executive and high level of knowledge related to logistics environment systems and overseas logistics, and fulfilled appropriate roles in ensuring appropriate and proper decision-making. |
| Corporate Auditor | Junichi Hamahira | He attended all 17 Board of Directors meetings and all 14 Board of Corporate Auditors meetings held during the fiscal year under review and provided remarks that were mainly based on his expertise as a certified tax accountant. |
| Corporate Auditor | Mitsuo Maki | He attended all 17 Board of Directors meetings and all 14 Board of Corporate Auditors meetings held during the fiscal year under review and provided remarks that were mainly based on his expertise as an attorney at law. |
| Corporate Auditor | Naoko Miyatake | She attended all 17 Board of Directors meetings and all 14 Board of Corporate Auditors meetings held during the fiscal year under review and provided remarks that were 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 limited liability agreements with Directors Koichi Narita, Haruhiko Yahagi, Hiroko Kono, and Takashi Katayama, 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 limited liability 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 the Accounting Auditor for the fiscal year under review | 40 |
| Total amount of money and other economic benefits payable by the Company and its subsidiaries | 40 |

- 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 the performance for the previous fiscal year, and scrutinized the efficiency of the 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 the remuneration. As a result, it has given its approval to the remuneration for the Accounting Auditor.

3. Policy on decisions of dismissal or non-reappointment of the 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 the Corporate Auditors. If, based on a comprehensive judgment on the state of the execution of duties by the Accounting Auditor, the Board of Corporate Auditors determines 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.