

Securities Code: 8167
May 11, 2022

TO SHAREHOLDERS:

1936, Edomari, Hofu-shi, Yamaguchi
RETAIL PARTNERS CO., LTD.
Yasuo Tanaka
President and Representative Director

NOTICE OF THE 69TH ANNUAL GENERAL MEETING OF SHAREHOLDERS

Dear Shareholders,

We would like to take this opportunity to express our sincere gratitude for your continued support and business. You are cordially invited to attend the 69th Annual General Meeting of Shareholders of RETAIL PARTNERS CO., LTD. (the “Company”). The meeting will be held as follows.

From the perspective of COVID-19 prevention of infection outbreak, shareholders are requested to refrain from attending the meeting and exercise their voting rights in writing or via the internet, etc., regardless of their health condition. Please review the attached Reference Documents for the General Meeting of Shareholders and exercise your voting rights by 6:00 p.m. on Wednesday, May 25, 2022, in accordance with the “Guide to Exercising Voting Rights” on pages 3 to 4.

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| 1. Date and time | Thursday, May 26, 2022 at 10:00 a.m. (Tokyo Time) |
| 2. Location | 1-1 Ogori Koganemachi, Yamaguchi-shi, Yamaguchi
“Houou and Tsuruno-ma” on the second floor of Yamaguchi Grand Hotel
(Please refer to the venue map at the end of this document) |
| 3. Meeting Agenda: | |
| Matters to be reported | 1. The 69th Fiscal Year (from March 1, 2021 to February 28, 2022)
Business Report, Consolidated Financial Statements and reports on the results
of audits of the Consolidated Financial Statements by the Accounting Auditor
and the Audit & Supervisory Committee.
2. The 69th Fiscal Year (from March 1, 2021 to February 28, 2022)
Non-consolidated Financial Statements |
| Proposals to be resolved | |
| Proposal 1 | Partial Amendments to the Articles of Incorporation |
| Proposal 2 | Director (excluding Director who is an Audit & Supervisory Committee Member)
Election of Ten (10) Directors |

Notice Concerning Prevention of Spread of COVID-19

- In order to prevent the spread of COVID-19, and in consideration of the safety of our shareholders as our first priority, we strongly recommend that you refrain from attending the General Meeting of Shareholders as much as possible and exercise your voting rights in advance in writing or via the internet, etc.

Response to Prevent the Spread of COVID-19 Infections




- Shareholders attending the General Meeting of Shareholders are requested to check their physical condition and take precaution against infections, such as wearing masks.
- On the day of the event, we ask for your cooperation in taking your temperature and disinfecting with alcohol before entering the venue, and we may ask those with a fever or who are not feeling well to refrain from entering the site.
- The number of seats available is limited due to the increased space between seats. We would appreciate your understanding that admission may be denied even if you show up on the day of the event.
- In order to shorten the time of the meeting, the detailed explanation of the matters to be reported and the proposals at the meeting will be omitted. Shareholders are requested to read the notice of convocation in advance.

- (Notes) 1. When attending this General Meeting of Shareholders, please submit the enclosed Voting Rights Exercise Form at the reception desk.
2. Among the documents attached to this Notice of Convocation, the “Notes to the Consolidated Financial Statements” of the Consolidated Financial Statements and “Notes to the Non-consolidated Financial Statements” of the Non-consolidated Financial Statements are not included in the attached documents of this Notice because they are posted on the Company’s website (<http://www.retailpartners.co.jp/>) online in accordance with laws and regulations and Article 16 of the Articles of Incorporation of the Company. Accordingly, the Consolidated Financial Statements and the Non-consolidated Financial Statements attached to this Notice are part of the Consolidated Financial Statements and the Non-consolidated Financial Statements audited by the Accounting Auditor and the Audit & Supervisory Committee in preparing the audit report.
3. If there are any revisions to the contents of the Business Report, the Consolidated Financial Statements, the Non-consolidated Financial Statements and the Reference Documents for the General Meeting of Shareholders, the Company will announce such revisions on its website (<http://www.retailpartners.co.jp/>).
4. For various reasons, we have discontinued the use of souvenirs. We appreciate your understanding.

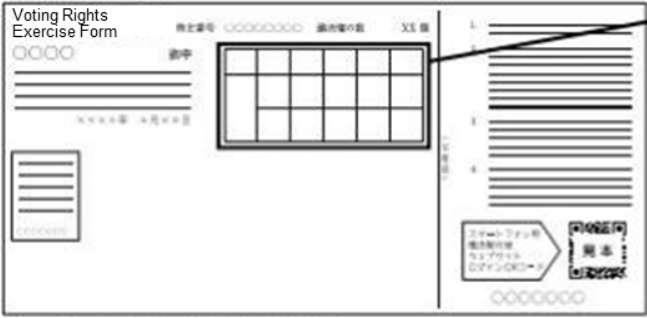


Exercise of Voting Rights

The right to vote at the General Meeting of Shareholders is an important right for shareholders. Please review the attached Reference Documents for the General Meeting of Shareholders and exercise your voting rights. There are three ways to exercise your voting rights.

 <p>When attending the General Meeting of Shareholders</p> <p>Please submit the enclosed Voting Rights Exercise Form at the reception desk.</p> <p>Date and time</p> <p>Thursday, May 26, 2022 10 a.m.</p>	 <p>When exercising voting rights in writing (by mail)</p> <p>Please indicate your approval or disapproval of the proposals on the enclosed Voting Rights Exercise Form and return it to us.</p> <p>Exercise period</p> <p>Wednesday, May 25, 2022 Up to 6:00 p.m. arrival</p>	 <p>When exercising voting rights via the Internet, etc.</p> <p>Please follow the instructions on the next page and enter your vote for or against the proposal.</p> <p>Exercise period</p> <p>Wednesday, May 25, 2022 Until 6:00 p.m. input completion</p>
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Instructions for Exercising Voting Rights



Please indicate your approval or disapproval of the proposals here.

Proposal 1

- For >> Circle in the "Approval" column
- Against >> Circle in the "Disapproval" column

Proposal 2

- If everyone agrees >> Circle in the "Approval" column
- When everyone objects >> Circle in the "Disapproval" column
- Against some candidates >> Circle in the "Approval" column, and write the number of the candidate you oppose.

* The voting form is an image.

If you exercise your voting rights both in writing (by mail) and via the internet, etc., the vote exercised via the internet, etc. will be treated as valid exercise of voting rights. If you exercise your voting rights multiple times via the internet, etc., the last exercise of your voting rights will be treated as the valid exercise of your voting rights.

Exercise of Voting Rights via the Internet, etc.

How to read QR codes “Smart Exercise”

You can log in to the website for exercising voting rights without entering your voting code and password.

- 1 Please read the QR code at the bottom right of the Voting Rights Exercise Form.



* "QR code" is a registered trademark of DENSO WAVE INCORPORATED.

- 2 After 2, please follow the instructions on the screen and enter your approval or disapproval.



You can exercise your voting rights only once by "Smart Exercise".

If you wish to change your vote after exercising your voting rights, please access the website for PCs, enter the "Voting Rights Exercise Code" and "Password" stated on the Voting Rights Exercise Form, log in, and exercise your voting rights again.

* If you scan the QR code again, you can switch to the site for PC.

With the Voting Rights Exercise Code and password How to enter

Website for Exercising
voting rights

<https://www.web54.net>

- 1 Please access the website for exercising voting rights.



Click Next

- 2 Please enter the "Voting Rights Exercise Code" on the Voting Rights Exercise Form.



Enter "Voting
Rights Exercise
Code"

Click "Login"

- 3 Please enter the "Password" on the Voting Rights Exercise Form.



Enter "Password"

Please set a new
password to use.

Click "Register"

- 4 Then follow the instructions on the screen and enter your approval or disapproval.

* The operation screen is an image.

By exercising voting rights via the Internet

How to use your computer, your smartphone, your mobile phone

If you have any questions, please contact the right.

Institutional investors may use the electronic voting rights exercise platform for institutional investors operated by ICJ, Inc.

Sumitomo Mitsui Trust Bank, Sumitomo Mitsui Trust Bank, Limited

Phone: 0120-652-031 (toll free)

(Hours: 9:00 - 21:00)

Attachments

Business Report

(From March 1, 2021
To February 28, 2022)

1. Matters regarding the Current Status of the Corporate Group

(1) Progress and Results of the Business

During the consolidated fiscal year under review, the Japanese economy continued to be in a state of uncertainty. While expectations for the normalization of socio-economic activities increased due to the spread of COVID-19 vaccine and the development of therapeutic drugs, the outlook remained uncertain due to the re-spread of COVID-19 by the Omicron variant throughout Japan as the sixth wave, as well as concerns over the impact of rising electricity and delivery rates due to soaring crude oil prices.

In the food retail industry, sales trends changed in line with the increase and decrease in the number of people infected with COVID-19, and despite continued consumption trends such as increased stay-at-home demand, the increase in demand for food and daily necessities was moderate compared to the same period of the previous year. In addition, changes in consumer purchasing behavior due to the impact of the spread of infectious diseases, such as a decline in the frequency of store visits and an increase in online purchases, are continuing. Competition among companies across industries and business categories, including e-commerce companies handling food and drug stores, is becoming increasingly intense.

Under this environment, the Company launched its second medium-term management plan for the three years from the fiscal year ended in February 2022 to the fiscal year ending in February 2024 under the slogan “Accelerate organizational and management reforms to enhance sustainable corporate value, strengthen the earnings structure, and promote integrated group management.” The Group has established eight basic strategies: Growth strategy, Strengthening competitiveness, Strengthening profitability, Strengthening group collaboration, Strengthening human resources, Promotion of Digital Transformation (DX), ESG management, and Capital policy. The Group is working to realize its long-term management vision.

With regard to the “Growth strategy,” we have been expanding our market share by opening new stores and renovating existing stores in a planned manner. In addition to five new stores in supermarket and discount store businesses and 17 remodeled stores, we added six new stores through share and business acquisitions. In the Other business segment, we also established one new sports club. As part of our efforts regarding “Strengthening competitiveness,” we are expanding product development and joint procurement, as well as remodeling our stores through the development of fresh-food-oriented stores. As for “Strengthening profitability,” the Company is working to improve the gross profit margin, reviewing logistics efficiency through the operation of a new chilled center, and implementing initiatives to build a group logistics system. Regarding “Strengthening group collaboration,” the Company has worked to increase profits by joint procurement, joint product development, and

cost reductions in order to create further synergies and improve management efficiency. For the “Promotion of DX,” we are working to improve operational efficiency through the introduction of year-end adjustment systems using workflows and the web, and to develop smart stores using shopping carts with cash registers. Regarding “ESG management,” we are working to reduce food losses through the optimization of the number of products manufactured and the support for local food bank activities. We are also working to reduce CO₂ emissions through the installation of environment-friendly refrigeration cases and energy-saving measures. In addition, we are promoting recycling activities for PET bottles and food trays to reduce plastic waste. As an example of our efforts during the consolidated fiscal year under review, Marukyu Co., Ltd., participated in the “ONE FOR OCEAN - Marine Plastic Waste Up Cycle Project -” sponsored by Yamaguchi Prefecture and private companies. In addition to cleaning up marine plastic waste that has drifted ashore, we have been promoting social contribution and environmental conservation activities, such as introducing shopping baskets made from collected plastic waste at three stores of the company since December 2021.

As part of efforts to build new sales channels, in the mobile sales business, we have been gradually switching from 12 mobile sales vehicles operated by Marukyu Co., Ltd. to the “TOKUSHIMARU” from the current consolidated fiscal year. As of the end of February 2022, six TOKUSHIMARU were in operation. In the future, we plan to increase the number of vehicles in operation in Yamaguchi Prefecture and expand the business area with the participation of Marumiya Store Co., Ltd. In addition, in the Internet Supermarket Business, the “Marukyu Rakuraku-bin,” in which Marukyu Co., Ltd. delivers merchandise from fresh foods to general foods and miscellaneous goods to customers’ homes, in all areas of Yamaguchi Prefecture and some areas of Hiroshima Prefecture. Marukyu Rakuraku-bin is supported by customers, mainly elderly people, as a local shopping support service. We are making efforts in cooperation with the local government and welfare councils to spread the service and we plan to expand these activities to the entire Kyushu area.

The “New Japan Supermarket Union,” formed among ARCS GROUP Co., Ltd., Valor Holdings Co., Ltd. and the Company, has been working to realize specific synergies through four subcommittees. In addition to continuing to work on joint procurement, joint sales promotion, joint sales and reduction of costs for consumable materials and fixtures and fittings, the Union has initiated to share information among the members to promote DX to improve operational efficiency and to promote SDGs. For details, please refer to “Notice Concerning Progress of Alliance with the New Japan Supermarket Union” released on March 9, 2022.

As a result, operating results for the consolidated fiscal year under review were as follows.

Operating revenue was ¥239,519 million (down 1.0% year on year), operating profit was ¥5,372 million (down 35.9% year on year), and ordinary profit was ¥6,215 million (down 33.0% year on year). In addition, extraordinary income of ¥350 million including gain on sale of non-current assets and extraordinary losses of ¥1,490 million including impairment losses and loss on retirement of non-current assets resulted in profit attributable to owners of parent being ¥3,371 million (down 31.7% year on year).

<Segment Information>

Operating results by segment are as follows.

1) Supermarket business
(Business policies)

Marukyu Co., Ltd. worked on to ensure to prevent the spread of COVID-19, and at the same time, in order to meet customers' diversifying needs, the Company thoroughly reviewed its product line-up. In addition, with the start of operations at the newly established Marukyu Process Center in October 2020, store operations have become more efficient through labor and headcount savings at stores, and food defense has been strengthened through the renovation of facilities and equipment, providing even more secure and safer products. Moreover, since the previous consolidated fiscal year, we have been replacing refrigeration/freezing equipment and cases, and are working to reduce electricity consumption to reduce CO₂ emissions by updating store facilities.

Marumiya Store Co., Ltd. has implemented a variety of initiatives based on the following four pillars: "Increase market share in the commercial area," "Human resource development and productivity improvement," "Promotion of ESG management," and "Group collaboration and resource sharing." To further expand our business, in March 2021 we received business transfer for two supermarkets from Ono Shoten Co., Ltd. (Usa-shi, Oita), and in March of the same year we acquired shares in Tomura Meat Honten Co., Ltd. (Nichinan-shi, Miyazaki), making Tomura Meat Honten Co., Ltd. and Tomura Foods Co., Ltd. consolidated subsidiaries. As a result, the Group accomplished opening of four new stores in Nichinan-shi, Miyazaki for the first time, strengthening its management base by becoming a dominant player in Southern Kyushu. In September of the same year, Tomura Meat Honten Co., Ltd. acquired shares in Tomura Ranch Co., Ltd and made the company a consolidated subsidiary.

Under the slogan of "No. 1 supermarket specializing in fresh foods in Oita Prefecture", Shinsen Market Co., Ltd., has been continuing to increase the number of products sold. Efforts were made to improve freshness and quality by optimizing fresh inventory, improving profit margins by reducing waste losses, raising employee awareness of SDGs, and improving the number of purchases and sales by refining the sales floor at opening on weekdays (Monday, Wednesday and Friday).

Marukyo Corporation has been operating its stores by strengthening the development of value-added categories and products, especially fresh products, to meet the diversifying needs of consumers under the slogans of "tasty products at lower prices," "food design," and "food premiumization." In the Fresh Fish Division, we developed "Uoya-san no Souzai (fishmonger's prepared dishes)" and "Uoya-san no Sushi

(fishmonger's sushi)"; in the Fresh Meat Division, we expanded brand meats and improved cutting technology; in the Fruit and Vegetable Division, we strengthened lineup of cut fruits and developed fruit-based sweets ; and in the Delicatessen and Sushi Division, we increased the development of handmade products. In the Processed Foods Division, which accounts for a high percentage of sales, we have been creating stores that satisfy customers by strengthening sales promotions for individual products and categories to meet diversifying needs.

(Store openings)

Marukyu Co., Ltd. opened Aruk Yahatanishi store (Yahatanishi-ku, Kitakyushu-shi, Fukuoka) in April 2021 and Marukyu Takachiho (Sanyo-Onoda City, Yamaguchi) in December of the same year. We also rebuilt the Picross Tabuse store (Tabuse-cho, Yamaguchi), which was closed in January 2021, as a new small format Marukyu Tabuse store (Tabuse-cho, Yamaguchi Prefecture). in March of the same year. Then, Sunmart Miwa store (Iwakuni-shi, Yamaguchi) was opened in August of the same year, followed by Aruk Mitsui store (Hikari-shi, Yamaguchi) and Marukyu Kume store (Shunan-shi, Yamaguchi) in September of the same year, Aruk Nishiube store (Ube-shi, Yamaguchi) and Aruk Mitsui store (Hikari-shi, Yamaguchi, Yamaguchi) in October of the same year, Marukyu Oshima Komatsu Store (Suooshima-cho, Yamaguchi) and Marukyu Tokuchi Store (Yamaguchi-shi, Yamaguchi) in November of the same year, Sunmart Hitomaru Store (Nagatoshi, Yamaguchi) and Marukyu Kamikibe store (Hofu-shi, Yamaguchi) in January 2022, and Marukyu Atsusa store (Sanyoonoda City, Yamaguchi) in February of the same year. In November of the same year, Aruk Hofu store (Hofu-shi, Yamaguchi) was closed for renovation. As of the end of the consolidated fiscal year under review, the Company operated 88 stores (including 43 Aruk stores).

Marumiya Store Co., Ltd. opened two supermarkets in March 2021 that it took over from Ono Shoten Co. as Marumiya Store Ajim Store (Usa City, Oita Prefecture) and Innai Store (Usa City, Oita Prefecture), respectively. In addition, the Company opened Mie store (Bungoono-shi, Oita) in October of the same year, which had been closed since August of the same year for renovations, and closed the Tsurumachi Store (Hyugashi, Miyazaki Prefecture) in February 2022. As of the end of the consolidated fiscal year under review, there were 43 stores in operation. Moreover, the number of shinsen market Co., Ltd. branch is 14. Tomura Meat Honten Co., Ltd., which became a consolidated subsidiary in the current consolidated fiscal year, operates Supermarket Tomura Aburatsu store, Agata store, Obi store and Hoshikura store (all in Nichinan-shi, Miyazaki). As of the end of the current consolidated fiscal year, the number of stores in operation is 4.

Marukyo Corporation refurbished Marukyo Kuko-dori Yutaka store (Hakata-ku, Fukuoka-shi, Fukuoka) in March 2021, Haki store (Asakura-shi, Fukuoka) in April of the same year, Ogori store (Ogori-shi, Fukuoka) in July of the same year, Asakura store (Chikuzen-machi, Fukuoka) in August of the same year, Kuyamadai store (Isahaya-shi, Nagasaki) in September of the same year, and Takada store (Itoshi-machi, Fukuoka) in

November of the same year. In December of the same year, the Omura Matsunami Store (Omura-shi, Nagasaki) was newly established. In November of the same year, Omura store (Omura-shi, Nagasaki) and Isahaya store (Isahaya-shi, Nagasaki) were closed, bringing the number of stores in operation to 84 as of the end of the consolidated fiscal year under review.

In consequence of these initiatives, the number of supermarket business stores operating at the end of the consolidated fiscal year under review was 233.

As a result of the above, sales in supermarket business were ¥ 218,950 million in operating revenue (down 1.4% year on year) and ¥ 5,374 million in operating profit (down 34.9% year on year).

2) Discount store business
(Business policies)

Amid the continued emphasis on saving, Attacks Mart Co., Ltd... has been working to improve its operating results under the slogan of “We will answer with sincere and reasonable prices,” focusing on the dominant strategy in the Kyushu area and pricing strategy based on EDLP (Everyday Low Price).

(Store openings)

In May 2021, Attacks Mart Co., Ltd.. opened a new store in Kousa-machi, Kumamoto called Attack Susaera. In consequence, the number of stores in discount store business at the end of the consolidated fiscal year under review was 32.

As a result of the above, sales in discount store business were ¥ 20,258 million in operating revenue (up 1.8% year on year) and ¥ 286 million in operating profit (down 33.2% year on year).

3) Other business

RPG Insurance Service Co., Ltd., an insurance agency, focused on strengthening sales capabilities and thorough compliance to increase customer satisfaction and trust. In addition, the Group is working to strengthen its management base and to improve the quality of its operations by expanding sales channels and closely sharing information within the Group.

In April 2021, Marukyu Co., Ltd., which conducts sports club business, opened Actos Will_G Kurosaki (Yahatanishi-ku, Kitakyushu-shi, Fukuoka), its second sports club store. Even under the Declaration of a State of Emergency in response to the spread of COVID-19, the store continues to operate with thorough measures against infectious diseases, and has steadily gained membership.

Tomura Foods Co., Ltd. and Tomura Ranch Co., Ltd., both of which are engaged in the food manufacturing business, became consolidated subsidiaries of the Group from the current consolidated fiscal year, and the

operating results of these companies are included in the Other business segment.

As a result of the above, in the Other business segment, operating revenue was ¥ 565 million (¥ 88 million in operating revenue in the same period of the previous fiscal year) and operating profit was ¥ 96 million (¥ 3 million in operating profit in the same period of the previous fiscal year).

The results by business segment are as follows.

(Unit : thousand yen)

Department	Consolidated Fiscal year under review Net sales	Change against Previous consolidated fiscal year
Fresh foods	103,058,920	1.2 %
Processed food	121,820,666	(2.2)
Housing related goods	8,683,670	(5.1)
Clothing and other	3,219,363	(7.4)
Total	236,782,622	(0.9)

(2) Capital Expenditures

The total amount of Capital Expenditures during the consolidated fiscal year under review was 5,943 million yen, mainly due to the opening of new stores and the remodeling of existing stores in the Supermarket business, the opening of new stores in the Discount store business, and the open of new stores in sports club business in the Other businesses.

(3) Financing

During the consolidated fiscal year under review, the Company procured financing through its own funds, borrowings and lease agreements.

(4) Transfers of business, split offs or spin-offs

Not applicable.

(5) Acquisition of business from other companies

Marumiya Store Co., Ltd., a consolidated subsidiary of the Company, acquired two supermarkets operated by Ono Shoten Co., Ltd. on March 25, 2021.

(6) Succession to the rights and responsibilities of other companies through mergers and acquisitions

Not applicable.

(7) Acquisition or disposal of shares or other equities or warrants of other companies

Marumiya Store Co., Ltd., a consolidated subsidiary of the Company, acquired shares in Tomura Meat Honten Co., Ltd. on March 23, 2021, making the company and its consolidated subsidiary, Tomura Foods Co., Ltd., consolidated subsidiaries of the company. Tomura Meat Honten Co., Ltd. acquired Tomura Ranch Co., Ltd.'s shares on September 28, 2021, making the company a consolidated subsidiary.

(8) Historical data of assets and income

KPI \ Fiscal Year	66th Fiscal Year (February 2019)	67th Fiscal Year (February 2020)	68th Fiscal Year (February 2021)	69th Fiscal Year (February 2022) (Current Consolidated Fiscal Year)
Operating revenue (thousand yen)	229,066,699	228,814,782	241,844,142	239,519,703
Net sales (thousand yen)	226,428,420	226,154,516	239,044,351	236,782,622
Ordinary profit (thousand yen)	5,574,164	5,216,071	9,279,437	6,215,046
Profit attributable to owners of parent (thousand yen)	3,194,834	2,240,481	4,932,657	3,371,025
Profit per share (yen)	77.32	50.04	112.53	76.89
Total assets (thousand yen)	104,691,550	104,801,951	114,331,344	114,377,276
Net assets (thousand yen)	70,745,691	65,705,935	71,538,223	74,114,771
Equity ratio (%)	67.6	62.7	62.6	64.8

(Notes) 1. Profit per share is calculated based on the average number of shares outstanding during the period.

2. The Company has applied the "Partial Amendments to Accounting Standard for Tax Effect Accounting" (Accounting Standards Board of Japan (ASBJ) Statement No. 28, February 16, 2018), etc. since the beginning of the 67th fiscal year. The status of assets and profit and loss for the 66th fiscal year is the figure after retroactive application of the accounting standards, etc.

(9) Issues to be addressed

Regarding the outlook for the future, although expectations for the resolution of COVID-19 are expected to increase slightly, we expect the situation to remain unclear due to factors such as the depreciation of the yen against the dollar and heightened geopolitical risks. We are concerned about the soaring crude oil and distribution costs that will continue to affect the Group's business activities through such factors as rising prices for food and electricity. In addition, given the uncertain future of society, we must strengthen our ability to respond to the changing lifestyles and purchasing behavior of consumers.

In response to this situation, the Company has formulated the Second Medium-Term Management Plan with the fiscal year ended February 2022 as the first year and the fiscal year ending February 2024 as the last year. Under the slogan of "Rapidly reform the organization and management to enhance sustainable corporate value and promote the strengthening of the profit structure and integrated management of the Group," the Company has established the following priority strategies.

(i) Growth Strategy

The Company will expand its market share and develop peripheral businesses through the planned opening of new stores and remodeling of existing stores, mainly in the Chugoku and Kyushu areas.

(ii) Strengthening profitability

We will strengthen our supply system by utilizing the Group's strengths, such as joint purchasing, and invest in equipment and systems to improve productivity.

(iii) Strengthening group collaboration

We aim to make effective use of Group resources such as logistics and systems, as well as to realize the unification of accounting systems and the integration of core systems in the final year of the project. We will also enhance management efficiency through centralized management of group funds.

(iv) Promotion of digital transformation (DX)

We will promote the use of data by building our own platform, promote cashless payments (such as smart cash registers), and enhance sales by using ID-POS data and applications.

(v) ESG Management

We will actively promote food loss, CO₂ reduction and recycling activities to achieve the SDGs target. In addition, the Company will strive to strengthen its governance structure, including organizational structure and risk management.

Consolidated forecasts for the fiscal year ending February 28, 2023 are as follows: Operating revenue 232,000 million yen (note) ; Operating profit 5,400 million yen (up 0.5% year on year) ; Ordinary profit 6,300 million yen (up 1.4% year on year) ; and Profit attributable to owners of parent 3,400 million yen (up 0.9% year on year).

(Note) As “The Accounting Standard for Revenue Recognition etc.” (Accounting Standards Board of Japan (ASBJ) Statement No. 29, March 31, 2020) will be applied from the beginning of the fiscal year ended February 28, 2023, the operating revenue forecast is the amount calculated by applying such Accounting Standard. However, since the accounting methods to be compared are different, year-on-year comparisons are not shown.

(10) Major business lines (as of February 28, 2022)

Business segment	Business
Supermarket business	Supermarket business centered on food products
Discount store business	Discount store business focusing on food and daily sundries
Other businesses	Insurance agency, sports club business, food manufacturing, etc.

(11) Major Business Offices (as of February 28, 2022)

The Company: 1936, Edomari, Hofu-shi, Yamaguchi

(i) Supermarket business

Name of company	Location of the head office	Number of stores	Storehouse location
Marukyu Co., Ltd.	Hofu-shi, Yamaguchi	88 stores	Yamaguchi, Hiroshima, Shimane and Fukuoka Prefectures
Marumiya Store Co., Ltd.	Saiki-shi Oita	43 stores	Oita, Miyazaki, Kumamoto and Fukuoka Prefectures
Marukyo Corporation	Onojo-shi, Fukuoka	84 stores	Fukuoka, Oita, Nagasaki, Kumamoto Saga Prefectures
shinsen market Co., Ltd.	Oita-shi, Oita	14 stores	Oita Prefectures
Tomura Meat Honten Co., Ltd.	Nichinan-shi, Miyazaki	4 stores	Miyazaki Prefecture

(ii) Discount store business

Name of company	Location of the head office	Number of stores	Storehouse location
Attacks Mart Co., Ltd..	Saiki-shi Oita	32 stores	Oita, Miyazaki, Kumamoto, Kagoshima Fukuoka

(iii) Other businesses

Name of company	Location of the head office	Number of business offices
RPG Insurance Service Co., Ltd.	Hofu-shi, Yamaguchi	1

(12) Employees (as of February 28, 2022)

Business segment	Number of employees		Change from the end of the previous consolidated fiscal year (Number of Employees)	
Supermarket business	1,787	(7,075)	109	(116)
Discount store business	150	(303)	8	(20)
Other business	17	(16)	13	(11)
Total	1,954	(7,394)	130	(147)

(Notes) The number of employees is the number of full-time employees, and the average number of temporary employees (converted to 8 hours per day) during the period is shown in parentheses.

(13) Major Borrowings (as of February 28, 2022)

Lender	Amount
The Yamaguchi Bank,Ltd.	4,606,250 <small>Thousand yen</small>
THE NISHI-NIPPON CITY BANK, LTD.	1,915,929
Mizuho Bank, Ltd.	1,379,105
The Hiroshima Bank, Ltd.	1,111,250
Sumitomo Mitsui Banking Corporation	939,024
The Miyazaki Bank, Ltd.	735,587
THE OITA BANK, LTD.	714,951
MUFG Bank, Ltd.	400,000
Sumitomo Mitsui Trust Bank, Limited	298,356
THE KITAKYUSHU BANK, Ltd.	264,114

(14) Items of the principal parent companies and subsidiaries

(i) Relationship with Parent company

There is no parent company applicable to our company.

(ii) Major subsidiaries

Name of company	Capital stock	Ownership	Operating revenue	Ordinary profit	Profit	Major business
	Thousand yen	%	Thousand yen	Thousand yen	Thousand yen	
Marukyu Co., Ltd.	1,000,000	100.0	96,318,381	3,128,938	1,335,159	Supermarket business
Marukyo Corporation	5,996,200	100.0	81,638,496	1,771,175	1,301,646	Supermarket business
Marumiya Store Co., Ltd.	808,289	100.0	27,418,933	674,167	502,045	Supermarket business
Attacks Mart Co., Ltd..	50,000	100.0 (100.0)	20,258,508	284,309	128,590	Discount store business
shinsen market Co., Ltd.	50,000	100.0 (100.0)	11,373,115	288,611	173,892	Supermarket business
Aoki Shoji Co.,Ltd.	10,000	100.0 (100.0)	8,449,185	158,640	104,403	Supermarket business
Tomura Meat Honten Co., Ltd.	5,000	100.0 (100.0)	2,334,675	(1,497)	(783)	Supermarket business
Marumiya Suisan Co., Ltd.	50,000	100.0 (100.0)	1,491,237	31,253	20,000	Purchase and sale of marine products

(Note) Figures in parentheses in the "Ownership" column are indirect ownership ratios and are included in the number..

(iii) Wholly-owned specified subsidiaries (as of February 28, 2022)

Name of company	Address	Total book value	Our total assets value
		Thousand yen	Thousand yen
Marukyo Corporation	5-3-1, Yamada, Onojo-shi, Fukuoka	17,182,884	44,898,955
Marukyu Co., Ltd.	1936, Edomari, Hofu-shi, Yamaguchi	16,289,474	

(iv) Results of business combination

The number of consolidated subsidiaries of the Company is 11, including 8 companies listed in the major subsidiaries above.

For the consolidated fiscal year under review, Operating revenue was 239,519 million yen (down 1.0% year on year) and Profit attributable to owners of parent was 3,371 million yen (down 31.7% year on year).

(15) Significant matters concerning the current status of the other Corporate Group

Not applicable.

2. Matters regarding shares of the Company

(1) Total number of shares authorized 80,000,000 shares

(2) Total number of shares issued and outstanding 46,646,059 shares

(3) Number of shareholders 21,661 persons

(4) Major shareholders (top 10)

Name of shareholder	Number of shares held	Shareholding ratio
ARCS GROUP Co.,Ltd.	3,136,400 ^{Stock}	7.15 %
Valor Holdings Co., Ltd.	3,136,400	7.15
The Master Trust Bank of Japan ,Ltd. (trust account)	2,507,800	5.71
Ikedakousann Corporation	2,259,100	5.15
Marukyu Kyoekai	2,258,540	5.15
Kimiyo Saita	1,468,000	3.34
The Yamaguchi Bank,Ltd.	1,411,165	3.21
THE NISHI-NIPPON CITY BANK, LTD.	1,215,000	2.77
YAMAEHISANO Co.,Ltd	1,000,000	2.28
Miyoko Miyano	955,067	2.17

(Note) Shareholding ratio is calculated by deducting Treasury shares (2,802,727 shares).

(5) Status of shares delivered to officers of the Company as consideration for execution of duties during the fiscal year under review

	Number of shares	Number of recipients
Director (excluding Audit & Supervisory Committee Members and Outside directors)	8,293 ^{Stock}	8 ^{Persons}

(Note) Details of the Company's stock compensation are described in "4. (2) Amount of Director's compensation, etc." of the Business Report.

3. Matters regarding the Company's stock acquisition rights

Not applicable.

4. Matters regarding Directors, Audit & Supervisory Committee Members and executive officers of the Company

(1) Director and Audit & Supervisory Committee Member

Status	Name	Significant concurrent positions
*President	Yasuo Tanaka	President and Representative Director, Marukyu Co., Ltd
*Vice President	Yasuyuki Ikebe	President and Representative Director, Marumiya Store Co., Ltd. Chairman and Representative Director, Attacks Mart Co., Ltd.. Chairman and Representative Director, Marumiya Suisan Co., Ltd.
*Chairman of Board of Directors	Toshio Saita	Chairman and Representative Director, Marukyo Corporation. Chairman and Representative Director, Aoki Shoji Co., Ltd.
Senior Managing Director	Minoru Shimizu	Executive Vice President and Representative Director, General Manager of Administration Division, and Manager of Group Administration Division, Marukyu Co., Ltd. President and Representative Director, RPG Insurance Service Co., Ltd.
Director	Tomohisa Kawano	Managing Director and General Manager of Administration Division, Marumiya Store Co., Ltd. Director, Attacks Mart Co., Ltd.. Audit & Supervisory Board Member, Marumiya Suisan Co., Ltd.
Director	Hiroyuki Usagawa	Managing Director and General Manager of Corporate Planning Office, Marukyu Co., Ltd. Director, RPG Insurance Service Co., Ltd.
Director	Tamotsu Aoki	
Director	Mamoru Sakamoto	President and Representative Director, Marukyo Corporation.
Director	Takeshi Yoshimura	
Director Full-time Audit & Supervisory Committee Member	Akio Kawaguchi	Audit & Supervisory Board Member, Marukyu Co., Ltd. Audit & Supervisory Board Member, RPG Insurance Service Co., Ltd.
Director Audit & Supervisory Committee Member	Kazuyoshi Ueda	Representative, Ueda Fujii Sogo Law Office

Director Audit & Supervisory Committee Member	Toshio Shibao	Audit & Supervisory Board Member, shinsen market Co., Ltd.
Director Audit & Supervisory Committee Member	Tomoyuki Fujii	Full-time Audit & Supervisory Board Member, Marukyo Corporation. Audit & Supervisory Board Member, Aoki Shoji Co.

(Notes) 1. * Indicates representative director.

2. The Company has appointed Mr. Akio Kawaguchi as a full-time Audit & Supervisory Committee Member in order to enhance information collection, the effectiveness of audits through sufficient collaboration with internal audit departments, etc., and strengthen audit and supervisory functions.
3. Out of the Directors, Mr. Takeshi Yoshimura, Mr. Kazuyoshi Ueda, Mr. Toshio Shibao and Mr. Tomoyuki Fujii are Outside directors.
4. The Company has registered Mr. Kazuyoshi Ueda, Mr. Toshio Shibao and Mr. Tomoyuki Fujii, Members of the Audit & Supervisory Committee, with the Financial Instruments Exchange as independent officers as stipulated by the said exchange.
5. The Company has entered into a liability insurance contract with an insurance company, pursuant to Article 430, Paragraph 3, Item 1 of the Companies Act. All Directors, executive officers and Audit & Supervisory Committee of the Company and its subsidiaries are covered under the policy. The Company pays all insurance premiums including the special provisions, and there is no substantial insurance premium burden for the insured person. Under the insurance contract, the Company compensates for any damage arising from the fact that an officer, etc., who is an insured person, is responsible for the execution of his / her duties or is requested to pursue such responsibility. However, there are certain exclusions, such as the fact that the damage caused by the act of recognizing the violation of law is not covered. In addition, there is a provision for a deductible amount in the insurance contract, and the damage up to the deductible amount is not subject to compensation.

(2) Amount of remuneration for Directors

Category	Total amount of remuneration (thousand yen)	Total amount of remuneration by type (thousand yen)			Eligible number of officers (persons)
		Basic remuneration	Performance linkage Remuneration, etc.	Nonmonetary Remuneration, etc.	
Director (excluding Audit & Supervisory Committee Members)	98,185	2,400	88,632	7,153	10
(Outside directors)	(2,400)	(2,400)	(-)	(-)	(1)
Director Audit & Supervisory Committee Member	11,400	11,400	-	-	5
(Outside directors)	(7,200)	(7,200)	(-)	(-)	(3)
Total	109,585	13,800	88,632	7,153	15
(Outside officers)	(9,600)	(9,600)	(-)	(-)	(4)

(Notes) 1. The table above includes one Director (excluding Audit & Supervisory Committee Member) and one Director Audit & Supervisory Committee Member who retired at the conclusion of the 68th Ordinary General Meeting of Shareholders held on May 25, 2021.

2. The amount of remuneration, etc. for Director does not include the amount of employee salaries of Directors concurrently serving as employees.

3. In addition to the above, the total amount of remuneration, etc. received by two Outside Directors from the Company's subsidiaries, etc. during the fiscal year under review was 10,350,000 yen.

4. The Group's performance indicator for performance-linked remuneration is the consolidated ordinary profit, with actual results of ¥ 9,279 million.

The reason for selecting this indicator is that it is an important indicator in the Medium-Term Management Plan to improve our profit structure, which is also one of the most important management issues for the Group. Performance-linked remuneration for the Company is calculated by multiplying the Basic remuneration amount, which is 90% of the base remuneration amount, by the annual salary payment rate based on the Group's consolidated ordinary profit budget achievement rate for the previous fiscal year.

5. The content of non-monetary remuneration is the Company's shares with restriction on transfer, and the terms and conditions of allotment are as described in "4. (3) Policy on Determination of Amount of Remuneration for Director and Director Audit & Supervisory Committee Members or Calculation Method Thereof." The status of delivery during the fiscal year under review is as described in "2. (5) Status of shares delivered to officers of the Company as consideration for execution of duties during the fiscal year under review."

6. At the 64th Ordinary General Meeting of Shareholders held on May 25, 2017, the amount of remuneration, etc. for Director (excluding Audit & Supervisory Committee Members) was resolved to be no more than 180 million yen per year (including no more than 30 million yen per year for Outside directors, excluding employee salaries for Director who also serve as employees).

At the time of resolution of the General Meeting of Shareholders, the number of Director (excluding Audit & Supervisory Committee Members) Shareholders is eight (including one Outside director).

Furthermore, at the 68th Ordinary General Meeting of Shareholders held on May 25, 2021, it was resolved that the total amount of the Company's ordinary shares to be issued or disposed of for the purpose of granting Restricted Shares to Director (excluding Audit & Supervisory Committee Members and Outside directors) within the above amount of remuneration, etc. shall be no more than 30 million yen per year, and that no payment of money shall be required in exchange for such shares. In addition, it has been resolved that the total number of restricted shares,

which are the ordinary shares of the Company to be allotted, shall not exceed 60 thousand shares per year.

At the time of resolution of the General Meeting of Shareholders, the number of Director (excluding Audit & Supervisory Committee Members and Outside directors) eligible for payment is eight.

7. At the 64th Ordinary General Meeting of Shareholders held on May 25, 2017, it was resolved that the amount of remuneration, etc. for Director (Audit & Supervisory Committee Member) should be no more than 30 million yen per year. At the time of resolution of the General Meeting of Shareholders, the number of Director (Audit & Supervisory Committee Members) eligible for payment is four (including three Outside directors).

(3) Policy regarding the determination of the amount of remuneration, etc. for Director and Director Audit & Supervisory Committee Members and the calculation methods thereof

(i) Basic Policy

As for the composition of remuneration for directors (and other officers), etc., the Group Remuneration for directors (and other officers) Standards have been established according to the internal Director and Outside directors of each Group company, Audit & Supervisory Committee Members, and Audit & Supervisory Board Members.

- A. The remuneration for the internal Director is determined based on the Group's performance-linked remuneration standards, and the amount is determined based on performance.
- B. Remuneration for Outside directors and Director Audit & Supervisory Committee Members and Audit & Supervisory Board Members is determined in the Group Remuneration for directors (and other officers) Standards from the perspective of their roles and independency.
- C. In principle, the Company determined so that excellent human resources can be promoted (hired) as managers, based on a comprehensive evaluation of the Company's performance, the state of business execution in each Director, achievements, contributions, etc.
- D. Remuneration for the employee portion of a Director who also serves as an employee is provided based on the employee's wage regulations.

(ii) Procedures

The total amount of remuneration for directors (and other officers) is presented to the General Meeting of Shareholders and set within the range decided. In order to enhance transparency and objectivity, the Nomination and Remuneration Committee, which consists of one internal Director and three members of the Director Audit & Supervisory Committee, has been established as an advisory body to the Board of Directors. The amount of remuneration for the Board of Directors will be determined by the Board of Directors after the Nomination and Remuneration Committee's consideration is reported to the Board of Directors.

(iii) Policy and procedures for determining Director and Director compensation with special titles

Remuneration for Director and Director with titles (excluding Director who is an Audit & Supervisory Committee Member) is based on the Group Remuneration for directors (and other officers) Standards and the Group Performance-linked Compensation Standards established by the Company. The Nomination and Compensation Committee deliberates on individual compensation linked to the performance of each company, and after reporting its opinions to the Board of Directors, the amount of compensation, etc. is determined by resolution of the Board of Directors.

(iv) Policy for determining the ratio of the amount of basic remuneration, the amount of performance-linked remuneration, or the amount of non-monetary remuneration to the amount of individual remuneration, etc. Remuneration, etc. for Director of the Company (excluding Director and Outside directors who are Audit & Supervisory Committee Members) consists of monetary remuneration in performance-linked remuneration and stock remuneration in non-monetary remuneration (restricted shares), and the base remuneration amount for the Audit & Supervisory Committee Members and Outside directors is limited to monetary remuneration.

The amount of remuneration, etc. for Directors (excluding Directors who are members of the Audit & Supervisory Committee and Outside Directors) with the exception of full-time directors, for each position is determined by the Board of Directors at a ratio of 2 for the President and Representative Director, 1.5 for

the Chairman and Representative Director and Vice President, and 1.25 for the Senior Managing Director, and the performance-linked remuneration portion is determined by multiplying the base remuneration amount by 90% of the base remuneration amount by the annual salary payment ratio based on the percentage of the Group's consolidated ordinary profit budget achieved in the previous fiscal year. In addition, the restricted stock compensation portion is determined at 10% of the base compensation amount.

- (v) Policy regarding timing and conditions for granting remuneration, etc.

Monetary compensation for basic remuneration and performance-linked remuneration will be paid monthly based on the content resolved at the Director meeting held in April each year, and non-monetary remuneration will be paid collectively in July based on the content resolved at the Director meeting held in June each year.

- (vi) The reason why the Board of Directors determined that the details of individual directors' remuneration, etc. for the current business year is consistent with the Decision Policy.

In determining individual compensation, etc., the Company has confirmed that the method of determining the details of compensation, etc. and the content of determined compensation, etc. are consistent with the determination policy, and that the report from the voluntary Nomination and Compensation Committee is respected, and the Company believes that the Company is in compliance with such determination policy.

(4) Outside Officers

(i) Director Takeshi Yoshimura

A. Significant concurrent positions held by other corporations, etc. Executive director, etc. and the relationship between the Company and such other corporations, etc.

Not applicable.

B. Major activities during the fiscal year under review

Attended 12 of the 14 Director meetings held during the fiscal year under review. He has expressed his opinions and recommendations actively by leveraging his extensive experience and knowledge in corporate management.

C. Outline of liability limitation agreement

The Company has concluded a liability limitation agreement pursuant to Article 427, Paragraph 1 of the Companies Act. The maximum amount of liability for damages under the agreement is the minimum liability amount stipulated in Article 425, Paragraph 1 of the Companies Act.

(ii) Director Audit & Supervisory Committee Member Kazuyoshi Ueda

A. Significant concurrent positions held by other corporations, etc. Executive director, etc. and the relationship between the Company and such other corporations, etc.

He is the representative of Ueda & Fujii Law Office.

B. Major activities during the fiscal year under review

Attended 14 of the 14 Director meetings held during the fiscal year under review. Attended 14 of the 14 meetings of the Audit & Supervisory Committee. Provides opinions and advice on legal affairs and compliance from his professional perspective as an attorney. In addition, as Chairman of the Nomination and Compensation Committee, he leads the supervisory function in the selection of candidates for Director of the Company and the decision-making process of remuneration for directors (and other officers), etc. from an objective and neutral standpoint.

C. Outline of liability limitation agreement

The Company has concluded a liability limitation agreement pursuant to Article 427, Paragraph 1 of the Companies Act. The maximum amount of liability for damages under the agreement is the minimum liability amount stipulated in Article 425, Paragraph 1 of the Companies Act.

(iii) Director Audit & Supervisory Committee Member Toshio Shibao

A. Significant concurrent positions held by other corporations, etc. Executive director, etc. and the relationship between the Company and such other corporations, etc.

Not applicable.

B. Major activities during the fiscal year under review

Attended 14 of the 14 Director meetings held during the fiscal year under review. Attended 14 of the 14 meetings of the Audit & Supervisory Committee. He has expressed opinions making use of his wealth of experience and deep insight regarding overall management. In addition, as a member of the

Nomination and Compensation Committee, he has a supervisory function in the process of selecting candidates for the Company's the decision-making process of remuneration for directors (and other officers), etc. from an objective and neutral standpoint.

C. Outline of liability limitation agreement

The Company has concluded a liability limitation agreement pursuant to Article 427, Paragraph 1 of the Companies Act. The maximum amount of liability for damages under the agreement is the minimum liability amount stipulated in Article 425, Paragraph 1 of the Companies Act.

(iv) Director Audit & Supervisory Committee Member Tomoyuki Fujii

A. Significant concurrent positions held by other corporations, etc. Executive director, etc. and the relationship between the Company and such other corporations, etc.

Not applicable.

B. Major activities during the fiscal year under review

Attended 14 of the 14 Director meetings held during the fiscal year under review. Attended 14 of the 14 meetings of the Audit & Supervisory Committee. He provides opinions and advice based on his insight and experience in accounting and corporate management in general. In addition, as a member of the Nomination and Compensation Committee, he has a supervisory function in the process of selecting candidates for the Company's the decision-making process of remuneration for directors (and other officers), etc. from an objective and neutral standpoint.

C. Outline of liability limitation agreement

The Company has concluded a liability limitation agreement pursuant to Article 427, Paragraph 1 of the Companies Act. The maximum amount of liability for damages under the agreement is the minimum liability amount stipulated in Article 425, Paragraph 1 of the Companies Act.

5. Accounting Auditor

(1) Name of Accounting Auditor

Ernst & Young ShinNihon LLC

(2) Amount of remuneration, etc. paid as Accounting Auditor for the fiscal year

(i) Amount of remuneration, etc. as Accounting Auditor for the fiscal year under review 60,200,000 yen

(ii) Other monetary assets to be paid by the Company and its subsidiaries 103,200,000 yen

(Notes) 1. In the audit agreement between the Company and the Accounting Auditor, the amount of audit fees, etc. for audits based on the Companies Act and audits based on the Financial Instruments and Exchange Act are not distinguished and cannot be practically distinguished. Therefore, the above amount is the total of these amounts.

2. The Audit & Supervisory Committee obtained necessary materials and received reports from the Director, relevant departments within the Company, and the Accounting Auditor. After confirming and deliberating the content of the audit plan by the Accounting Auditor, the status of the performance of duties by the Accounting Auditor, and the basis for calculating the compensation estimates, the Committee determined that these are appropriate and agreed on the amount of compensation, etc.

(3) Non-audit services

The Company has entrusted the Accounting Auditor with services other than those stipulated in Article 2, Paragraph 1 of the Certified Public Accountants Act (non-audit services), including services to support the introduction of revenue recognition standards and services to support the improvement of the efficiency of settlement services.

(4) Policy for determining dismissal or non-reappointment of Accounting Auditor

The Audit & Supervisory Committee of the Company shall dismiss the Accounting Auditor based on the consent of all Audit & Supervisory Committee Members if the Accounting Auditor is found to fall under any of the items set forth in Article 340, Paragraph 1 of the Companies Act.

In addition, if the Audit & Supervisory Committee determines that it is necessary to do so, for example, if the Accounting Auditor is unable to perform his/her duties, the Audit & Supervisory Committee will determine the content of the proposal for dismissal or non-reappointment of the Accounting Auditor to be submitted to the General Meeting of Shareholders.

(5) Outline of the liability limitation agreement concluded with the Accounting Auditor

There are no individual liability limitation agreements with the Accounting Auditor.

(6) Status of resignation or dismissal during the year

Not applicable.

6. Systems to ensure the appropriateness of operations

The following is the content of the resolution of the Board of Directors regarding the development of systems to ensure the appropriateness of the operations of the Company and its subsidiaries as the basic policy for building an internal control system.

(1) System to ensure that the execution of Director duties complies with laws and regulations and the Articles of Incorporation System to ensure the appropriateness of operations

(i) System to ensure that the execution of duties by the Director, etc. and employees of the Company and its subsidiaries complies with laws and regulations and the Articles of Incorporation

A. The Company, as a holding company, holds a meeting of the Compliance Committee once a month, in principle, in which persons related to internal control of Director and the Company and its subsidiaries attend, in order to ensure that the basic matters concerning corporate governance and compliance of the Group as a whole are well known and thoroughly implemented. At the same time, the Company, in

cooperation with the Compliance Committee of its subsidiaries, conducts audits on the appropriateness of business execution, and strives to build, maintain and improve the compliance system. The Group Internal Control Office serves as the secretariat.

B. The Group Internal Control Office shall report the results to the Board of Directors and the Audit & Supervisory Committee of the Company as necessary.

C. The Group Whistleblower Protection Regulations shall be established, and whistleblower handling system shall be developed and operated.

D. In the event that the Audit & Supervisory Committee receives the following reports, it shall conduct necessary investigations and take appropriate measures depending on the circumstances.

(a) Reports from Director regarding the discovery of facts that may cause substantial damage to the Company

(b) Report from the Accounting Auditor to the effect that the Accounting Auditor has discovered misconduct or material facts in violation of laws and regulations or the Articles of Incorporation in connection with the execution of Director's duties

(c) Reports from the Director or employees on matters determined through consultation with the Director in advance

(ii) System for the storage and management of information pertaining to the execution of Director duties

A. The Company shall record the minutes of the General Meeting of Shareholders, the minutes of the Board of Directors, and the information pertaining to the execution of the duties of Other Director in documents or electromagnetic media, and appropriately store and manage them.

B. Director and Director Audit & Supervisory Committee Members shall be able to inspect as necessary.

(iii) Regulations etc. concerning the management of risk of loss for the Company and its subsidiaries system

A. The Group General Affairs Department will take the lead in managing risks in normal times throughout the Group, and each operating company will prepare manuals and provide education.

B. The Company shall establish a Response Headquarters for the entire Group to respond appropriately and promptly to unforeseen circumstances and highly influential risks and establish a system to prevent the expansion of damage.

(iv) System to ensure efficient execution of duties of the Director, etc. of the Company and its subsidiaries

A. The Company and its subsidiaries hold the Board of Directors once a month in principle, and hold extraordinary meetings as necessary to make decisions on important matters and report on the status of business execution in each Director.

B. In order to discuss the matters to be submitted to the Board of Directors and the implementation of

operations based on the matters decided by the Board of Directors, the Group Corporate Planning Office and the Group General Affairs Department shall consult with the relevant departments and propose proposals, and shall make the decided matters known to the public.

- C. The Management Committee, consisting of the Company and its subsidiaries' Representative directors and the designated Directors, shall meet once a month in principle to exchange reports and opinions on management policies and other important institutional decisions.
- D. In order to solve specific issues, a project team will be formed in a timely manner, and the responsible Director will supervise the team.
- E. The Company has formulated a Group medium-term management plan covering three fiscal years, and has set numerical targets for the performance of the entire Group for each fiscal year in order to materialize the plan.

(v) System for reporting matters related to the execution of duties of the Director, etc. of the Company's subsidiaries for ensuring the appropriateness of business operations in the corporate group consisting of the Company and its subsidiaries

- A. The Company shall respect management autonomy and share the basic concept of compliance and risk management throughout the Group.
- B. Important decisions of subsidiaries shall require approval at the Company's Board of Directors, and the progress of the management plan shall be reported at the Company's Board of Directors.
- C. The Group Internal Control Office shall audit the appropriateness of the execution of operations of the Company and its subsidiaries.
- D. The scope of the reporting system shall be the entire Group.

(vi) Matters concerning the Director and employee in cases where the Audit & Supervisory Committee requests the Director and employee to assist the duties of the Audit & Supervisory Committee

The Company shall appoint a Director and an employee to assist the duties of the Audit & Supervisory Committee when the Audit & Supervisory Committee deems it necessary.

(vii) Matters concerning the independence of the Director and employees who are to assist in the duties of the Audit & Supervisory Committee from other Director (excluding Director who is an Audit & Supervisory Committee Member) and ensuring the effectiveness of instructions given by the Audit & Supervisory Committee to the Director and employees

- A. The Company requires the consent of the Audit & Supervisory Committee for the appointment and transfer of employees who are to assist the duties of the Audit & Supervisory Committee.
- B. The Director or employee who is to assist the duties of the Audit & Supervisory Committee shall be another

Director (excluding a Director who is an Audit & Supervisory Committee Member). Opinions of the Audit & Supervisory Committee shall be heard regarding the evaluation of duties of employees.

(viii) System for reporting to the Audit & Supervisory Committee of the Company by the Director and employees of the Company and subsidiaries or persons who have received report from them and Other System for reporting to the Audit & Supervisory Committee

A. Director (excluding Director who is an Audit & Supervisory Committee Member) and employees of the Company, Director, Audit and Supervisory Board Members and employees of the Company's subsidiaries or persons who have received reports from these persons shall immediately report to the Audit & Supervisory Committee of the Company regarding any violation of laws and regulations, etc. or any other event that may cause substantial damage to the Company as soon as it is discovered. In addition, in accordance with the Audit & Supervisory Committee Rules, necessary reports and information shall be provided upon request by the Audit & Supervisory Committee.

B. The Audit & Supervisory Committee Members shall attend the Board of Directors and the Compliance Committee. They shall also be able to attend other important meetings.

(ix) System to ensure that persons who have reported to the Audit & Supervisory Committee will not be treated disadvantageously due to such reporting

The Company shall prohibit any person who has made a report to the Audit & Supervisory Committee from being treated disadvantageously on the grounds of making such report, and shall make this fact known to the Director and employees of the Company and its subsidiaries.

(x) Matters regarding procedures etc. for the advance payment or reimbursement of expenses incurred in relation to the execution of duties by Audit & Supervisory Committee Members and the policy for the disposition of expenses or obligations incurred in relation to the execution of duties

In response to a request from an Audit & Supervisory Committee Member, the Company shall bear expenses incurred in relation to the execution of duties of the Audit & Supervisory Committee by advance payment or ex-post payment, based on a prior application or an ex-post prompt report.

(xi) Systems for ensuring effective audits by the Audit & Supervisory Committee, etc.

A. The Audit & Supervisory Committee shall regularly exchange opinions with the Group Internal Control Office and the Accounting Auditor and coordinate with each other.

B. The Audit & Supervisory Committee may utilize external advisors when it deems it necessary for audits.

(2) Outline of operational status to ensure the appropriateness of operations

The Company operates the Board of Directors with a focus on Group management. In order to maintain a compliance system suited to Group management, the Company is working to enhance and strengthen the back-up function of holding companies for the management of each business segment.

The Compliance Committee of the Company's subsidiaries makes decisions on important matters related to corporate ethics, disseminates information to officers and employees, and provides education. In addition, the Compliance Committee identifies issues based on internal audit reports, etc., and discusses response policies and various risks in order to address, prevent, and prevent recurrence of compliance concerns.

(3) Basic policy on control of stock corporation

The Company has not established a basic policy regarding who controls decisions on the Company's financial and business policies.

(4) Policy regarding dividends of surplus decisions

The Company's basic policy is to pay dividends in accordance with the state of profits. In addition, the Company's basic policy is to maintain and improve the dividend payout ratio, strengthen its corporate structure to withstand the expected intensification of sales competition, and increase retained earnings for future business development.

For dividends of surplus for the fiscal year under review, the year-end dividend per share will be 11 yen. Including the interim dividend of 11 yen, the annual dividend will be 22 yen.

Retained earnings are used to strengthen our financial position and capital investment for new store openings and renovations.

Regarding purchase of treasury shares, we will consider it as appropriate for the purpose of implementing flexible capital policies.

Consolidated Balance Sheet

(As of February 28, 2022)

(Unit : thousand yen)

Description	Amount	Description	Amount
Assets		Liabilities	
Current assets	31,946,575	Current liabilities	28,393,134
Cash and deposits	20,165,752	Notes and accounts payable - trade	13,671,631
Notes and accounts receivable - trade	1,960,626	Short-term borrowings	5,650,000
Merchandise	7,106,973	Long-term loans payable within 1 year	1,477,588
Supplies	93,370	Lease liabilities	381,704
Prepaid expenses	314,289	Accrued consumption taxes	611,915
Accounts receivable - other	995,930	Income taxes payable	730,048
Accrued revenue	1,138,856	Accrued expenses	1,447,212
Other	190,358	Provision for bonuses	626,643
Allowance for doubtful accounts	(19,582)	Provision for point card certificates	117,569
Non-current assets	82,430,701	Other	3,678,819
Property, plant and equipment	61,602,423	Non-current liabilities	11,869,371
Buildings and structures	26,957,323	Long-term borrowings	6,198,652
Machinery, equipment and vehicles	1,796,848	Long-term accounts payable - other	96,287
Land	27,970,919	Lease liabilities	1,204,240
Leased assets	1,495,835	Retirement benefit liability	146,697
Construction in progress	498,915	Provision for retirement benefits for directors (and other officers)	13,125
Other	2,882,581	Asset retirement obligations	3,075,809
Intangible assets	1,513,821	Other	1,134,558
Goodwill	655,091	Total liabilities	40,262,505
Other	858,730	Net assets	
Investments and other assets	19,314,455	Shareholders' equity	74,797,140
Investment securities	9,214,026	Share capital	7,218,000
Long-term loans receivable	31,721	Capital surplus	19,554,934
Long-term prepaid expenses	226,932	Retained earnings	51,403,990
Leasehold and guarantee deposits	4,477,770	Treasury shares	(3,379,784)
Deferred tax assets	3,943,431	Accumulated other comprehensive income	(682,369)
Other	1,420,573	Valuation difference on other securities	(598,404)
		Cumulative remeasurements of defined benefit plans	(83,964)
		Total net assets	74,114,771
Total assets	114,377,276	Total liabilities and net assets	114,377,276

Consolidated Statement of Income

(March 1, 2021
To February 28, 2022)

(Unit : thousand yen)

Description	Amount	
Net sales		236,782,622
Cost of sales		179,693,283
Gross profit on sales		57,089,338
Other operating revenue		2,737,081
Gross operating profit		59,826,419
Selling, general and administrative expenses		54,453,918
Operating profit		5,372,501
Non-operating income		
Interest and dividend income	239,624	
Non-operating income in Other	798,921	1,038,545
Non-operating expenses		
Interest expenses	56,545	
Non-operating expenses in Other	139,455	196,000
Ordinary profit		6,215,046
Extraordinary income		
Gain on sale of non-current assets	232,306	
Gain on sale of investment securities	11,443	
Relief money	110	
Insurance claim income	28,759	
Subsidy income	77,486	350,105
Extraordinary losses		
Loss on sale of non-current assets	38,288	
Loss on retirement of non-current assets	301,383	
Impairment losses	1,073,790	
Loss on sale of investment securities	11,870	
Loss on valuation of investment securities	37,043	
Loss on disaster	19,405	
Other	8,849	1,490,632
Profit before income taxes		5,074,520
Income taxes - current	1,731,762	
Income taxes - deferred	(28,267)	1,703,494
Profit		3,371,025
Profit attributable to owners of parent		3,371,025

Consolidated Statement of Changes in Equity

(March 1, 2021
To February 28, 2022)

(Unit : thousand yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at March 1, 2021	7,218,000	19,557,616	48,953,594	(3,389,434)	72,339,776
Changes during the consolidated fiscal year					
Dividends of surplus			(920,629)		(920,629)
Profit attributable to owners of parent			3,371,025		3,371,025
Purchase of treasury shares				(185)	(185)
Restricted stock compensation		(2,682)		9,835	7,153
Net changes in items other than shareholders' equity					
Total changes during the year	-	(2,682)	2,450,396	9,650	2,457,364
Balance at February 28, 2022	7,218,000	19,554,934	51,403,990	(3,379,784)	74,797,140

(Unit : thousand yen)

	Accumulated other comprehensive income			Total net assets
	Valuation difference on other securities	Cumulative remeasurements of defined benefits plans	Total accumulated other comprehensive income	
Balance at March 1, 2021	(702,863)	(98,689)	(801,553)	71,538,223
Changes during the consolidated fiscal year				
Dividends of surplus				(920,629)
Profit attributable to owners of parent				3,371,025
Purchase of treasury shares				(185)
Restricted stock compensation				7,153
Net changes in items other than shareholders' equity	104,459	14,724	119,183	119,183
Total changes during the year	104,459	14,724	119,183	2,576,548
Balance at February 28, 2022	(598,404)	(83,964)	(682,369)	74,114,771

Audit Report on the Consolidated Financial Statements (duplicated copy)

Independent Auditor's Report

April 27, 2022

To the Board of Directors
RETAIL PARTNERS CO., LTD.

Ernst & Young ShinNihon LLC
Hiroshima Office

Yoshizo Miyamoto
Designated limited partner
Executive member
Certified public accountant

Naotaka Sasayama
Designated limited partner
Executive member
Certified public accountant

Opinion

We have audited the consolidated financial statements, which comprise the consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in equity and the notes to consolidated financial statements of RETAIL PARTNERS CO., LTD. (the "Company") and its consolidated subsidiaries (collectively referred to as the "Group") for the fiscal year from March 1, 2021 to February 28, 2022 in accordance with Article 444, Paragraph 4 of the Companies Act.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position and the results of operations of the Group for the period, for which the consolidated financial statements were prepared, in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan.

Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and the Audit & Supervisory Committee for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in Japan, including the design, implementation and maintenance of such internal control as management determines is necessary to enable the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing whether it is appropriate to prepare the consolidated financial statements with the assumption of the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan.

The Audit & Supervisory Committee is responsible for overseeing the Directors' performance of their duties including the design, implementation and maintenance of the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion on the consolidated financial statements based on our audit from an independent point of view. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of our audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. The procedures selected to be applied depend on the auditor's judgment. In addition, obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtain, in making those risk assessments, an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the objective of the audit of the consolidated financial statements is not to express an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used by management and their method of application, as well as the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis for preparing the consolidated financial statements and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to express a qualified opinion with exceptions on the consolidated financial statements. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate whether the presentation and disclosures in the consolidated financial statements are in accordance with accounting standards generally accepted in Japan, the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit & Supervisory Committee regarding, among other matters, the planned scope and timing of the audit, significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit & Supervisory Committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards in order to eliminate or reduce obstruction factors.

Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

Our firm and the designated engagement partners do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Notes to the Reader of Independent Auditor's Report:

The Independent Auditor's Report herein is the English translation of the Independent Auditor's Report as required by the Companies Act.

Non-consolidated Balance Sheet

(As of February 28, 2022)

(Unit : thousand yen)

Description	Amount	Description	Amount
Assets		Liabilities	
Current assets	629,358	Current liabilities	4,332,327
Cash and deposits	340,226	Short-term borrowings	4,300,000
Prepaid expenses	3,575	Accounts payable - other	20,994
Accounts receivable - other	285,556	Accrued consumption tax	497
Other	0	Income taxes payable	6,145
		Accrued expenses	1,893
		Deposits received	2,796
		Non-current liabilities	13,125
		Provision for retirement benefits for directors (and other officers)	13,125
		Total liabilities	4,345,452
Non-current assets	44,269,596	Net assets	
Investments and other assets	44,269,596	Shareholders' equity	41,376,741
Investment securities	5,708,460	Share capital	7,218,000
Shares of subsidiaries and associates	37,731,305	Capital surplus	19,553,854
Deferred tax assets	829,831	Legal capital surplus	19,065,066
		Other capital surplus	488,787
		Retained earnings	17,984,671
		Legal retained earnings	263,105
		Other retained earnings	17,721,565
		Retained earnings brought forward	17,721,565
		Treasury shares	(3,379,784)
		Valuation and translation adjustments	(823,238)
		Valuation difference on other securities	(823,238)
		Total net assets	40,553,503
Total assets	44,898,955	Total liabilities and net assets	44,898,955

Non-consolidated Statement of Income

(March 1, 2021
To February 28, 2022)

(Unit : thousand yen)

Description	Amount	
Operating revenue		
Affiliate Dividend income	1,380,760	
Affiliate management guidance fees	309,540	1,690,300
Selling, general and administrative expenses		388,434
Operating profit		1,301,866
Non-operating income		
Interest and dividend income	145,406	
Non-operating income in Other	1,654	147,060
Non-operating expenses		
Interest expenses	17,682	17,682
Ordinary profit		1,431,245
Profit before income taxes		1,431,245
Income taxes - current	26,504	
Income taxes - deferred	1,722	28,227
Profit		1,403,017

Non-consolidated Statement of Changes in Equity

(March 1, 2021
To February 28, 2022)

(Unit : thousand yen)

	Shareholders' equity						
	Share capital	Capital surplus			Retained earnings		
		Legal capital surplus	Other Capital surplus	Total capital surplus	Legal retained earnings	Other Retained earnings Profit brought forward Surplus	Total retained earnings
Balance at March 1, 2021	7,218,000	19,065,066	491,470	19,556,536	263,105	17,239,177	17,502,283
Changes during the fiscal year							
Dividends of surplus						(920,629)	(920,629)
Profit						1,403,017	1,403,017
Purchase of treasury shares							
Restricted stock compensation			(2,682)	(2,682)			
Net changes in items other than shareholders' equity							
Total changes during the fiscal year	-	-	(2,682)	(2,682)	-	482,388	482,388
Balance at February 28, 2022	7,218,000	19,065,066	488,787	19,553,854	263,105	17,721,565	17,984,671

(Unit : thousand yen)

	Shareholders' equity		Valuation and translation adjustments		Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on other securities	Total valuation and translation adjustments	
Balance at March 1, 2021	(3,389,434)	40,887,385	(765,113)	(765,113)	40,122,272
Changes during the fiscal year					
Dividends of surplus		(920,629)			(920,629)
Profit		1,403,017			1,403,017
Purchase of treasury shares	(185)	(185)			(185)
Restricted stock compensation	9,835	7,153			7,153
Net changes in items other than shareholders' equity			(58,125)	(58,125)	(58,125)
Total changes during the fiscal year	9,650	489,355	(58,125)	(58,125)	431,230
Balance at February 28, 2022	(3,379,784)	41,376,741	(823,238)	(823,238)	40,553,503

Audit Report on the Non-consolidated Financial Statements (duplicated copy)

Independent Auditor's Report

April 27, 2022

To the Board of Directors
RETAIL PARTNERS CO., LTD.

Ernst & Young ShinNihon LLC
Hiroshima Office

Yoshizo Miyamoto
Designated limited partner
Executive member
Certified public accountant

Naotaka Sasayama
Designated limited partner
Executive member
Certified public accountant

Opinion

We have audited the non-consolidated financial statements, which comprise the non-consolidated balance sheet, the non-consolidated statement of income, the non-consolidated statement of changes in equity and the notes to non-consolidated financial statements, and the supplementary schedules (the "financial statements and others") of RETAIL PARTNERS CO., LTD. (the "Company") as at February 28, 2022 and for the fiscal year from March 1, 2021 to February 28, 2022 in accordance with Article 436, Paragraph 2, Item 1 of the Companies Act.

In our opinion, the financial statements and others referred to above present fairly, in all material respects, the financial position and the results of operations of the Company for the period, for which the financial statements and others were prepared, in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements and Others section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the non-consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and the Audit & Supervisory Committee for the Financial Statements and Others

Management is responsible for the preparation and fair presentation of the financial statements and others in accordance with accounting principles generally accepted in Japan, including the design, implementation and maintenance of and for such internal control as management determines is necessary to enable the preparation and fair presentation of financial statements and others that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and others, management is responsible for assessing whether it is appropriate to prepare the financial statements and others with the assumption of the Company's ability to continue as a going concern, disclosing matters related to going concern, as applicable in accordance with accounting principles generally accepted in Japan.

The Audit & Supervisory Committee is responsible for overseeing the Directors' performance of their duties including the design, implementation and maintenance of the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements and Others

Our objectives are to obtain reasonable assurance about whether the financial statements and others as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion on the financial statements and others based on our audit from an independent point of view. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements and others.

As part of our audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements and others, whether due to fraud or error, and design and perform audit procedures responsive to those risks. The procedures selected to be applied depend on the auditor's judgment. In addition, obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtain, in making those risk assessments, an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the objective of the audit of the financial statements and others is not to express an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used by management and their method of application, as well as the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis for preparing the financial statements and others and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements and others or, if such disclosures are inadequate, to express a qualified opinion with exceptions on the financial statements and others. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate whether the presentation and disclosures in the financial statements and others are in accordance with accounting standards generally accepted in Japan, the overall presentation, structure and content of the financial statements and others, including the disclosures, and whether the financial statements and others represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Audit & Supervisory Committee regarding, among other matters, the planned scope and timing of the audit, significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit & Supervisory Committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards in order to eliminate or reduce obstruction factors.

Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

Our firm and the designated engagement partners do not have any interest in the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Notes to the Reader of Independent Auditor's Report:

The Independent Auditor's Report herein is the English translation of the Independent Auditor's Report as required by the Companies Act.

Audit Report of the Audit & Supervisory Committee (duplicated copy)

Audit Report

The Audit & Supervisory Committee audited the Directors' performance of their duties during the 69th fiscal year (from March 1, 2021 to February 28, 2022).

1. Auditing method and its contents

The Audit & Supervisory Committee periodically received reports from Directors, employees and other relevant personnel, sought explanations as necessary, and expressed its opinions with respect to content of resolutions by the Board of Directors concerning matters stipulated in Article 399-13, paragraph (1), item (i) (b) and (c) of the Companies Act as well as the status of development and operation of the systems established pursuant to such resolutions (internal control systems), and conducted audits based on the methods described below.

- (i) In conformity with the auditing standards, etc. of the Audit & Supervisory Committee established by the Audit & Supervisory Committee, following the auditing policies, allocation of duties and other relevant matters, and cooperating with the internal control division, we participated in important meetings, received reports from the Directors, employees and other relevant personnel regarding performance of their duties, sought explanations as necessary, examined important authorized documents and associated information, and studied the operations and financial positions at the head office and principal business offices. As for subsidiaries, we endeavored to facilitate communication with and exchange of information with directors, Audit & Supervisory Committee members, etc. of the subsidiaries, and received reports from these subsidiaries on the status of their businesses as necessary.
- (ii) We monitored and verified whether the Accounting Auditor maintained its independence and implemented appropriate audits, as well as received reports from the Accounting Auditor regarding the performance of its duties and sought explanations as necessary. In addition, we received notice from the Accounting Auditor that a "system to ensure that duties are performed properly" (matters set forth in each item of Article 131 of the Ordinance for Corporate Accounting) had been prepared in accordance with the Product Quality Management Standards Regarding Audits (issued by the Business Accounting Deliberation Council on October 28, 2005) and other relevant standards, and sought explanations as necessary.

Based on the methods described above, we reviewed the Business Report and supplementary schedules attached thereto, the Non-consolidated Financial Statements (Non-consolidated balance sheet, Non-consolidated statement of income, Non-consolidated statement of changes in equity, and Notes to non-consolidated financial statements), supplementary schedules attached thereto, and the Consolidated Financial Statements (Consolidated balance sheet, Consolidated statement of income, Consolidated statement of changes in equity, and Notes to consolidated financial statements).

2. Audit Results

(1) Audit results of the Business Report, etc.

- (i) We deem that the Business Report and supplementary schedules attached thereto fairly represent the situation of the Company in accordance with relevant laws and regulations, and the Articles of Incorporation.
- (ii) We deem there to be no misconduct or material fact constituting a violation of relevant laws and regulations, or the Articles of Incorporation, regarding the Directors in performing their duties.
- (iii) We deem that resolutions of the content of the Business Report and Board of Directors regarding the internal control systems are appropriate in content. We also deem there to be no issues to be pointed out with respect to the Directors in performing their duties regarding the internal control systems.

(2) Audit results of the Non-consolidated Financial Statements and supplementary schedules attached thereto

We deem that the methods and results of audits performed by the Accounting Auditor, Ernst & Young ShinNihon LLC. are appropriate.

(3) Audit results of the Consolidated Financial Statements

We deem that the methods and results of audits performed by the Accounting Auditor, Ernst & Young ShinNihon LLC. are appropriate.

April 28, 2022

RETAIL PARTNERS CO., LTD. Audit & Supervisory Committee

Akio Kawaguchi

Full-time Audit & Supervisory Committee

Kazuyoshi Ueda

Audit & Supervisory Committee Member

Toshio Shibao

Audit & Supervisory Committee Member

Tomoyuki Fujii

Audit & Supervisory Committee Member

(Note) Audit & Supervisory Committee Members, Mr. Kazuyoshi Ueda, Mr. Toshio Shibao and Mr. Tomoyuki Fujii are Outside Directors as stipulated in Article 2, Item 15 and Article 331, Paragraph 6 of the Companies Act.

Reference Documents for General Meeting of Shareholders

Proposal 1: Partial Amendment to the Articles of Incorporation

1. Reason for proposal

As the amended provisions stipulated in the proviso to Article 1 of the Supplementary Provisions of the Act for Partial Amendment of the Companies Act (Act No. 70 of 2019) come into effect on September 1, 2022, the electronic provision of materials for the General Meeting of Shareholders will be introduced. Accordingly, the Articles of Incorporation will be amended as follows.

- (1) Proposed Amendments Article 16 (Electronic Provision Measures, etc.) Paragraph 1 will be newly established.
- (2) In order to limit the scope of the matters to be stated in the documents to be delivered to the shareholders who requested the delivery of the documents to the scope prescribed by the applicable Ordinance of the Ministry of Justice among the matters for which electronic provision measures are to be taken with regard to the information contained in the Reference Documents for the General Meeting of Shareholders, etc., Article 16 (Electronic Provision Measures, etc.) of Proposed Amendments Paragraph 2 will be newly established.
- (3) The provisions of Article 16 (Disclosure of Reference Documents, etc. on the Internet) of the Current Articles of Incorporation Group will become unnecessary once the electronic provision of materials for the General Meeting of Shareholders is introduced electronic provision system is introduced.
- (4) The Company will establish supplementary provisions concerning the effective dates, etc. of the provisions newly established and deleted above.

This supplementary provision shall be deleted after the due date.

2. Details of the Change

Details of the amendments are as follows.

(Changes are underlined)

Current Articles of Incorporation	Proposed Amendments
<u>(Disclosure of Reference Documents, etc. on the Internet)</u> <u>Article 16 The Company may disclose information</u> <u>regarding matters to be stated or indicated in the</u> <u>Reference Documents for the General Meeting</u> <u>of Shareholders, Non-consolidated Financial</u> <u>Statements, Consolidated Financial Statements</u> <u>and Business Report via the Internet in</u> <u>accordance with the provisions of the applicable</u> <u>Ordinance of the Ministry of Justice.</u>	(Removal)

Current Articles of Incorporation	Proposed Amendments
(New)	<p><u>(Electronic Provision Measures, etc.)</u></p> <p><u>Article 16. The Company shall, upon convocation of the General Meeting of Shareholders, electronically provide the information contained in the Reference Documents for the General Meeting of Shareholders, etc.</u></p> <p><u>2. The Company shall not be required to state all, or part of the matters specified by the applicable Ordinance of the Ministry of Justice among the matters subject to the Electronic Provision Measures in the documents to be delivered to the request for delivery of documents by the record date for voting rights.</u></p>
(New)	<p>Supplementary Provisions</p> <p><u>(Effective Date of New Establishment of Electronic Provision Measures, etc. and Transitional Measures Associated with the New Establishment)</u></p>
(New)	<p><u>The deletion of Article 16 (Disclosure of Reference Documents, etc. on the Internet) and the establishment of Article 16 (Electronic Provision Measures, etc.) of the Articles of Incorporation shall come into effect on September 1, 2022.</u></p> <p><u>2. Notwithstanding the provisions of the preceding paragraph, Article 16 (Disclosure of Reference Documents, etc. on the Internet) of the Articles of Incorporation shall remain effective for the General Meeting of Shareholders to be held within six months from September 1, 2022.</u></p> <p><u>3. This Schedule shall be deleted on the date six months after September 1, 2022, or three months after the date of the General Meeting of Shareholders referred to in the preceding paragraph, whichever is later.</u></p>

Proposal 2: Regarding Election of Ten (10) Directors (excluding Director Audit & Supervisory Committee Member)

At the conclusion of this General Meeting of Shareholders, the terms of office of all nine Directors (excluding Director who is an Audit & Supervisory Committee Member. The same shall apply hereinafter in this proposal.) will expire.

Accordingly, the election of ten (10) Directors is proposed to strengthen the management system.

Moreover, regarding this proposal, the Audit & Supervisory Committee has determined that all of the candidates are suitable to be appointed Director. The candidate for Director is as follows:

Candidate Number	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of the Company's shares owned
1	Yasuo Tanaka (October 22, 1951)	<p>April 1976 Joined Tsukishimaya Trading Co., Ltd.</p> <p>April 1992 Seconded to the Company</p> <p>April 1993 General manager, Taiwan Marukyu Co., Ltd.</p> <p>August 1996 Joined the Company</p> <p>June 1998 President and Representative Director, Sunmart Co., Ltd.</p> <p>June 1999 General Manager, Corporate Planning Office</p> <p>May 2000 Director, the Company</p> <p>March 2001 General Manager of Corporate Planning Office and Associates and Related Business Division, the Company</p> <p>March 2003 President and Representative Director, Shikisai Co., Ltd.</p> <p>March 2004 Chairman and Representative Director, Shikisai Co., Ltd.</p> <p>April 2004 Managing Director, the Company</p> <p>May 2005 President and Representative Director, Sunmart Co., Ltd.</p> <p>September 2006 President and Representative Director, Marukyu Insurance Service Co., Ltd. (currently RPG Insurance Service Co., Ltd.)</p> <p>April 2010 President and Representative Director, General Manager of Affiliate and Related Business Division, the Company</p> <p>June 2010 President and Representative Director and in charge of Store Development Division, the Company</p> <p>June 2012 President and Representative Director, the Company (current position)</p> <p>July 2015 President and Representative Director Marukyu Co., Ltd. (current position)</p>	37,702 shares

	(Significant concurrent positions) President and Representative Director, Marukyu Co., Ltd.	
	(Reasons for Appointment) Mr. Yasuo Tanaka has been responsible for the management of the Company as President and Representative Director of the associate company since 1998, as Managing Director of the Company in 2004, and as President and Representative Director of the Company in 2010. He has abundant experience, achievements and insight as a manager. As the President and Representative Director of the Company after the transition to a holding company since 2015, he has contributed to the business development of the Group as a whole by making use of his wealth of management experience. Therefore, the Company has judged that he is qualified to continue to appropriately supervise the Group's management as a Director of the Company and promote medium- to long-term growth strategies, and has therefore nominated him as a candidate for Director.	

Candidate Number	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of the Company's shares owned
2	Yasuyuki Ikebe (November 11, 1972)	<p>April 1995 Joined THE OITA BANK, LTD. August 2004 Section chief, Takeda Branch April 2007 Deputy General Manager, Takeda Branch August 2007 Deputy General Manager, Usuki Branch Office August 2008 Joined Marumiya Store Co., Ltd. as an advisor President and Representative Director, Marumiya Store Co., Ltd. December 2008 President and Representative Director, General Manager of Corporate Planning Office, Marumiya Store Co., Ltd. August 2009 President and Representative Director, Marumiya Store Co., Ltd. (current position) May 2010 Director, SAEKI DAIDO SEIKA CO., LTD. July 2015 Executive Vice President and Representative Director, the Company (current position) May 2016 President and Representative Director, SAEKI DAIDO SEIKA CO., LTD. May 2018 Director, Marumiya Suisan Co., Ltd. (current position) May 2019 Director, Attacks Mart Co., Ltd.. May 2021 Chairman and Representative Director Attacks Mart Co., Ltd.. (current position)</p> <p>(Significant concurrent positions) President and Representative Director, Marumiya Store Co., Ltd. Director, Marumiya Suisan Co., Ltd. Chairman and Representative Director, Attacks Mart Co., Ltd..</p>	12,017 shares
<p>(Reasons for Appointment) Mr. Yasuyuki Ikebe was responsible for management as President and Representative Director of Marumiya Store Co., Ltd. in 2008 after having business experience at Oita Bank, Ltd. Co., and has abundant experience, achievements and insight as a manager. As an Executive Vice President and Representative Director of the Company since 2015, he has contributed to the business development of the Group as a whole by making use of his wealth of management experience. Therefore, the Company has judged that he is suitable for appropriate supervision of the Group's management and promotion of medium-to long-term growth strategies as a Director of the Company, and has nominated him as a candidate for Director.</p>			

Candidate Number	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of the Company's shares owned
3	Toshio Saita (February 24, 1955)	<p>April 1976 Joined Marukyo Corporation. July 1985 General Manager, Hino Branch December 1988 Director September 1989 General Manager of Self-Service Sales Department and Fruit and Vegetable January 1991 Managing Director January 1991 General Manager of Sales Division and Food December 1994 Senior Managing Director February 1995 Director, Aoki Shoji Co., Ltd. December 1997 Vice President and Director, Marukyo Corporation. December 1997 President and Representative Director, Aoki Shoji Co., Ltd. October 2000 General Manager of Sales Management Division, Marukyo Corporation December 2001 President and Representative Director, Marukyo Corporation. December 2014 Chairman and Representative Director, Marukyo Corporation. (current position) March 2017 Chairman and Representative Director of the Company (current position) May 2021 Chairman and Representative Director, Aoki Shoji Co., Ltd. (current position)</p> <p>(Significant concurrent positions) Chairman and Representative Director, Marukyo Corporation. Chairman and Representative Director, Aoki Shoji Co., Ltd.</p>	59,823 shares
<p>(Reasons for Appointment) Mr. Toshio Saita has been in charge of management as Senior Managing Director of Marukyo Corporation. since 1994, as Vice President and Director since 1997, as President and Representative Director since 2001, and as Chairman and Representative Director since 2014. He has abundant experience, achievements and insight as a manager. As the Chairman and Representative Director of the Company since 2017, he has contributed to the business development of the Group as a whole by making use of his wealth of management experience. Therefore, the Company has judged that he is suitable for appropriate supervision of the Group's management and promotion of medium-to long-term growth strategies as a Director of the Company, and has nominated him as a candidate for Director.</p>			

Candidate Number	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of the Company's shares owned
4	Minoru Shimizu (August 28, 1959)	<p>April 1987 Joined the Company</p> <p>April 1992 General Manager, Finance & Accounting Department</p> <p>April 1994 General Manager, Corporate Planning Office</p> <p>November 2001 Deputy General Manager, Aruk Mitajiri Branch</p> <p>March 2003 Manager, Finance & Accounting Department</p> <p>May 2007 General Manager, Finance & Accounting Department</p> <p>March 2009 Executive Officer, the Company</p> <p>May 2011 Director, General Manager of Finance & Accounting Department and System Management Division, the Company</p> <p>June 2012 Director, General Manager of Administration Division and System Management Division, the Company</p> <p>January 2014 Managing Director, General Manager of Administration Division, System Management Division, and Group Administration Division, the Company</p> <p>May 2015 Director, the Company</p> <p>May 2016 Vice President and Director, General Manager of Administration Division and Group Administration, Marukyu Co., Ltd.</p> <p>May 2018 President and Representative Director, Chuo Food Co., Ltd.</p> <p>May 2018 Executive Vice President and Representative Director, General Manager of Administration Division and Group Administration Division, Marukyu Co., Ltd.</p> <p>May 2018 President and Representative Director, Chuo Food Co., Ltd.</p> <p>May 2020 Executive Vice President and Representative Director, General Manager of Administration Division and Group Administration Division, Marukyu Co., Ltd.</p> <p>May 2020 President and Representative Director, RPG Insurance Service Co., Ltd. (current position)</p> <p>May 2020 Senior Managing Director, the Company (current position)</p>	16,047 shares

	<p>(Significant concurrent positions)</p> <p>Executive Vice President and Representative Director and General Manager of Administration Division and Group Administration Division, Marukyu Co., Ltd.</p> <p>President and Representative Director, RPG Insurance Service Co., Ltd.</p>	
	<p>(Reasons for Appointment)</p> <p>Mr. Minoru Shimizu has been responsible for management as Director and General Manager of Finance & Accounting Department and General Manager of System Management Department of the Company since 2011, and as Executive Vice President and Representative Director and General Manager of Administration Division and Group Administration Division of Marukyu Co., Ltd. and President and Representative Director of RPG Insurance Service Co., Ltd. since 2020. He has abundant experience, achievements and insight as a manager. As the Company's Director since 2015 and as the Company's Senior Managing Director since 2020, he has contributed to the business development of the entire Group by making use of his wealth of management experience. Therefore, the Company has judged that he is qualified to continue promoting Group management and strengthening corporate governance as the Company's Director, and has selected him as a candidate for Director.</p>	

Candidate Number	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of the Company's shares owned
5	Tomohisa Kawano (August 26, 1962)	<p>December 1986 Joined Minami Kyushu UCC Vending Co., Ltd. December 1995 Joined Joyful Co., Ltd. April 2007 Joined Marumiya Store Co., Ltd. August 2007 Director, General Manager of Accounting Division, Marumiya Store Co., Ltd., December 2008 Director, General Manager of Accounting Division and General Affairs Division August 2009 Director, General Manager of Accounting Division August 2011 Director, General Manager of Administration Division and Accounting Division August 2012 Managing Director, General Manager of Accounting Division, Marumiya Store Co., Ltd., August 2014 Audit & Supervisory Board Member, Marumiya Suisan Co., Ltd. (current position) November 2014 Director, General Manager of Corporate Planning Office, Marumiya Store Co., Ltd. July 2015 Director, the Company (current position) April 2016 Director, shinsen market Co., Ltd. May 2016 Managing Director, General Manager of Administration Division and Corporate Planning Office, Marumiya Store Co., Ltd. May 2018 Managing Director and General Manager of Administration Division, Marumiya Store Co., Ltd. March 2020 Managing Director, Executive Officer and General Manager of Corporate Division, Marumiya Store Co., Ltd. (current position) May 2021 Director, Attacks Mart Co., Ltd.. (current position)</p> <p>(Significant concurrent positions) Director, General Manager of Corporate Division, Marumiya Store Co., Ltd. Director, Attacks Mart Co., Ltd.. Audit & Supervisory Board Member, Marumiya Suisan Co. Ltd.</p>	6,652 shares
<p>(Reasons for Appointment) Mr.Tomohisa Kawano has been responsible for management as Director and General Manager of Accounting Division of Marumiya Store Co., Ltd. in 2007 and as Managing Director and General Manager of Accounting Division of the same company since 2012. He has abundant experience, achievements and insight as a manager. As Director of the Company, he has contributed to the business development of the Group as a whole by leveraging his wealth of management experience since 2015. Therefore, the Company has determined that he is qualified to continue promoting the Group's management and strengthening corporate governance as a Director of the Company, and has nominated him as a candidate for Director.</p>			

Candidate Number	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of the Company's shares owned
6	Hiroyuki Usagawa (May 21, 1961)	<p>March 1985 Joined the Company</p> <p>February 2007 Manager of Miyaichi Branch</p> <p>June 2013 General Manager of Corporate Planning Office</p> <p>July 2015 General Manager of Group Corporate Planning Office</p> <p>March 2016 Executive Officer, General Manager of Corporate Planning Office, Marukyu Co., Ltd.</p> <p>May 2017 Director, General Manager of Corporate Planning Office, Marukyu Co., Ltd.</p> <p>May 2019 Director, the Company (current position)</p> <p>May 2019 Managing Director, General Manager of Corporate Planning Office, Marukyu Co., Ltd. (current position)</p> <p>May 2020 Director, RPG Insurance Service Co., Ltd. (current position)</p> <p>(Significant concurrent positions)</p> <p>Managing Director, General Manager of Corporate Planning Office, Marukyu Co., Ltd.</p> <p>Director, RPG Insurance Service Co., Ltd.</p>	5,395 shares
<p>(Reasons for Appointment)</p> <p>Mr. Hiroyuki Usagawa has served as General Manager of Corporate Planning Office of the Company since 2013, as General Manager of Group Corporate Planning Office of the Company since 2015, and as Director and General Manager of Corporate Planning Office of Marukyu Co., Ltd. since 2017. He has abundant experience, achievements and insight in the corporate management division of food supermarkets. As General Manager, Director of Group Corporate Planning Office of the Company since 2019, he has contributed to the business development of the Company as a whole group by leveraging his wealth of management experience. Therefore, the Company has determined that he is suitable for continuing to promote group management and strengthen corporate governance as the Director of the Company, and has nominated him as a candidate for Director.</p>			

Candidate Number	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of the Company's shares owned
7	Tamotsu Aoki (April 19, 1956)	<p>October 1981 Joined DH & S Accounting Office</p> <p>April 1990 Joined Kansai Super Co., Ltd. Manager of Accounting Section, Accounting Division</p> <p>April 1992 Manager of Budget Management section, Accounting Division</p> <p>April 1994 Deputy General Manager of Finance & Accounting Division</p> <p>May 2002 Group Manager of Finance & Accounting Division</p> <p>October 2006 Project Manager of Corporate Planning Group</p> <p>June 2007 Director, General Manager of Finance & Accounting Division, Kansai Super Co., Ltd.</p> <p>October 2011 Director, Group Manager of Corporate Planning Office, Kansai Super Co., Ltd.</p> <p>July 2015 Director, General Manager of Corporate Planning Office, Kansai Super Co., Ltd.</p> <p>August 2017 Joined the Company General Manager of Group Internal Control Office, the Company</p> <p>May 2018 Director, General Manager of Group Internal Control Office, the Company (current position)</p>	4,438 shares
<p>(Reasons for Appointment)</p> <p>Mr. Tamotsu Aoki has served as Group Manager of Finance & Accounting Division of Kansai Super Co., Ltd. since 2002, as Director and General Manager of Finance & Accounting Division since 2007, and as Director and General Manager of Corporate Planning Office since 2015 has experience, achievements and insight in the management of food supermarkets. In addition, he has served as General Manager of Group Internal Control Office of the Company since 2017 and has contributed to the business development of the Group as a whole by leveraging his wealth of management experience as Director of the Company since 2018. Therefore, the Company has determined that he is suitable for continuing to promote the Group management and strengthen corporate governance as Director of the Company and has nominated him as a candidate for Director.</p>			

Candidate Number	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of the Company's shares owned
8	Mamoru Sakamoto (October 5, 1967)	<p>March 1990 Joined Marukyo Corporation.</p> <p>April 1996 Manager of Sales Division</p> <p>May 1996 General Manager of Osa Branch</p> <p>July 1997 Manager of Sales Division</p> <p>April 2003 Deputy General Manager of Food Department</p> <p>April 2009 General Manager of Food Department</p> <p>December 2014 Director, General Manager of Self Service Division, Marukyo Corporation.</p> <p>December 2015 Director, Deputy General Manager of Sales Division, Marukyo Corporation.</p> <p>July 2017 Director, General Manager of Administration Division, Marukyo Corporation.</p> <p>May 2019 Director, General Manager of Administration Division and Corporate Planning Office, Marukyo Corporation.</p> <p>May 2021 President and Representative Director, Marukyo Corporation. (current position)</p> <p>May 2021 Director, the Company (current position)</p> <p>(Significant concurrent positions)</p> <p>President and Representative Director, Marukyo Corporation.</p>	4,645 shares
<p>(Reasons for Appointment)</p> <p>Mr. Mamoru Sakamoto has served as General Manager and Buyer of Marukyo Corporation., and served as Director of Marukyo Corporation. in 2014, Director and General Manager of Administration Division and Corporate Planning Office of since 2019, and President and Representative Director since May 2021. As a result, he has gained a wealth of experience, achievements and insight in corporate management of food supermarket industry and has contributed to the improvement of the business performance of Marukyo Corporation. The Company has determined that he is suitable for continuing to appropriately supervise the Company's management and promote medium - to long-term growth strategies by leveraging his management experience, and has therefore nominated him as a candidate for Director.</p>			

Candidate Number	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of the Company's shares owned
9	Masao Kusunoki (January 3, 1948)	<p>April 1970 Joined Tokuyama Soda Co., Ltd. (currently Tokuyama Corporation)</p> <p>June 1997 General Manager of Chemicals Sales Department</p> <p>June 2000 Vice President and Deputy General Manager of Cement Division</p> <p>June 2001 Director, Deputy General Manager of Cement Division, Tokuyama Corporation</p> <p>April 2002 Director, General Manager of Cement Division</p> <p>April 2003 Managing Director, General Manager of Cement Division, Tokuyama Corporation</p> <p>April 2011 Managing Director, Responsible for Cement Division and ESS Project Group, Tokuyama Corporation</p> <p>June 2011 Senior Advisor, Tokuyama Corporation</p> <p>April 2015 Executive Officer, Tokuyama Corporation</p> <p>June 2015 Chairman and Representative Director, Executive Officer, Tokuyama Corporation</p> <p>April 2019 Representative Director, Tokuyama Corporation</p> <p>June 2019 Senior Advisor, Tokuyama Corporation (current position)</p> <p>September 2021 Outside director, Marukyu Co., Ltd. (current position)</p> <p>(Significant concurrent positions)</p> <p>Senior Advisor of Tokuyama Corporation</p> <p>Outside director, Marukyu Co., Ltd.</p>	304 shares
<p>(Reasons for Appointment and Outline of Expected Roles)</p> <p>Mr. Masao Kusunoki has abundant experience and achievements as a manager of Tokuyama Corporation, and has held important positions in the business community for many years, and has deep insight. As Outside director of Marukyu Co., Ltd. and a member of the Board of Directors, he has actively provided opinions and recommendations regarding important matters in the management of the Company's subsidiaries by making use of his experience and insight since 2021. Therefore, the Company expects that he will monitor and provide effective advice regarding the Group's overall management as Outside director of the Company, and nominates him as a candidate for outside directors.</p>			

Candidate Number	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of the Company's shares owned
10	Michiko Funazaki (August 17, 1957)	<p>April 1979 Joined Yamada Oil Co., Ltd. May 1993 Joined Do House June 1995 Representative, Esty Mate April 1998 Representative, Lifestyle Cooperative Association April 2002 General Manager, Prefectural Citizen Activity Support Center June 2006 Regional Center for Yamaguchi Prefectural University April 2007 Chairman, Citizen Produce, NPO April 2007 Part-time Lecturer, Faculty of International Culture, Yamaguchi Prefectural University June 2013 Representative Director, Lifestyle Cooperative Association (current position) April 2017 President and Representative Director, Lifestyle Research Institute Co., Ltd. (current position) September 2021 Outside director, Marukyu Co., Ltd. (current position)</p> <p>(Significant concurrent positions) Representative Director, Lifestyle Cooperative Association President and Representative Director, Research Institute Co., Ltd. Outside director Marukyu Co., Ltd.</p>	100 shares
<p>(Reasons for Appointment and Outline of Expected Roles) Ms. Michiko Funasaki established Lifestyle Research Institute Co., Ltd. and started a lifestyle proposal business that supports the lifestyles of consumers and women. She subsequently incorporated the business into a joint-stock company. Based on her experience as a manager, the Company has determined that she can provide appropriate advice to the Company's management from a consumer perspective. As a member of the Board of Directors, since 2021, she has actively provided opinions and recommendations regarding important matters in the management of the Company's subsidiaries by making use of her experience and insight. Therefore, the Company expects that she will monitor and provide effective advice regarding the Group's overall management as an Outside directors of the Company, and nominates her as a candidate for Outside directors.</p>			

- (Notes) 1. The number of the Company's shares held by each candidate includes his / her own share in the Retail Partners Officer Shareholding Association.
- Mr. Masao Kusunoki and Ms. Michiko Funazaki are candidates for Outside directors. There are no special interests between each candidate and the Company.
 - The Company has registered Mr. Masao Kusunoki and Ms. Michiko Funazaki as independent officers as stipulated by the Financial Instruments Exchanges. If their appointment is approved at this General Meeting of Shareholders, they will become the independent officers.
 - If the appointment of Mr. Masao Kusunoki and Ms. Michiko Funasaki is approved at the General Meeting of Shareholders, the Company plans to enter into a liability limitation agreement pursuant to Article 427, Paragraph 1 of the Companies Act, with the limit of the minimum liability amount stipulated by laws and regulations.
 - The Company has entered into an Officer, etc. Liability Policy as stipulated in Article 430, Paragraph 3, Item 1 of the Companies Act, under which all Directors are insured persons. If each candidate is elected and assumes office as Director of the Company, each candidate will become an insured person under the policy. The outline of the agreement is as described in the Business Report. The company also plans to renew the policy with the same content at the next renewal.

(Reference) Director Skill Matrix

The skills and specialized fields that are particularly expected of the candidates for Director are as follows, and they represent the structure of the Board of Directors when each candidate is appointed to Director.

				Exclusive skill								
	Name	Independent officer	Nomination Compensation Committee	Firm Management	Industry Experience	Business Strategy	Sales	Finance Accounting Finance	Law Compliance	Personnel Human resources Development	Sustainability ESG	System DX
Director	Yasuo Tanaka		○	○	○	○			○			
	Yasuyuki Ikebe			○	○	○	○					
	Toshio Saita			○	○	○	○					
	Minoru Shimizu				○			○			○	○
	Tomohisa Kawano				○	○		○		○		
	Hiroyuki Usagawa				○	○					○	○
	Tamotsu Aoki				○	○		○	○			
	Mamoru Sakamoto			○	○		○			○		
	Masao Kusunoki	○		○		○			○			
	Michiko Funazaki	○		○						○	○	
Audit & Supervisory Committee Member	Akio Kawaguchi				○	○		○	○			
	Kazuyoshi Ueda	○	○						○		○	
	Toshio Shibao	○	○					○	○			
	Tomoyuki Fujii	○	○					○	○			

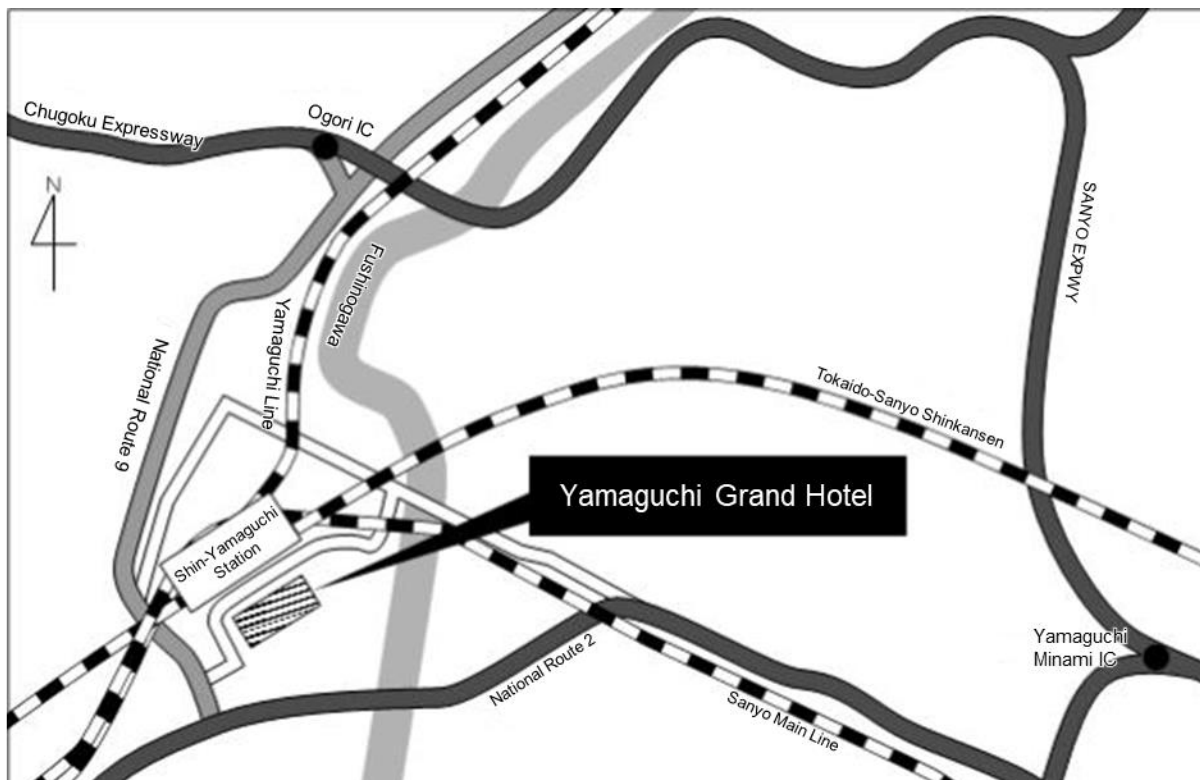
The above list does not represent all of Director's knowledge and experience.

We have narrowed down the list to up to four key skills each Director has.

Items that are particularly expected of each Director candidate are indicated.

General Meeting of Shareholders

Venue : “Houou and Tsuruno-ma” on the second floor of Yamaguchi Grand Hotel
1-1 Ogori Koganemachi, Yamaguchi-shi, Yamaguchi
Phone (083) 972-7777



- One minute walk from the Shin-Yamaguchi Station bullet train exit
- About 7 minutes from Chugoku Expressway Ogori Interchange
- About 10 minutes from Sanyo Expressway Yamaguchi Minami Interchange

<Notice Concerning COVID-19>

In order to prevent the spread of COVID-19, we would like to place top priority to the safety of our shareholders and ask you to take precautions against infections such as wearing masks when you attend the meeting. Please exercise your voting rights in advance as much as possible. Voting by mail is valid until 6:00 p.m. on Wednesday, May 25, 2022.

As for souvenirs, we have discontinued them due to various reasons. Thank you for your understanding.



見やすいユニバーサルデザイン
フォントを採用しています。