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(Securities Code: 8194)

May 7, 2024

To our shareholders:

Takaharu Iwasaki, Representative Director and President  
**LIFE CORPORATION**  
2-2-22, Nishimiyahara, Yodogawa-ku, Osaka

## Notice of the 69th General Meeting of Shareholders

We are pleased to announce the 69th Annual General Meeting of Shareholders of LIFE CORPORATION (the “Company”) to be held as indicated below.

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

The Company’s website

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

Listed Company Search

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

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

Website available to find the information other than those indicated above

<https://d.sokai.jp/8194/teiji/> (in Japanese)

If you will not be attending the meeting in person, you may exercise your voting rights via the internet or in writing (postal mail). Please review the Reference Documents for the General Meeting of Shareholders, follow the subsequent “Guide to Exercising Voting Rights” (in Japanese only), and exercise your voting rights by 6:00 p.m. on Wednesday, May 22, 2024 (JST).

**1. Date and Time:** Thursday, May 23, 2024, at 10:00 a.m. (JST)

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

**3. Purpose of the Meeting**

**Matters to be reported:**

1. The Business Report and the Consolidated Financial Statements for the 69th fiscal year (from March 1, 2023 to February 29, 2024), and the audit results of the Consolidated Financial Statements by the Accounting Auditor and the Board of Corporate Auditors
2. The Non-consolidated Financial Statements for the 69th fiscal year (from March 1, 2023 to February 29, 2024)

**Matters to be resolved:**

- |                       |  |
|-----------------------|--|
| <b>Proposal No. 1</b> | Appropriation of Surplus   |
| <b>Proposal No. 2</b> | Amendment to the Articles of Incorporation   |
| <b>Proposal No. 3</b> | Election of Seven (7) Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)  |
| <b>Proposal No. 4</b> | Election of Four (4) Directors Who Are Audit and Supervisory Committee Members   |
| <b>Proposal No. 5</b> | Decision on the Amount of Remuneration for Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)   |
| <b>Proposal No. 6</b> | Decision on the Amount of Remuneration for Directors Who Are Audit and Supervisory Committee Members   |
| <b>Proposal No. 7</b> | Decision on the Amount and Details of the Performance-Linked Share Remuneration Plan for Directors (Excluding Directors Who Are Audit and Supervisory Committee Members and Outside Directors) |

**4. Decisions on convening the meeting**

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

- When you attend the meeting, please present the voting form to reception.
- Shareholders who requested the delivery of paper-based documents will also be sent paper-based documents that describe the matters for which measures for providing information in electronic format will be taken, but such paper-based documents shall exclude the following matters pursuant to the provisions of laws and regulations and Article 15, paragraph (2) of the Articles of Incorporation.
  - (i) “Matters Related to Establishing System for Ensuring the Propriety of Business Activities” in the Business Report
  - (ii) “Notes to the Consolidated Financial Statements” in the Consolidated Financial Statements
  - (iii) “Notes to the Non-consolidated Financial Statements” in the Non-consolidated Financial Statements

Accordingly, the Business Report, Consolidated Financial Statements and Non-consolidated Financial Statements attached to such paper-based documents constitute a part of the documents that were audited by the Accounting Auditor and the Corporate Auditors in preparing their respective audit reports.

- If revisions to the matters for which measures for providing information in electronic format are to be taken arise, a notice of the revisions and the details of the matters before and after the revisions will be posted on each website.

## Reference Documents for the General Meeting of Shareholders

### Proposal No. 1 Appropriation of Surplus

The Company regards the return of profit to its shareholders as one of the management policies of utmost importance and maintains a basic policy to continuously carry out stable payment of dividends. The Company has given comprehensive consideration to matters including the above basic policy, strengthening the management structure and future business development. Therefore, the Company proposes the payment of the year-end dividend and other appropriation of surplus for the 69th fiscal year as set forth below.

#### 1. Year-end dividends

(1) Type of dividend property

To be paid in cash.

(2) Allotment of dividend property and their aggregate amount

The Company proposes to pay a dividend of ¥50 per common share of the Company. In this event, the total dividends will be ¥2,350,588,450.

Accordingly, including the interim dividend (¥40 per share), the annual dividend will be ¥90 per share.

(3) Effective date of dividends of surplus

The effective date of dividends will be May 24, 2024.

(Reference) Trends in dividends per share, dividend payout ratio and dividend on equity ratio (DOE)

	65th Fiscal Year ended February 2020	66th Fiscal Year ended February 2021	67th Fiscal Year ended February 2022	68th Fiscal Year ended February 2023	69th Fiscal Year ended February 2024
Interim dividend (¥)	20.00	25.00	30.00	35.00	40.00
Year-end dividend (¥)	20.00	25.00	40.00 (Includes commemorative dividend of ¥10)	35.00	50.00
Consolidated dividend payout ratio (%)	23.9	13.1	21.6	24.6	24.9
Dividend on equity ratio (DOE) (%)	2.4	2.6	3.2	2.8	3.3

#### 2. Other appropriation of surplus

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

General reserve: ¥11,500,000,000

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

Retained earnings brought forward: ¥11,500,000,000

**Proposal No. 2      Amendment to the Articles of Incorporation**

1. Reasons for the amendment

- (1) Amendments related to the transition to a Company with an Audit and Supervisory Committee  
 The Company aims to further enhance corporate governance by strengthening the supervisory function of the Board of Directors through the appointment of Audit and Supervisory Committee Members, who are responsible for auditing the execution of duties by Directors, as members of the Board of Directors. The Company also aims to expedite management’s decision-making and enhance corporate value by allowing the Board of Directors to extensively delegate decisions of business execution to Directors. As such, the Company has resolved to transition from a Company with a Board of Corporate Auditors to a Company with an Audit and Supervisory Committee. Accordingly, the Company plans to establish the regulations necessary for the transition to a Company with an Audit and Supervisory Committee, including the establishment of new regulations pertaining to the delegation of authority to executive directors, in order to enhance management efficiency and enable flexible decision-making.
- (2) Amendment related to limited liability agreements and expansion of scope of individuals able to enter into such agreements  
 In order to enable the conclusion of limited liability agreements with Directors other than executive directors, etc., with the aim of continuously inviting capable personnel to serve as Directors, the Company proposes to amend Article 26, paragraph 2 of the current Articles of Incorporation as shown in Article 27, paragraph 2 of the proposed amendments below. The consent of each Corporate Auditor has been obtained for this amendment.
- (3) Other amendments  
 Other necessary amendments will be made in accordance with the aforementioned amendments, such as changes in the numbering of articles and wording.

2. Amendments

Details of amendments are as follows.

The amendment to the Articles of Incorporation pertaining to this proposal shall take effect at the conclusion of this General Meeting of Shareholders.

(Changed portion is underlined)

Current Articles of Incorporation	Proposed Amendments
<b>Chapter I    General Provisions</b>	<b>Chapter I    General Provisions</b>
Articles 1. through 2.      (Text omitted)	Articles 1. through 2.      (Unchanged)
Article 3.    (Location of the Head Office) The head office of the Company shall be located at Osaka City, <u>Osaka Prefecture</u> , Japan.	Article 3.    (Location of the Head Office) The head office of the Company shall be located at Osaka City, Japan.
Article 4.    (Establishment of Organs) The Company shall establish a Board of Directors, <u>Audit &amp; Supervisory Board Members</u> , an <u>Audit &amp; Supervisory Board</u> , and an Accounting Auditor.	Article 4.    (Establishment of Organs) <u>In addition to the General Meeting of Shareholders and Directors</u> , the Company shall establish a Board of Directors, <u>an Audit and Supervisory Committee</u> , and an Accounting Auditor.
Articles 5. through 13.      (Text omitted)	Articles 5. through 13.      (Unchanged)
Article 14. (Method for Making Resolutions)	Article 14. (Method for Making Resolutions)
1. (Text omitted)	1. (Unchanged)

Current Articles of Incorporation	Proposed Amendments
<p>2. Notwithstanding the provisions of the preceding paragraph, resolutions of a general meeting of shareholders as prescribed in Article 309, paragraph 2 of the Companies Act shall be made by at least two-thirds of the votes of the shareholders present at the meeting where the shareholders holding at least one-third of the voting rights of the shareholders entitled to exercise their votes at such meetings are present.</p>	<p>2. Notwithstanding the provisions of the preceding paragraph, resolutions of a general meeting of shareholders as prescribed in Article 309, paragraph 2 of the Companies Act shall be made by at least two-thirds of the votes of the shareholders present at the meeting where the shareholders holding at least one-third of the voting rights of the shareholders entitled to exercise their votes at such meetings are present. (Change in Japanese only; English unchanged)</p>
<p>Article 15. (Text omitted)</p>	<p>Article 15. (Unchanged)</p>
<p>Article 16. (Proxy Voting)</p> <p>Every shareholder may exercise his/her votes by having one other shareholder of the Company with voting rights act as a proxy on his/her behalf. However, in such a circumstance, a shareholder or a proxy must submit to the Company a document evidencing the proxy's authority to represent at each general meeting of shareholders.</p>	<p>Article 16. (Proxy Voting)</p> <p>Every shareholder may exercise his/her votes by having one other shareholder of the Company with voting rights act as a proxy on his/her behalf. However, in such a circumstance, a shareholder or a proxy must submit to the Company a document evidencing the proxy's authority to represent at each general meeting of shareholders. (Change in Japanese only; English unchanged)</p>
<p style="text-align: center;"><b>Chapter IV Directors and Board of Directors</b></p>	<p style="text-align: center;"><b>Chapter IV Directors and Board of Directors</b></p>
<p>Article 17. (Number of Directors)</p>	<p>Article 17. (Number of Directors)</p>
<p>1. The Company shall have not more than <u>25</u> Directors.</p> <p style="text-align: center;">(Newly established)</p>	<p>1. The Company shall have not more than <u>10</u> Directors <u>(excluding Directors who are Audit and Supervisory Committee Members)</u>.</p> <p>2. <u>The Company shall have not more than 5 Directors who are Audit and Supervisory Committee Members.</u></p>
<p>Article 18. (Method of Election)</p>	<p>Article 18. (Method of Election)</p>
<p>1. Directors shall be elected at a general meeting of shareholders. Such resolutions shall be made by a majority of the votes of the shareholders present at the meeting where the presence of shareholders holding at least one-third of the voting rights of the shareholders entitled to exercise their votes at such meetings is required.</p> <p>2. (Text omitted)</p>	<p>1. Directors shall be elected at a general meeting of shareholders <u>by differentiating between Directors who are Audit and Supervisory Committee Members and other Directors</u>. Such resolutions shall be made by a majority of the votes of the shareholders present at the meeting where the presence of shareholders holding at least one-third of the voting rights of the shareholders entitled to exercise their votes at such meetings is required.</p> <p>2. (Unchanged)</p>
<p>Article 19. (Term of Office)</p>	<p>Article 19. (Term of Office)</p>
<p>1. The term of office of a Director shall expire at the conclusion of the annual general meeting of shareholders for the last business year out of the business years terminating within one year after the election of the Director.</p> <p style="text-align: center;">(Newly established)</p>	<p>1. The term of office of a Director <u>(excluding a Director who is an Audit and Supervisory Committee Member)</u> shall expire at the conclusion of the annual general meeting of shareholders for the last business year out of the business years terminating within one year after the election of the Director.</p>
<p>2. <u>The term of office of a Director who is elected as a substitute or additional personnel on the Board of Directors shall continue until the time that the term of office of the other currently serving Directors is to expire.</u></p>	<p>2. <u>The term of office of a Director who is an Audit and Supervisory Committee Member shall expire at the conclusion of the annual general meeting of shareholders for the last business year out of the business years terminating within two years after the election of the Director.</u></p> <p style="text-align: center;">(Deleted)</p>

Current Articles of Incorporation	Proposed Amendments
<p>(Newly established)</p>	<p>3. <u>The term of office of a Director who is an Audit and Supervisory Committee Member who is elected as a substitute for a Director who is an Audit and Supervisory Committee Member that retired before the expiration of the term of office, shall continue until the time that the term of office of the retired Director who is an Audit and Supervisory Committee Member is to expire.</u></p>
<p>Article 20. (Representative Directors)</p>	<p>Article 20. (Representative Directors <u>and Directors With Special Titles</u>)</p>
<p>1. The Board of Directors shall appoint Representative Director(s) from among Directors.</p>	<p>1. The Board of Directors shall appoint Representative Director(s) from among Directors <u>(excluding Directors who are Audit and Supervisory Committee Members).</u></p>
<p>(Newly established)</p>	<p>2. <u>The Board of Directors may appoint, by its resolution, one Director and Chairperson and one Director and Vice Chairperson from among Directors (excluding Directors who are Audit and Supervisory Committee Members).</u></p>
<p>Article 21. (Directors With Special Titles)</p> <p><u>The Board of Directors may appoint, by its resolution, one Director and Chairperson, one Director and Vice Chairperson, one Director and President, one or a small number of Director and Vice Presidents, one or a small number of Senior Managing Directors, and one or a small number of Managing Directors.</u></p>	<p>(Deleted)</p>
<p>(Newly established)</p>	<p>Article 21. (Executive Officers With Special Titles)</p> <p><u>The Board of Directors may appoint, by its resolution, one President, one or a small number of Vice Presidents, one or a small number of Senior Managing Executive Officers, and one or a small number of Managing Executive Officers.</u></p>
<p>Article 22. (Text omitted)</p>	<p>Article 22. (Unchanged)</p>
<p>Article 23. (Notice of Meeting and Omission of Resolutions of the Board of Directors)</p>	<p>Article 23. (Notice of Meeting and Omission of Resolutions of the Board of Directors)</p>
<p>1. When convening a meeting of the Board of Directors, a notice shall be dispatched to each Director <u>and each Audit &amp; Supervisory Board Member</u> at least three days before the day of the meeting; provided, however, that this period may be reduced in case of urgent needs.</p>	<p>1. When convening a meeting of the Board of Directors, a notice shall be dispatched to each Director at least three days before the day of the meeting; provided, however, that this period may be reduced in case of urgent needs.</p>
<p>2. (Text omitted)</p>	<p>2. (Unchanged)</p>
<p>(Newly established)</p>	<p>Article 24. (Decisions on Delegation of Important Business Execution)</p> <p><u>Pursuant to the provisions of Article 399-13, paragraph 6 of the Companies Act, the Board of Directors may delegate, by its resolution, all or part of the decisions on important business execution to Directors (excluding the matters listed in each item of paragraph 5 of the same Article).</u></p>
<p>Article 24. (Text omitted)</p>	<p>Article 25. (Unchanged)</p>
<p>Article 25. (Remuneration, Etc.)</p> <p>Remuneration, bonuses and other economic benefits given by the Company in consideration for the execution of duties (<u>hereinafter referred to as the "Remuneration, Etc."</u>) to Directors shall be determined by resolution of a general meeting of shareholders.</p>	<p>Article 26. (Remuneration, Etc.)</p> <p>Remuneration, bonuses and other economic benefits given by the Company in consideration for the execution of duties to Directors shall be determined by resolution of a general meeting of shareholders, <u>by differentiating between Directors who are Audit and Supervisory Committee Members and other Directors.</u></p>

Current Articles of Incorporation	Proposed Amendments
<p>Article <u>26</u>. (Exemption of Directors From Liability)</p> <p>1. Pursuant to the provisions of Article 426, paragraph 1 of the Companies Act, the Company may, by resolution of the Board of Directors, exempt a Director (including a person who was formerly a Director) from his/her liability for damages under Article 423, paragraph 1 of the said Act to the extent permitted by laws and regulations.</p> <p>2. Pursuant to Article 427, paragraph 1 of the Companies Act, the Company may enter into an agreement with <u>an outside Director</u> limiting his/her liability for damages under Article 423, paragraph 1 of the said Act; provided, however, that the maximum liability for damages under such agreement shall be an amount as prescribed by laws and regulations.</p>	<p>Article <u>27</u>. (Exemption of Directors From Liability)</p> <p>1. Pursuant to the provisions of Article 426, paragraph 1 of the Companies Act, the Company may, by resolution of the Board of Directors, exempt a Director (including a person who was formerly a Director) from his/her liability for damages under Article 423, paragraph 1 of the said Act to the extent permitted by laws and regulations. (Change in Japanese only; English unchanged)</p> <p>2. Pursuant to Article 427, paragraph 1 of the Companies Act, the Company may enter into an agreement with <u>a Director (excluding an executive director, etc.)</u> limiting his/her liability for damages under Article 423, paragraph 1 of the said Act; provided, however, that the maximum liability for damages under such agreement shall be an amount as prescribed by laws and regulations.</p>
<p><b>Chapter V Audit &amp; Supervisory Board Members and Audit &amp; Supervisory Board</b></p>	<p>(Deleted)</p>
<p>Article <u>27</u>. (Number of Audit &amp; Supervisory Board Members)</p> <p><u>The Company shall have not more than four Audit &amp; Supervisory Board Members.</u></p>	<p>(Deleted)</p>
<p>Article <u>28</u>. (Method of Election)</p> <p><u>Audit &amp; Supervisory Board Members shall be elected at a general meeting of shareholders. Such resolutions shall be made by a majority of the votes of the shareholders present at the meeting where the presence of shareholders holding at least one-third of the voting rights of the shareholders entitled to exercise their votes at such meetings is required.</u></p>	<p>(Deleted)</p>
<p>Article <u>29</u>. (Term of Office)</p> <p>1. <u>The term of office of an Audit &amp; Supervisory Board Member shall expire at the conclusion of the annual general meeting of shareholders for the last business year out of the business years terminating within four years after the election of the Audit &amp; Supervisory Board Member.</u></p> <p>2. <u>The term of office of an Audit &amp; Supervisory Board Member who is elected as a substitute shall continue until the time that the term of office of the Audit &amp; Supervisory Board Member who retired from office is to expire.</u></p>	<p>(Deleted)</p>
<p>Article <u>30</u>. (Full-Time Audit &amp; Supervisory Board Members and Standing Audit &amp; Supervisory Board Members)</p> <p><u>The Audit &amp; Supervisory Board shall appoint full-time Audit &amp; Supervisory Board Member(s) from among Audit &amp; Supervisory Board Members. It may also appoint standing Audit &amp; Supervisory Board Member(s) from among the full-time Audit &amp; Supervisory Board Members.</u></p>	<p>(Deleted)</p>

Current Articles of Incorporation	Proposed Amendments
<p><u>Article 31. (Notice of Meeting of the Audit &amp; Supervisory Board)</u></p> <p><u>When convening a meeting of the Audit &amp; Supervisory Board, a notice shall be dispatched to each Audit &amp; Supervisory Board Member at least three days before the day of the meeting; provided, however, that this period may be reduced in case of urgent needs.</u></p>	(Deleted)
<p><u>Article 32. (Regulations of the Audit &amp; Supervisory Board)</u></p> <p><u>Unless otherwise provided for by laws and regulations, and these Articles of Incorporation, matters concerning the Audit &amp; Supervisory Board shall be governed by the Regulations of the Audit &amp; Supervisory Board established by the Audit &amp; Supervisory Board.</u></p>	(Deleted)
<p><u>Article 33. (Remuneration, Etc.)</u></p> <p><u>The Remuneration, Etc. to Audit &amp; Supervisory Board Members shall be determined by resolution of a general meeting of shareholders.</u></p>	(Deleted)
<p><u>Article 34. (Exemption of Audit &amp; Supervisory Board Members From Liability)</u></p> <p><u>1. Pursuant to the provisions of Article 426, paragraph 1 of the Companies Act, the Company may, by resolution of the Board of Directors, exempt an Audit &amp; Supervisory Board Member (including a person who was formerly an Audit &amp; Supervisory Board Member) from his/her liability for damages under Article 423, paragraph 1 of the said Act to the extent permitted by laws and regulations.</u></p> <p><u>2. Pursuant to Article 427, paragraph 1 of the Companies Act, the Company may enter into an agreement with an outside Audit &amp; Supervisory Board Member limiting his/her liability for damages under Article 423, paragraph 1 of the said Act; provided, however, that the maximum liability for damages under such agreement shall be an amount as prescribed by laws and regulations.</u></p> <p>(Newly established)</p> <p>(Newly established)</p> <p>(Newly established)</p>	(Deleted)
	<p style="text-align: center;"><b>Chapter V Audit and Supervisory Committee</b></p> <p><u>Article 28. (Full-Time Audit and Supervisory Committee Members)</u></p> <p><u>The Audit and Supervisory Committee may appoint full-time Audit and Supervisory Committee Members from among Audit and Supervisory Committee Members.</u></p> <p><u>Article 29. (Notice of Meeting of the Audit and Supervisory Committee)</u></p> <p><u>When convening a meeting of the Audit and Supervisory Committee, a notice shall be dispatched to each Audit and Supervisory Committee Member at least three days before the day of the meeting; provided, however, that this period may be reduced in case of urgent needs.</u></p>



Current Articles of Incorporation	Proposed Amendments
<p>(Newly established)</p> <p style="text-align: center;"><b>Chapter VI Accounts</b></p> <p>Article <u>35</u>. (Text omitted)</p> <p>Article <u>36</u>. (Text omitted)</p> <p>Article <u>37</u>. (Text omitted)</p> <p>(Newly established)</p> <p>(Newly established)</p>	<p><u>Article 30. (Regulations of the Audit and Supervisory Committee)</u></p> <p><u>Unless otherwise provided by laws and regulations, and these Articles of Incorporation, matters concerning the Audit and Supervisory Committee shall be governed by the Regulations of the Audit and Supervisory Committee established by the Audit and Supervisory Committee.</u></p> <p style="text-align: center;"><b>Chapter VI Accounts</b></p> <p>Article <u>31</u>. (Unchanged)</p> <p>Article <u>32</u>. (Unchanged)</p> <p>Article <u>33</u>. (Unchanged)</p> <p><u>Supplementary provision</u></p> <p><u>Article 1. (Transitional Measures for the Exemption of Audit &amp; Supervisory Board Members from Liability)</u></p> <p><u>Pursuant to the provisions of Article 426, paragraph 1 of the Companies Act, the Company may, by resolution of the Board of Directors, exempt an Audit &amp; Supervisory Board Member (including a person who was formerly an Audit &amp; Supervisory Board Member) from his/her liability for damages due to negligence of duties before the amendment to the Articles of Incorporation to be resolved at the 69th Annual General Meeting of Shareholders takes effect under Article 423, paragraph 1 of the said Act to the extent permitted by laws and regulations.</u></p>

**Proposal No. 3 Election of Seven (7) Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)**

If Proposal No. 2 “Amendment to the Articles of Incorporation” is approved as originally proposed, the Company will become a Company with an Audit and Supervisory Committee, and the terms of office of all eight (8) Directors will expire when the amendment to the Articles of Incorporation takes effect.

Therefore, the Company proposes to elect seven (7) Directors (excluding Directors who are Audit and Supervisory Committee Members; the same applies hereinafter for this proposal) after the transition to a Company with an Audit and Supervisory Committee.

This proposal shall take effect on the condition that the amendment to the Articles of Incorporation in Proposal No. 2 “Amendment to the Articles of Incorporation” takes effect.

The candidates for Directors are as follows:

Candidate No.	Name	Gender	Current position in the Company	Attendance at Board of Directors meetings in FY2023
1	<input type="checkbox"/> Re-election Takaharu Iwasaki	Male	Representative Director and President	17/17 (100%)
2	<input type="checkbox"/> Re-election Tomehisa Morishita	Male	Director & Senior Managing Executive Officer	17/17 (100%)
3	<input type="checkbox"/> Re-election Takashi Sumino	Male	Director & Managing Executive Officer	17/17 (100%)
4	<input type="checkbox"/> New election Jun Adachi	Male	Executive Officer	–
5	<input type="checkbox"/> Re-election <input type="checkbox"/> Independent <input type="checkbox"/> Outside Hiroko Kono	Female	Director	17/17 (100%)
6	<input type="checkbox"/> Re-election <input type="checkbox"/> Independent <input type="checkbox"/> Outside Takashi Katayama	Male	Director	17/17 (100%)
7	<input type="checkbox"/> New election <input type="checkbox"/> Independent <input type="checkbox"/> Outside Akihiro Tada	Male	–	–

Candidate No.	Name (Date of birth)	Career summary, positions and responsibilities in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
1	<p>Takaharu Iwasaki (March 27, 1966)</p> <p>Re-election</p> <p>Period as Director: 25 years (as of conclusion of this General Meeting of Shareholders)</p>	<p>Apr. 1989      Joined Mitsubishi Corporation</p> <p>Feb. 1994      Princes Limited</p> <p>May 1999      Director, Assistant to Division COO of Sales General Division of the Company</p> <p>Oct. 2001      Senior Managing Director, Division COO of Tokyo Region Business Division</p> <p>Mar. 2006      Representative Director, President &amp; Chief Operating Officer, and Group CEO of Business Group Headquarters</p> <p>June 2014      Representative Director, President &amp; Chief Operating Officer, Group CEO of Business Group Headquarters, and Group CEO of Development Group Headquarters</p> <p>Jan. 2017      Representative Director, President &amp; Chief Operating Officer, and Group CEO of Business Group Headquarters</p> <p>Jan. 2018      Representative Director, President &amp; Chief Operating Officer, and Group CEO of Business Group Headquarters</p> <p>May 2019      Representative Director and President, and Group CEO of Business Group Headquarters</p> <p>Oct. 2023      Representative Director and President, and Group CEO of Development Group Headquarters (current position)</p> <p>(Significant concurrent positions outside the Company)</p> <p>Representative Director and Vice President of Nihon Ryutsu Sangyo Co., Ltd.</p> <p>Representative Director and Chairman of LIFE FINANCIAL SERVICE</p> <p>Chairman of Japan Supermarkets Association</p> <p>(Reason for nomination as Director)</p> <p>Takaharu Iwasaki, in addition to gaining experience at a general trading company, has amassed knowledge in the distribution industry and the Company's overall management through serving as the President of the Company for 18 years since 2006. Therefore, the Company has nominated him as a candidate for Director.</p>	<p>25,088 shares</p> <p>(of which, the number of shares to be granted under the performance-linked share remuneration plan: 11,338 shares)</p>

Candidate No.	Name (Date of birth)	Career summary, positions and responsibilities in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
2	<p data-bbox="336 947 536 1003">Tomehisa Morishita (December 9, 1959)</p> <p data-bbox="379 1043 493 1066">Re-election</p> <p data-bbox="296 1106 579 1227">Period as Director: 10 years (as of conclusion of this General Meeting of Shareholders)</p>	<p data-bbox="611 264 1238 1653"> Apr. 1982      Joined the Company  Sept. 2001     General Manager of Osaka Region Apparel  Department  Feb. 2007     General Manager of Information System  Department  Mar. 2009     Executive Officer, Division COO of Corporate  Strategy and Planning Division, and General  Manager of Corporate Strategy and Planning  Department  Nov. 2009     Executive Officer, Division COO of Osaka  Region Apparel and Lifestyle Products  Division, General Manager of Osaka Region  Apparel Department, and General Manager of  Osaka Region Lifestyle Products Department  Feb. 2014     Executive Officer, Deputy Division COO of  Osaka Region Sales Division, and Division  COO of Osaka Region Apparel and Lifestyle  Products Division  May 2014     Director, Deputy Division COO of Osaka  Region Sales Division, and Division COO of  Osaka Region Apparel and Lifestyle Products  Division  June 2015     Director, Division COO of Corporate Strategy  and Planning Division, and Division COO of  New Business Development Division  June 2016     Managing Director, Division COO of Corporate  Strategy and Planning Division, and in charge  of New Businesses  Jan. 2017     Managing Director, Group CEO of  Administration and Management Headquarters  Jan. 2018     Managing Director, Group CEO of Corporate  Functions Group Headquarters  May 2019     Director &amp; Managing Executive Officer, Group  CEO of Corporate Functions Group  Headquarters  Feb. 2020     Director &amp; Managing Executive Officer, Group  CEO of Corporate Functions Group  Headquarters, and Division COO of  Information Strategy Division  Apr. 2020     Director &amp; Senior Managing Executive Officer,  Group CEO of Corporate Functions Group  Headquarters, and Division COO of  Information Strategy Division (current position) </p> <p data-bbox="611 1693 1238 1908"> (Reason for nomination as Director)  Tomehisa Morishita has successfully served as head in various divisions including sales, systems and corporate strategy and planning in the Company and has amassed insight on the Company's overall management, administration and business operation. Therefore, the Company has nominated him as a candidate for Director. </p>	<p data-bbox="1254 981 1439 1193">7,181 shares (of which, the number of shares to be granted under the performance-linked share remuneration plan: 4,784 shares)</p>

Candidate No.	Name (Date of birth)	Career summary, positions and responsibilities in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
3	<p style="text-align: center;">Takashi Sumino (January 25, 1956)</p> <p style="text-align: center;">Re-election</p> <p style="text-align: center;">Period as Director: 12 years (as of conclusion of this General Meeting of Shareholders)</p>	<p>Mar. 1980      Joined the Company</p> <p>Jan. 2001      General Manager of Osaka Region Sales Promotion Department</p> <p>Mar. 2004      General Manager of Osaka Region Logistics Department</p> <p>Mar. 2006      General Manager of Osaka Region Operational Reforms Promotion Office</p> <p>Mar. 2008      Executive Officer, General Manager of Osaka Region Operational Reforms Promotion Office</p> <p>Mar. 2009      Executive Officer, General Manager of Logistics Planning of Sales Management Division</p> <p>Feb. 2010      Executive Officer, Division COO of Osaka Region Store Support Division</p> <p>May 2012      Director, Division COO of Osaka Region Chain Store Division, and Division COO of Osaka Region Store Support Division</p> <p>June 2015      Managing Director, Division COO of Osaka Region Sales Division</p> <p>Jan. 2017      Managing Director, Division COO of Corporate Strategy and Planning Division, and in charge of New Businesses</p> <p>Jan. 2018      Managing Director, Group CEO of Infrastructure Group Headquarters, and Division COO of Information Strategy Division</p> <p>May 2019      Director &amp; Managing Executive Officer, Group CEO of Infrastructure Group Headquarters, and Division COO of Information Strategy Division</p> <p>Feb. 2021      Director &amp; Managing Executive Officer, Group CEO of Infrastructure Group Headquarters, and Division COO of E-Commerce Operation Division</p> <p>Jan. 2022      Director &amp; Managing Executive Officer, Group CEO of Infrastructure Group Headquarters (current position)</p> <p>(Reason for nomination as Director) Takashi Sumino has successfully served as head of sales division and infrastructure division including food process center and logistics of the Company. He has abundant operation knowledge as well as insight on the distribution industry and the Company's overall management. Therefore, the Company has nominated him as a candidate for Director.</p>	<p style="text-align: center;">9,207 shares</p> <p>(of which, the number of shares to be granted under the performance-linked share remuneration plan: 3,565 shares)</p>

Candidate No.	Name (Date of birth)	Career summary, positions and responsibilities in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
4	<p style="text-align: center;">Jun Adachi (December 29, 1978)</p> <p style="text-align: center;">New election</p> <p style="text-align: center;">Period as Director: 0 years (as of conclusion of this General Meeting of Shareholders)</p>	<p>Apr. 2004      Joined Mitsubishi Corporation</p> <p>Nov. 2008      Europe Corporate Center</p> <p>Apr. 2010      Joined Mitsubishi Corporation International (Europe) Plc.</p> <p>May 2013      Risk Management Dept. of Mitsubishi Corporation</p> <p>Mar. 2016      Corporate Strategy &amp; Planning Dept.</p> <p>June 2022      Joined the Company</p> <p>Feb. 2023      Executive Officer and General Manager of Corporate Strategy and Planning Department (current position)</p> <p>(Reason for nomination as Director) Jun Adachi, in addition to gaining experience in the risk management and corporate strategy and planning departments at a general trading company, has amassed knowledge in the corporate strategy and planning field, such as by serving as Executive Officer, General Manager of Corporate Strategy and Planning Department of the Company. Therefore, the Company has nominated him as a candidate for Director.</p>	<p style="text-align: center;">0 shares</p> <p>(of which, the number of shares to be granted under the performance-linked share remuneration plan: 0 shares)</p>

Candidate No.	Name (Date of birth)	Career summary, positions and responsibilities in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
5	<p>Hiroko Kono (May 8, 1965)</p> <p>Re-election Independent Outside</p> <p>Period as outside Director: 3 years (as of conclusion of this General Meeting of Shareholders)</p>	<p>Apr. 1989      Joined Mitsubishi Corporation</p> <p>July 1992      Joined Tokyo Office, Capital International Research, Inc.</p> <p>Jan. 2001      Los Angeles Headquarters, The Capital Group Companies, Inc.</p> <p>Feb. 2003      Washington, D.C. Office, Capital International Research, Inc.</p> <p>July 2008      Tokyo Office, Capital International, Inc.</p> <p>July 2011      Council and Director of International School of Asia, Karuizawa Establishment Preparation Foundation</p> <p>Nov. 2013      Director and Head of Operations of International School of Asia, Karuizawa</p> <p>Mar. 2016      Head of Operations of UWC ISAK Japan</p> <p>Nov. 2018      Executive Coach of COACH A Co., Ltd.</p> <p>May 2021      Outside Director of the Company (current position)</p> <p>Mar. 2022      Officer, Executive Coach of COACH A Co., Ltd.</p> <p>Aug. 2022      Outside Director (Audit and Supervisory Committee Member) of SATUDORA HOLDINGS CO., LTD. (current position)</p> <p>June 2023      Outside Director (Audit and Supervisory Committee Member) of PayPay Corporation (current position)</p> <p>July 2023      Senior Executive Coach of COACH A Co., Ltd. (current position)</p> <p>Feb. 2024      Representative Director of Change Agent Co., Ltd. (current position)</p> <p>(Significant concurrent positions outside the Company) Outside Director (Audit and Supervisory Committee Member) of PayPay Corporation</p> <p>(Reasons for nomination as outside Director and outline of expected role) The Company nominated Hiroko Kono as a candidate for outside Director because her work experience at investment companies and performance and insight concerning school operation and human resource development nurtured in a human resource development company are highly regarded and the Company expects that she will continue to fulfill her role as outside Director of the Company as she can contribute to the enhancement of corporate value by appropriately giving advice for the Company's management and providing supervision.</p>	0 shares

Candidate No.	Name (Date of birth)	Career summary, positions and responsibilities in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
6	<p style="text-align: center;">Takashi Katayama (October 27, 1953)</p> <p style="text-align: center;">Re-election Independent Outside</p> <p style="text-align: center;">Period as outside Director: 2 years (as of conclusion of this General Meeting of Shareholders)</p>	<p>Apr. 1976     Assistant at College of Science and Technology, Nihon University</p> <p>Apr. 1977     Joined Teraoka Seiko Co., Ltd.</p> <p>Apr. 1989     Director of Digi Europe Ltd. (UK)</p> <p>Apr. 1994     Managing Director</p> <p>Mar. 1996     Managing Director of Teraoka Weigh-System Ltd. (Singapore)</p> <p>                  Managing Director</p> <p>Mar. 2001     Director and General Manager of Global Business Development Department of Teraoka Seiko Co., Ltd.</p> <p>Jan. 2004     Director and General Manager of Food Industry System Department</p> <p>Mar. 2013     Senior Director</p> <p>Jan. 2015     President and CEO</p> <p>Mar. 2018     Advisor</p> <p>Mar. 2019     Representative of RTK-Design (current position)</p> <p>May 2022     Outside Director of the Company (current position)</p> <p>(Reasons for nomination as outside Director and outline of expected role)</p> <p>The Company has nominated Takashi Katayama as a candidate for outside Director because he left a record of remarkable accomplishments as a corporate manager of Teraoka Seiko Co., Ltd. and other companies and possesses high level of knowledge related to logistics environment systems and overseas logistics. Therefore, the Company expects that he will continue to fulfill his role as outside Director of the Company as he can contribute to the enhancement of corporate value by appropriately giving advice for the Company's management and providing supervision.</p>	200 shares



Candidate No.	Name (Date of birth)	Career summary, positions and responsibilities in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
7	<p data-bbox="344 801 528 864">Akihiro Tada (February 8, 1963)</p> <p data-bbox="371 898 501 987">New election Independent Outside</p> <p data-bbox="280 1025 592 1149">Period as outside Director: 0 years (as of conclusion of this General Meeting of Shareholders)</p>	<p data-bbox="611 264 1238 353">Apr. 1986    Joined the Ministry of International Trade and Industry (currently Ministry of Economy, Trade and Industry)</p> <p data-bbox="611 360 1171 423">June 2004    Executive Director, Japan External Trade Organization, New York</p> <p data-bbox="611 430 1217 553">July 2007    Director of Environmental Policy Division, Industrial Science and Technology Policy and Environment Bureau, Ministry of Economy, Trade and Industry</p> <p data-bbox="611 560 1139 622">Aug. 2008    Executive Assistant to the Minister of Economy, Trade and Industry</p> <p data-bbox="611 629 1161 692">Sept. 2009    Director of Finance Division, Small and Medium Enterprise Agency</p> <p data-bbox="611 698 1238 822">July 2011    Senior Director of Economic and Industrial Policy Division, Economic and Industrial Policy Bureau, Ministry of Economy, Trade and Industry</p> <p data-bbox="611 828 1238 891">July 2012    Director of General Affairs Division, Minister's Secretariat</p> <p data-bbox="611 898 1171 983">July 2014    Director-General of Electricity and Gas Industry Department, Agency for Natural Resources and Energy</p> <p data-bbox="611 990 1190 1052">June 2016    Deputy Commissioner, Agency for Natural Resources and Energy</p> <p data-bbox="611 1059 1217 1144">July 2017    Director-General of Manufacturing Industries Bureau, Ministry of Economy, Trade and Industry</p> <p data-bbox="611 1151 1182 1214">July 2018    Director-General for Economic and Fiscal Management, Cabinet Office</p> <p data-bbox="611 1220 1161 1283">Aug. 2020    Deputy Vice-Minister of the Ministry of Economy, Trade and Industry</p> <p data-bbox="611 1290 1225 1321">July 2021    Vice-Minister of Economy, Trade and Industry</p> <p data-bbox="611 1328 959 1359">July 2023    Retired from office</p> <p data-bbox="611 1366 1214 1451">July 2023    Special Advisor to the Ministry of Economy, Trade and Industry, Special Advisor for Expo 2025 Osaka, Kansai, Japan (current position)</p> <p data-bbox="611 1458 1206 1520">Dec. 2023    Executive Advisor of Nippon Life Insurance Company (current position)</p> <p data-bbox="611 1527 1171 1590">Dec. 2023    Advisor of Sumitomo Mitsui Trust Bank, Limited (current position)</p> <p data-bbox="611 1597 1206 1659">Apr. 2024    Special Guest Professor of Faculty of Policy Management, Keio University (current position)</p>	0 shares

Candidate No.	Name (Date of birth)	Career summary, positions and responsibilities in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
		<p>(Reasons for nomination as outside Director and outline of expected role)</p> <p>The Company has nominated Akihiro Tada as a candidate for outside Director because he has successively served in important positions in the government, such as Director General for Economic and Fiscal Management at the Cabinet Office, Director General for the Ministry of Economy, Trade and Industry, and Vice-Minister of Economy, Trade and Industry at the same ministry, and his abundant experience and specialist insight, including his deep involvement in measures for the corporate governance code, are worthy of high regard. Accordingly, the Company expects that he will fulfill his role as outside Director of the Company, such as by appropriately giving advice for the Company's management and providing supervision thereof.</p>	

- Notes:
1. Takaharu Iwasaki, a candidate for Director, is concurrently serving as Representative Director of Nihon Ryutsu Sangyo Co., Ltd. The Company and Nihon Ryutsu Sangyo Co., Ltd. have a business relationship, which includes the purchase of products.
  2. There is no special interest between any other candidates for Director and the Company.
  3. Hiroko Kono, Takashi Katayama, and Akihiro Tada are candidates for outside Director.
  4. The Company has submitted notification to the Tokyo Stock Exchange that Hiroko Kono and Takashi Katayama, candidates for outside Director, have been appointed as an independent officer.  
Since Akihiro Tada also meets the requirements for independent officer pursuant to the rules of the Tokyo Stock Exchange, the Company plans to notify him to the said exchange as an independent officer if he is elected.
  5. Pursuant to the provisions of Article 427, paragraph (1) of the Companies Act, the Company has currently entered into an agreement with Hiroko Kono and Takashi Katayama to limit their liability for damages under Article 423, paragraph (1) of the Companies Act. Pursuant to this agreement, the defined maximum amount of liability for damages is the minimum liability amount provided for under Article 425, paragraph (1) of the Companies Act. If their election is approved, the Company plans to renew the limited liability agreement with them. If the election of Akihiro Tada is approved, the Company plans to enter into the same limited liability agreement with him.
  6. The Company has entered into a directors and officers liability insurance policy, as defined in Article 430-3, paragraph (1) of the Companies Act, with an insurance company to provide coverage under said insurance policy for damages that may arise from the assumption of liability incurred in the course of the execution of duties by the insured, including Directors of the Company, or claims pertaining to the pursuit of such liability. If candidates are elected and assume the office as Directors, they will be added to the insured of said insurance policy. The Company plans to renew this insurance policy with the same contents at the next renewal.

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

If Proposal No. 2 “Amendment to the Articles of Incorporation” is approved as originally proposed, the Company will become a Company with an Audit and Supervisory Committee. Therefore, the Company proposes to elect four (4) Directors who are Audit and Supervisory Committee Members.

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

This proposal shall take effect on the condition that the amendment to the Articles of Incorporation in Proposal No. 2 “Amendment to the Articles of Incorporation” takes effect.

The candidates for Directors who are Audit and Supervisory Committee Members are as follows:

Candidate No.	Name	Gender	Current position in the Company	Attendance at Board of Directors meetings in FY2023	Attendance at Board of Corporate Auditors meetings in FY2023
1	<input type="checkbox"/> New election <input type="checkbox"/> Independent <input type="checkbox"/> Outside Kaoru Sueyoshi	Male	Full-Time Corporate Auditor	17/17 (100%)	12/12 (100%)
2	<input type="checkbox"/> New election <input type="checkbox"/> Independent <input type="checkbox"/> Outside Koichi Narita	Male	Director	17/17 (100%)	—
3	<input type="checkbox"/> New election <input type="checkbox"/> Independent <input type="checkbox"/> Outside Naoko Miyatake	Female	Corporate Auditor	17/17 (100%)	12/12 (100%)
4	<input type="checkbox"/> New election <input type="checkbox"/> Independent <input type="checkbox"/> Outside Shigeyuki Mito	Male	—	—	—

Candidate No.	Name (Date of birth)	Career summary, positions and responsibilities in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
1	<p style="text-align: center;">Kaoru Sueyoshi (December 26, 1958)</p> <p style="text-align: center;">New election</p> <p style="text-align: center;">Period as Corporate Auditor: 5 years (as of conclusion of this General Meeting of Shareholders)</p>	<p>Apr. 1982      Joined the Company</p> <p>July 2007      General Manager of Tokyo Region Accounting Department</p> <p>Aug. 2011      General Manager of Finance Department</p> <p>May 2014      General Manager of Tokyo Region Accounting Department</p> <p>Oct. 2016      General Manager of Department in charge of Special Missions, Administration and Management Headquarters</p> <p>Jan. 2018      General Manager of Finance Department and General Manager of Department in charge of Special Missions, Corporate Functions Group Headquarters</p> <p>Jan. 2019      General Manager of Department in charge of Special Missions, Corporate Functions Group Headquarters</p> <p>May 2019      Full-Time Corporate Auditor (current position)</p> <p>(Reason for nomination as Director who is an Audit and Supervisory Committee Member)</p> <p>Kaoru Sueyoshi has amassed significant knowledge in finance and accounting through his long-standing experience in finance and accounting divisions of the Company. He is well-versed in the Company's overall management through his involvement in its operations and he is adequately fulfilling his role of auditing the Company's management as a full-time corporate auditor. Accordingly, the Company expects he will adequately fulfill the role of auditing and supervising the overall execution of business as a Director who is an Audit and Supervisory Committee Member.</p>	2,331 shares

Candidate No.	Name (Date of birth)	Career summary, positions and responsibilities in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
2	<p data-bbox="359 689 512 748">Koichi Narita (June 30, 1954)</p> <p data-bbox="371 786 499 875">New election Independent Outside</p> <p data-bbox="280 913 592 1032">Period as outside Director: 6 years (as of conclusion of this General Meeting of Shareholders)</p>	<p data-bbox="611 264 1238 1048"> Apr. 1977      Joined Mitsubishi Corporation  Aug. 1992      Counselor, Deputy Division COO of Sales                      General Division of the Company  May 1993      Director  June 1993      Director, Deputy Division COO of Sales                      General Division, and Division COO of Store                      Business Division  May 1995      Retired from Director  May 1995      Mitsubishi Corporation (returned)  Sept. 2003     General Manager of Living Essentials Group                      CEO Office  Apr. 2006      Division COO of Foods (Products) Div.  Apr. 2008      Executive Officer, Division COO of Foods                      (Products) Div.  Apr. 2009      Executive Officer, General Manager of Living                      Essentials Group CEO Office  Apr. 2010      Representative Director and President of                      SIGMAXYZ Inc. (seconded)  Apr. 2013      Representative Director, President and                      Executive Officer of IT Frontier Corporation  July 2014      Representative Director, Senior Vice President                      of Tata Consultancy Services Japan, Ltd.  May 2018      Outside Director of the Company (current                      position) </p> <p data-bbox="611 1088 1238 1462"> (Reason for nomination as outside Director who is an Audit and Supervisory Committee Member and outline of expected role)  The Company has nominated Koichi Narita as a candidate for outside Director because he left a record of remarkable accomplishments as a corporate manager of Tata Consultancy Services Japan, Ltd. and other companies, and has contributed to the enhancement of corporate value as an outside Director of the Company by appropriately giving advice and supervising for the Company's management. The Company expects that he will adequately fulfill his role in auditing and supervising overall business execution as an outside Director who is an Audit and Supervisory Committee Member. </p>	0 shares

Candidate No.	Name (Date of birth)	Career summary, positions and responsibilities in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
3	<p data-bbox="331 555 544 618">Naoko Miyatake (December 16, 1959)</p> <p data-bbox="371 651 504 741">New election Independent Outside</p> <p data-bbox="280 779 592 902">Period as Corporate Auditor: 5 years (as of conclusion of this General Meeting of Shareholders)</p>	<p data-bbox="611 259 1238 752"> Apr. 1982      Joined JCB Co., Ltd.  Sept. 1998      Group Manager, Human Resources  Development, Personnel Department  Aug. 2001      General Manager, Quality Control  Oct. 2004      General Manager, Communication Center  June 2006      Executive Officer and General Manager,  Communication Center  June 2008      Representative Director and President of JCB  Service Co., Ltd.  Aug. 2013      Representative Director of KANSEI worker  Research Ltd. (current position)  June 2018      Outside Director (Audit &amp; Supervisory  Committee Members) of Odelic Co., Ltd.  May 2019      Outside Corporate Auditor of the Company  (current position) </p> <p data-bbox="611 790 1238 1193"> (Reason for nomination as outside Director who is an Audit and Supervisory Committee Member and outline of expected role)  The Company has nominated Naoko Miyatake as a candidate for outside Director because she has long-standing business experience in customer service, and as the Representative Director and President of JCB Service Co., Ltd. and is also highly regarded for her performance in her current position as Representative Director of KANSEI worker Research Ltd. She is fulfilling her role as outside Corporate Auditor, auditing the Company's management, and the Company expects that she will adequately fulfill her role in auditing and supervising overall business execution as an outside Director who is an Audit and Supervisory Committee Member. </p>	0 shares

Candidate No.	Name (Date of birth)	Career summary, positions and responsibilities in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
4	<p data-bbox="363 891 512 947">Shigeyuki Mito (May 9, 1957)</p> <p data-bbox="373 987 502 1070">New election Independent Outside</p> <p data-bbox="280 1115 592 1234">Period as outside Director: 0 years (as of conclusion of this General Meeting of Shareholders)</p>	<p data-bbox="612 264 1230 1312"> Apr. 1989 Registered as an attorney at law (Dai-Ichi Tokyo Bar Association)  Apr. 1989 Joined Nishimura &amp; Sanada Law Office  Oct. 1990 Joined TMI Associates  Apr. 1996 Lecturer, Faculty of Law, Chuo University  Apr. 1999 Partner and attorney at law of TMI Associates (current position)  Apr. 2004 Lecturer, Keio University Law School  Feb. 2005 Professor, Research Institute for Digital Media and Content, Keio University  Apr. 2006 Lecturer, Graduate School of Sport Sciences, Waseda University (current position)  Feb. 2011 Auditor, THE MIYAKE ISSEY FOUNDATION (current position)  Dec. 2013 Lecturer, Graduate School of Business Sciences, University of Tsukuba  Nov. 2015 Expert Committee Member, Public Works Reviews Commissioned by Administrative Reform Secretariat (current position)  Apr. 2018 Visiting Professor, Graduate School of Law, Musashino University (current position)  June 2018 Outside Director of Faith, Inc. (current position)  Oct. 2019 Director of General Incorporated Association PHR Council (current position)  June 2020 Outside Corporate Auditor of Shonan Bellmare Co., Ltd. (current position)  Mar. 2021 Outside Director of Golf Digest Online Inc. (current position)  Feb. 2024 Director of General Incorporated Association All Aoyama Sports Community (current position) </p> <p data-bbox="612 1352 1150 1413">(Significant concurrent positions outside the Company) Partner and attorney at law of TMI Associates</p> <p data-bbox="612 1458 1241 1861">(Reason for nomination as outside Director who is an Audit and Supervisory Committee Member and outline of expected role) The Company has nominated Shigeyuki Mito as a candidate for outside Director because he has extensive knowledge and experience in corporate legal affairs gained through his years serving as an attorney at law and an outside officer of a private company, among other roles. The Company expects him to give appropriate advice on the overall management of the Company by drawing on this professional expertise, thereby helping to strengthen corporate governance. The Company expects that he will adequately fulfill his role in auditing and supervising overall business execution as an outside Director who is an Audit and Supervisory Committee Member.</p>	0 shares

- Notes:
1. Koichi Narita, a candidate for outside Director, previously served as a person who executed business in the Company during the period from August 1992 to May 1995. For part of that period, from May 1993 to May 1995, Mr. Narita served as Director of the Company.
  2. There is no special interest between any other candidates for Director and the Company.
  3. Koichi Narita, Naoko Miyatake, and Shigeyuki Mito are candidates for outside Director.
  4. The Company has submitted notification to the Tokyo Stock Exchange that Koichi Narita and Naoko Miyatake, candidates for Director, have been appointed as independent officers.

Since Shigeyuki Mito also meets the requirements for independent officer pursuant to the rules of the Tokyo Stock Exchange, the Company plans to notify him to the said exchange as an independent officer if he is elected.

5. Pursuant to the provisions of Article 427, paragraph (1) of the Companies Act, the Company has currently entered into an agreement with Koichi Narita and Naoko Miyatake to limit their liability for damages under Article 423, paragraph (1) of the Companies Act. Pursuant to this agreement, the defined maximum amount of liability for damages is the minimum liability amount provided for under Article 425, paragraph (1) of the Companies Act. If their election is approved, the Company plans to renew the limited liability agreement with them. If the election of Kaoru Sueyoshi and Shigeyuki Mito is approved, the Company plans to enter into the same limited liability agreement with them.
6. The Company has entered into a directors and officers liability insurance policy, as defined in Article 430-3, paragraph (1) of the Companies Act, with an insurance company to provide coverage under said insurance policy for damages that may arise from the assumption of liability incurred in the course of the execution of duties by the insured, including Directors and Corporate Auditors of the Company, or claims pertaining to the pursuit of such liability. If candidates are elected and assume the office as Directors who are Audit and Supervisory Committee Members, they will be added to the insured of said insurance policy. The Company plans to renew this insurance policy with the same contents at the next renewal.



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

If Proposals No 2, No. 3 and No. 4 are approved, the major experience fields for candidates for Directors are as follows:

Name	Position in the Company	Business management Organizational operation	Sustainability and ESG	HR and labor	Finance and accounting	Legal and Compliance	Digital	International experience	Sales	Logistics	Store development
Takaharu Iwasaki	Representative Director and President	●	●					●	●		●
Tomehisa Morishita	Director & Senior Managing Executive Officer		●	●	●	●	●		●		
Takashi Sumino	Director & Managing Executive Officer								●	●	
Jun Adachi	Director and Executive Officer				●			●			
Hiroko Kono	Outside Director			●	●			●			
Takashi Katayama	Outside Director	●					●	●			
Akihiro Tada	Outside Director	●	●	●		●		●			
Kaoru Sueyoshi	Director (Audit and Supervisory Committee Member)				●				●		
Koichi Narita	Outside Director (Audit and Supervisory Committee Member)	●	●	●		●	●	●	●	●	
Naoko Miyatake	Outside Director (Audit and Supervisory Committee Member)	●									
Shigeyuki Mito	Outside Director (Audit and Supervisory Committee Member)	●	●			●		●			

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

**Proposal No. 5      Decision on the Amount of Remuneration for Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)**

At the 52nd Annual General Meeting of Shareholders held on May 24, 2007, it was approved that remuneration for Directors shall be no more than ¥35 million per month (however, this does not include the portion of employee salaries for Directors who concurrently serve as employees). However, if Proposal No. 2 “Amendment to the Articles of Incorporation” is approved as originally proposed, the Company will transition to a Company with an Audit and Supervisory Committee. Therefore, the Company proposes to change the stipulated amount of remuneration from a monthly amount to an annual amount, and set the amount of remuneration for Directors (excluding Directors who are Audit and Supervisory Committee Members; the same shall apply for this proposal hereafter) after transitioning to a Company with an Audit and Supervisory Committee at no more than ¥420 million per year (however, this does not include employee salaries for Directors who concurrently serve as employees), thereby enabling flexible revisions to the Director remuneration system going forward as well as the agile operation of this system. We also propose that the specific amount and the timing of payment to each Director are determined by resolution of the Board of Directors,

The Company’s policies for determining remuneration for individual Directors is described in “4. Policies for determining remuneration for Directors and other officers” of “IV. Company Officers” of the Business Report. While the Company plans to change the portion which defines eligible persons as “Directors” to “Directors (excluding Directors who are Audit and Supervisory Committee Members),” there will be no substantive changes. The amount of remuneration pertaining to this proposal represents the amount to be paid as role-based remuneration and remuneration for business execution in accordance with the policies after the above-mentioned changes. Therefore, the Company deems this amount appropriate. Remuneration for outside Directors (excluding Directors who are Audit and Supervisory Committee Members) is comprised solely of role-based remuneration without performance-linked in light of their role and independence. The details of this proposal were decided by the Board of Directors after deliberation by the Nomination & Remuneration Advisory Committee, a majority of whose members are outside officers. In addition, the specific amounts to be paid to each Director shall be determined by the Board of Directors after deliberation by the Nomination & Remuneration Advisory Committee.

While the Company currently has eight (8) Directors (including four (4) outside Directors), if Proposal No. 2 “Amendment to the Articles of Incorporation” and Proposal No. 3 “Election of Seven (7) Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)” are approved as originally proposed, the number of Directors will be reduced to seven (7) (including three (3) outside Directors).

The content of this proposal shall take effect on the condition that the amendment to the Articles of Incorporation in Proposal No. 2 “Amendment to the Articles of Incorporation” takes effect.

**Proposal No. 6      Decision on the Amount of Remuneration for Directors Who Are Audit and Supervisory Committee Members**

If Proposal No. 2 “Amendment to the Articles of Incorporations” is approved as originally proposed, the Company will transition to a Company with an Audit and Supervisory Committee. Therefore, the Company proposes to newly set the amount of remuneration for Directors who are Audit and Supervisory Committee Members at no more than ¥72 million per year, and that the specific amount and the timing of payment to each Director who is an Audit and Supervisory Committee Member are determined upon the deliberation of Directors who are Audit and Supervisory Committee Members based on reports by the Nomination & Remuneration Advisory Committee, a majority of whose members are outside Directors. The amount of remuneration pertaining to this proposal was determined based on comprehensive consideration of factors such as the responsibilities of Directors who are Audit and Supervisory Committee Members, comparisons with levels of similar-sized companies, and current levels of remuneration for Corporate Auditors. Therefore, the Company deems this amount to be appropriate.

If Proposal No. 2 “Amendment to the Articles of Incorporation” and Proposal No. 4 “Election of Four (4) Directors Who Are Audit and Supervisory Committee Members” are approved as originally proposed, the number of Directors who are Audit and Supervisory Committee Members will be four (4).

The content of this proposal shall take effect on the condition that the amendment to the Articles of Incorporation in Proposal No. 2 “Amendment to the Articles of Incorporation” takes effect.

**Proposal No. 7      Decision on the Amount and Details of the Performance-Linked Share Remuneration Plan for Directors (Excluding Directors Who Are Audit and Supervisory Committee Members and Outside Directors)**

1. Reasons for the proposal and why the remuneration amount has been deemed appropriate

At the 64th Annual General Meeting of Shareholders held on May 23, 2019, the Company received approval to establish a performance-linked share remuneration plan (the “Plan”) for Directors of the Company (excluding outside Directors and non-residents of Japan), which remains in operation to this day.

If Proposal No. 2 “Amendment to the Articles of Incorporation” is approved as originally proposed, the Company will transition to a Company with an Audit and Supervisory Committee. Therefore, the Company proposes that the amount of remuneration to be granted under the current Plan be abolished, and that a new remuneration amount be established under the Plan as payment for Directors (excluding Directors who are Audit and Supervisory Committee Members, outside Directors, and non-residents of Japan) after the transition comes into effect. The details regarding this remuneration are to be entrusted to the Board of Directors within the framework outlined in item 2. below.

As with the remuneration amount set forth under the current Plan, this remuneration amount is to be separately established from the remuneration amount detailed in Proposal No. 5 “Decision on the Amount of Remuneration for Directors (Excluding Directors Who Are Audit and Supervisory Committee Members).”

This proposal is a formality in connection with the transition to a Company with an Audit and Supervisory Committee. Therefore, the details regarding the remuneration are essentially the same as those approved at the 64th Annual General Meeting of Shareholders held on May 23, 2019.

If this proposal is approved, the Company plans for the Board of Directors to make changes to the policies for determining remuneration for individual Directors, as detailed in Proposal No. 5 “Decision on the Amount of Remuneration for Directors (Excluding Directors Who Are Audit and Supervisory Committee Members).” The Company has determined that this proposal is necessary for determining the details of remuneration for individual Directors in accordance with the revised policies, and also believes that the details are appropriate.

If Proposal No. 2 “Amendment to the Articles of Incorporation” and Proposal No. 3 “Election of Seven (7) Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)” are approved as originally proposed, the number of Directors eligible for payment under the Plan will be four (4).

This proposal shall take effect on the condition that the amendment to the Articles of Incorporation in Proposal No. 2 “Amendment to the Articles of Incorporation” takes effect.

2. Amount and details of remuneration under the Plan

(1) Overview of the Plan

Under the Plan, the trust established by the Company through contributions of money (established when the Plan was introduced in 2019; hereinafter referred to as the “Trust”) acquires the Company’s shares, and the Company delivers these shares to each Director through the Trust in a number equivalent to the number of points granted by the Company.

In principle, the Company’s shares are delivered to Directors upon retirement.

1) Persons eligible to receive payment under the Plan	The Company's Directors (excluding Directors who are Audit and Supervisory Committee Members, outside Directors, and non-residents of Japan)
2) Target period	Three fiscal years from the fiscal year ending February 28, 2025 to the fiscal year ending February 28, 2027
3) Upper limit of the money to be contributed by the Company as the source of funds necessary to deliver the Company's shares to the persons eligible described in 1) during the target period described in 2)	Total of ¥120 million
4) Method of acquisition of the Company's shares	Through the disposal of treasury shares or acquisitions from stock markets (including off-floor trading)
5) Upper limit of points awarded to eligible persons described in 1)	20,000 points per fiscal year
6) Criteria for awarding points	Points are awarded according to position and the achievement of performance targets
7) Timing of the delivery of the Company's shares to the eligible persons described in 1)	[In principle] upon retirement

(2) Upper limit of the money to be contributed by the Company

The Company plans to extend the period of the Trust that has already been established. In addition, the Company may make additional monetary contributions to the Trust totaling up to ¥120 million as remuneration for Directors who are in office during the target period, as a source of funds for acquiring the Company's shares necessary for delivering share remuneration to Directors under the Plan. With money contributed by the Company as a source of funds (including the above-mentioned additional monetary contributions made by the Company, as well as the money remaining in the Trust prior to any additional contributions), the Trust shall acquire the Company's shares through the disposal of treasury shares or acquisitions from stock markets (including off-floor trading).

Note: Additional monetary contributions actually made by the Company to the Trust shall be the funds to be used for the acquisition of the Company's shares as described above, plus the estimated amount of necessary expenses such as trust fees and trust administrator fees.

The Company may, by resolution of the Board of Directors, decide to extend the target period by setting each period at no more than five fiscal years, and, in accordance with this, extend the trust period of the Trust further (including essentially extending the target period by transferring the trust assets of the Trust to another trust established by the Company for the same purpose as the Trust), thereby continuing the Plan. In such a case, the Company may make additional monetary contributions to the Trust within the amount obtained by multiplying the number of fiscal years of the extended target period by ¥40 million as a source of funds for acquiring additional shares of the Company necessary for delivering share remuneration to Directors under the Plan during said extended target period, thus continuing to grant points and deliver the Company's shares as described in (3) below.

Even in the case where the target period is not extended and the Plan is not continued as described above, if there is a Director who has already been granted points but has not yet retired at the expiration of the target period, the period of the Trust may be extended until said Director retires and the delivery of the Company's shares has been completed.

(3) Calculation method and upper limit of the Company's shares to be delivered to Directors

1) Method for granting points to Directors, etc.

Pursuant to the Share Distribution Regulations set by the Board of Directors, the Company grants points to each Director according to factors such as their position and the achievement of performance targets at the point grant date stipulated in said regulations during the trust period.

However, the total number of points granted to Directors by the Company shall be no more than 20,000 points per fiscal year.

- 2) Delivery of the Company's shares in accordance with the number of points granted  
Directors shall receive the Company's shares in accordance with the procedures described in 3) below according to the number of points granted as described in 1) above.

One point equates to one share of the Company. However, in the event that it is deemed reasonable to adjust the number of the Company's shares to be delivered, such as a stock split or stock consolidation, the number of the Company's shares per point shall be adjusted according to the ratio of said stock split or stock consolidation, etc.

- 3) Delivery of the Company's shares to Directors

In principle, the delivery of the Company's shares to Directors as described in 2) above shall be carried out by the Trust, with each Director completing the prescribed procedures to determine beneficiary rights at the time of his/her retirement.

However, a certain percentage of the Company's shares may be sold in the Trust for the purpose of withholding tax payments, such as withholding income tax, and delivered as a cash payment in lieu of the Company's shares. In addition, in the event that the Company's shares in the Trust are converted into cash, such as when the Company's shares in the Trust are tendered in a tender offer and the purchase is settled, Directors may receive a cash payment in lieu of the Company's shares.

- (4) Exercise of voting rights

In accordance with the instructions of the trust administrator, who is independent of the Company and its officers, the voting rights of the Company's shares held in the Trust shall not be exercised. In doing so, the Company intends to ensure neutrality toward the Company's management with regard to the exercise of voting rights related to the Company's shares held in the Trust.

- (5) Handling of dividends

The dividends pertaining to the Company's shares in the Trust will be received by the Trust, and used as funds to acquire the Company's shares and for the trust fees of the trustees related to the Trust.

**Reference: Nomination Policy**

After consultation at the Board of Directors, the Company nominates Director candidates who fulfill the following requirements. The mutual evaluation of officers conducted by the Nomination & Remuneration Advisory Committee and the evaluation of effectiveness of the Board of Directors confirm whether or not current Directors fulfill the following requirements and whether they will be nominated again.

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

The nomination policy after transitioning to a Company with an Audit and Supervisory Committee (if Proposal No. 2 “Amendment to the Articles of Incorporation” is approved as originally proposed) is provided below.

[Requirements of all Directors]

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

[Requirements of inside Directors (excluding Directors who are Audit and Supervisory Committee Members)]

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

[Requirements of outside Directors (excluding Directors who are Audit and Supervisory Committee Members)]

1. Ability to advise and supervise from a different perspective from internal Directors based on a wealth of experience in corporate management and specialized fields.
2. Concurrent positions must be within a reasonable range.

[Requirements of Directors who are Audit and Supervisory Committee Members]

1. Ability to contribute to improving the soundness and transparency of management by auditing the business execution of Directors from a fair and objective standpoint.
2. Possess a wealth of knowledge and experience in corporate management, business operations, legal affairs, finance/accounting, auditing, etc.
3. If a Director who is an Audit and Supervisory Committee Member is an outside Director, his/her concurrent positions must be within a reasonable range.

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

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

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



**Reference: Corporate Governance Basic Policy**

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

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

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

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

(Attached Documents)

## **Business Report**

(March 1, 2023, to February 29, 2024)

### **I. Status of the corporate group**

#### **1. Business activities and results**

Operating revenue	Change from the previous fiscal year	Operating profit	Change from the previous fiscal year
¥809,709 million	+5.8%	¥24,118 million	+26.0%
Ordinary profit	Change from the previous fiscal year	Profit attributable to owners of parent	Change from the previous fiscal year
¥24,948 million	+24.6%	¥16,938 million	+27.1%

During the current fiscal year, the outlook for the Japanese economy remained uncertain mainly due to ongoing inflation, the impact from the depreciation of the yen, and the Russian invasion of Ukraine as well as growing tensions in the Middle East. Meanwhile, socioeconomic activities in Japan were normalized following the change in the legal classification of COVID-19 and the abolition of activity restrictions, and the rate of economic growth showed underlying strength despite stagnation in some areas and companies generally had strong earnings results.

In the food supermarket industry, which is the Group's area of business, the environment surrounding corporate operations is unpredictable due to rising costs on a variety of fronts such as personnel expenses, despite generally favorable revenue due to increased product prices.

In this economic environment, the Group is working on the 7th Medium-Term Plan from the current fiscal year to realize our Corporate Philosophy, Vision, and the "True to LIFE Declaration," with a view to looking toward to what we want to be in fiscal 2030.

As a specific initiative to promote management strategies based on the 7th Medium-Term Plan, we renewed the smartphone app for customers in July 2023, adding more convenient and valuable features, and are steadily increasing the number of users. We aim to further enhance the app. We have introduced electronic shelf labels in stores in the Osaka Region following the Tokyo Region. Additionally, we expanded the scope of the automated ordering service using AI-driven demand forecasting that was first introduced for daily delivery food section in February 2021 to fresh produce departments orders starting in February 2024. In April 2024, we plan to have the system in operation in all our stores as we steadily advance initiatives aimed at realizing rewarding workplaces, including reduced workloads and operational streamlining.

As part of our efforts to contribute towards the realization of a sustainable and flourishing society, some of our stores and logistics centers in the Osaka Region have been donating products to children's cafeterias and other facilities offering free meals for children and other welfare programs. These products can no longer be sold mainly because there is package damage or they have reached their sell-by date according to internal rules although there are no problems regarding product quality. This activity was also started in logistics centers in the Tokyo Region in September 2023 and Toyonaka City in the Osaka Region in January 2024. In March 2023, we formed the "Tokyo Region Supermarket Logistics Study Group" to make concrete efforts toward building sustainable food logistics, and as the number of companies endorsing this initiative has increased to ten as of the end of February 2024, we received the "53rd Food Industry Technology Achievement Award (Sustainability Category)" in recognition of our efforts. Additionally, the Tempozan biogas power generation facility won the New Energy Foundation Chairman's Award in the introduction activities segment in the 2023 New Energy Awards held by the New Energy Foundation.

In February 2024, to promote further workstyle reforms and to enhance productivity, the Group moved our Tokyo Head Office from Taito-ku to Shinagawa Seaside in Shinagawa-ku.

We opened following new stores: Takarazuka Nakayamadera Store (Hyogo) and BIO-RAL PARCO\_ya Ueno Store (Tokyo) in March 2023, Kawasaki Tsukagoshi Store (Kanagawa) and Central Square LaLaport

Kadoma Store (Osaka), which was our 300th store, in April, and Umejima Ekimae Store (Tokyo) and BIO-RAL Ariake Garden Store (Tokyo), which our first “Large BIO-RAL Cafe” is attached to, in June, Sakuranomiya Store (Osaka) in September, Kachidoki Mid Store (Tokyo) in October, Shimomeguro Store (Tokyo) in November, and Hanshin Ashiya Store (Hyogo) in January 2024. Also, we have closed one store. As for existing stores, we undertook renovations at a total of nine stores including Oizumigakuen Ekimae Store, Kema Store, Higashinakano Store, Konohanadempo Store, Kumata Store, Kasuganomichi Store, Sekime Store, Kinshicho Ekimae Store, and Ishizu Store enhancing the product lineups such as BIO-RAL brand products and frozen foods.

The Group’s operating revenue totaled ¥809,709 million (up 5.8% year on year) as a result of the expansion of new stores and online supermarkets, the strengthening of private brand products such as “BIO-RAL,” and implementing product initiatives that sought to enhance freshness and taste of our products. On the other hand, as for selling, general and administrative expenses, the Group saw increases in various property expenses such as rent expenses from opening new stores, and personnel expenses from increased hiring activities. However, with initiatives to increase productivity and optimize costs leading to results exceeding the plan and aggressive investment in the future producing results, operating profit was ¥24,118 million (up 26.0% year on year), ordinary profit was ¥24,948 million (up 24.6% year on year), and profit attributable to owners of parent was ¥16,938 million (up 27.1% year on year).

Results by segment are as follows:

#### Retail Business

Operating revenue was ¥809,472 million (up 5.8% year on year), with net sales of ¥780,028 million (up 5.6% year on year), and segment profit of ¥24,565 million (up 24.8% year on year).

Net sales by department were ¥339,572 million (up 5.1% year on year) for fresh produce, ¥349,672 million (up 6.7% year on year) for general food, ¥67,630 million (up 4.6% year on year) for lifestyle products, and ¥23,153 million (up 0.7% year on year) for apparel.

Units: Millions of yen; figures in ( ) indicate percentage of net sales

\*Amounts less than one million yen are rounded down

	Fresh produce	General food	Lifestyle products	Apparel	Tenants	Total
67th Fiscal Year (2021/3 - 2022/2)	323,082 (43.4)	324,343 (43.5)	64,823 (8.7)	23,150 (3.1)	9,680 (1.3)	745,080 (100.0)
68th Fiscal Year (2022/3 - 2023/2)	323,247 (43.8)	327,577 (44.3)	64,667 (8.8)	23,001 (3.1)	– (–)	738,494 (100.0)
69th Fiscal Year (2023/3 - 2024/2)	339,572 (43.5)	349,672 (44.8)	67,630 (8.7)	23,153 (3.0)	– (–)	780,028 (100.0)

#### Other Business

Operating revenue from LIFE FINANCIAL SERVICE was ¥2,749 million (up 6.7% year on year), with segment profit of ¥382 million (up 15.2% year on year).

#### New store information for March 2023 to February 2024

Mar. 2023	Takarazuka Nakayamadera Store (Hyogo)	Mar. 2023	BIO-RAL PARCO_ya Ueno Store (Tokyo)
Apr. 2023	Kawasaki Tsukagoshi Store (Kanagawa)	Apr. 2023	Central Square LaLaport Kadoma Store (Osaka)
Jun. 2023	Umejima Ekimae Store (Tokyo)	Jun. 2023	BIO-RAL Ariake Garden Store (Tokyo)
Sep. 2023	Sakuranomiya Store (Osaka)	Oct. 2023	Kachidoki Mid Store (Tokyo)
Nov. 2023	Shimomeguro Store (Tokyo)	Jan. 2024	Hanshin Ashiya Store (Hyogo)

## 2. Capital expenditures

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

### (1) Stores opened during the fiscal year under review

Osaka Region: Takarazuka Nakayamadera Store, Central Square LaLaport Kadoma Store, Sakuranomiya Store, Hanshin Ashiya Store

Tokyo Region: BIO-RAL PARCO\_ya Ueno Store, Kawasaki Tsukagoshi Store, Umejima Ekimae Store, BIO-RAL Ariake Garden Store, Kachidoki Mid Store, Shimomeguro Store

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

Osaka Region: Kema Store, Kasuganomichi Store, Ishizu Store, Konohanadempo Store, Kumata Store, Sekime Store

Tokyo Region: Oizumigakuen Ekimae Store, Higashinakano Store, Kinshicho Ekimae Store

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

## 3. Financing

Not applicable.

#### 4. Environmental and social initiatives

We are working to solve environmental issues under one of the main themes of the 7th Medium-Term Plan, which is “contributing towards the realization of a sustainable and flourishing society.”

##### (1) Reduction of food waste

The Company has set a quantitative target of reducing food waste by 50% (compared to fiscal 2017) as what we want to be in fiscal 2030. In the fiscal year under review, we continued to implement various initiatives aimed at achieving the target.

##### - Donations to children’s cafeterias

In order to contribute to local communities, the Company has expanded the provision of products to children’s cafeterias. We provide products that cannot be sold due to damaged packaging and other reasons, and foods that have reached their sell-by date according to internal rules but are still safe to eat.

In the fiscal year under review, the Matsudo Comprehensive Logistics Center, Kawasaki Comprehensive Logistics Center, EC Sakurashinmachi Store, and 15 other stores (Higashinippori Store, Sakurashinmachi Store, Gose Store, five stores in Toyonaka City, three stores in Kyoto City, and four stores in Yao City) started donation activities through local social welfare councils and other organizations.

##### - Development of upcycled products

The Company is developing upcycled products that make use of discarded ingredients to add value and turn them into new products.

We develop and sell products such as dried fruits made from pineapple cores, which had been discarded during the production of pre-cut fruit, “BIO-RAL’s Smoked Chicken Liver Made with only Salt and Squeezed Ginger,” which is made from liver left over from the production of steamed chicken for salad, and “BIO-RAL’s First Flush Organic Green Tea Bags,” which are made using stalks, powder, and other byproducts of sorting tea.

##### - Changing the labeling of best-before dates for private brand products

The Company is changing the labeling of best-before dates for processed foods of its private brand products from providing the Year, Month, and Day, to only including the Year and Month as necessary.

With regard to the labeling of best-before dates, it is regarded acceptable to only indicate the Year and Month for products whose period between the date of manufacture and the best-before date exceeds three months. By making this change, we aim to improve the efficiency of product management and reduce food waste arising from date management.

##### (2) Awards received for our efforts

##### - Received the “New Energy Foundation Chairman’s Award”

In the introduction activities segment of the “2023 New Energy Awards (sponsored by New Energy Foundation; supported by the Ministry of Economy, Trade and Industry),” our Tempoan bio-gas power generation facility won the “New Energy Foundation Chairman’s Award” for the bio-gas power generation facility utilizing food waste discharged from food processing plants.

Since its inception in 1996, the goal of the “New Energy Awards” has been to promote the adoption of new energy and related technology through awards, broadly calling for entries related to new-energy initiatives involving the development of equipment, installation of facilities, raising of awareness, and cutting-edge businesses.

We expect the Tempoan bio-gas power generation facility to reduce food waste by approximately 4,380 tons per year and generate approximately 700,000 kWh of electricity per year, equivalent to the annual output of approximately 160 ordinary households.

##### - Received the “53rd Food Industry Technology Achievement Award (Sustainability Category)”

The “Tokyo Region Supermarket Logistics Study Group,” which includes the Company, was awarded the “53rd Food Industry Technology Achievement Award (Sustainability Category)” in recognition of its joint efforts toward building sustainable food logistics.

The “Food Industry Technology Achievement Award” is awarded by Shokuhin Sangyo Shimbunsha Co., Ltd. to corporations and organizations that have developed technologies and products that have contributed significantly to the development of the food industry in six categories (“Products and Technology,” “Materials, Equipment, and Systems,” “Marketing,” “International,” “Sustainability,” and “Regional Revitalization”).

(3) Food education activities

The Company is conducting food education activities in stores, schools, online, and elsewhere, with the aim of connecting customers and stores so that the local community places trust in us as a company and in our stores.

We held food education classes at 230 schools with 15,117 participants for the fiscal year under review. We also co-hosted 25 sustainability events with manufacturers attended by 694 participants, including the “SDGs Food Education Event for Parents and Children,” which was jointly held with KANEKA CORPORATION, and the “Life Sustainability Tour,” where participants learn about environmental issues and measures to address them. Our events were well received both in terms of parent-child events and as their independent study themes.

**5. Creating a rewarding work environment in which diverse talent can play an active role**

With the aim of becoming a “company that utilizes diverse human resources” by ensuring diversity in terms of gender, nationality, age, and other factors and providing an environment in which each employee can demonstrate their abilities and knowledge, we have established the Diversity Promotion Office as an organization to promote initiatives on this front.

(1) Promoting women’s active participation

- In order to promote the advancement of women, we are working to expand the number of departments and duties assigned to female employees, and to promote women who work reduced hours due to childcare to managerial positions. We also increased the number of store managers in order to create a system in which female employees can continue to work as managers while raising children or providing nursing care.

- Appointment of female managers

	Fiscal 2023 results (composition ratio)	Year-on-year difference (change from the previous fiscal year)
Number of female managers (including those who responsible for the management of working hours)	194 (10.6%)	+32 (+1.2%)
Female Store Managers, Section Managers, and above	37 (5.9%)	+7 (+0.8%)
Number of female managers working reduced hours	18	—

(2) Promoting employment of persons with disabilities

- We promote the creation of a corporate culture in which people can support each other and play active roles regardless of whether they have disabilities or not.

As of the end of fiscal 2023, 688 employees with disabilities (3.4% of total employees) worked for the Company.

Initiatives for fiscal 2023

- Proactively host workplace training
- Visit various types of schools for special needs and strengthen cooperation
- Provide employment retention support through regular store visits
- Carry out activities to disseminate information to employees (presentations at meetings, broadcast of internal educational videos, publication of internal newsletters, revisions to handbook for persons with disabilities, etc.)

(3) Promoting opportunities for mid-career hires

- We employ diverse human resources with specialist skills, regardless of age and gender, such as staff in sales divisions for stores, staff for product development at food process centers or store building design, certified public accountants, and tax accountants. As of the end of fiscal 2023, 30.2% of mid-career hires (538 employees) played active roles in managerial positions.

**6. Financial and capital strategy**

(1) Action to implement management that is conscious of cost of capital and stock price

- Based on our understanding of the cost of capital, the Company formulates a management plan to realize our Corporate Philosophy and Vision, and discloses an overview of the plan. Investment plans and specific measures based on the management plan are reviewed annually regarding their progress and revised appropriately based on changes in the external environment and other factors.
- We recognize that our current weighted average cost of capital (WACC) is at most 5%, and are monitoring the profitability of capital and profit levels to ensure that we have achieved a ROIC of 6%, which exceeds WACC. (Fiscal 2023 results (consolidated): ROIC 9.3%)

(2) Shareholder return policy

- We believe that it is possible to further improve shareholder returns without undermining our financial foundation in order to achieve “what we want to be in fiscal 2030,” which we set forth when formulating the 7th Medium-Term Plan.
- While adhering to the previous basic policy of “maintaining stable payment of dividends,” the Company has established a new shareholder return policy based on its belief in placing greater emphasis on the return of profit to its shareholders in conjunction with medium- to long-term growth of the Company. Under the new shareholder return policy, “while maintaining a basic policy of paying dividends and targeting a dividend payout ratio of 30%, the Company will also remain mindful of continuing to pay stable dividends with a dividend on equity ratio (DOE) of 3% as a guide.”



## 7. Trends in assets and operating results

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

Category \ Period	66th Fiscal Year ended February 2021	67th Fiscal Year ended February 2022	68th Fiscal Year ended February 2023	69th Fiscal Year (fiscal year under review) ended February 2024
Operating revenue (Millions of yen)	759,146	768,335	765,426	809,709
Ordinary profit (Millions of yen)	28,156	23,695	20,015	24,948
Profit attributable to owners of parent (Millions of yen)	17,824	15,208	13,327	16,938
Earnings per share (Yen)	380.32	324.50	284.35	360.93
Total assets (Millions of yen)	268,307	270,229	280,810	287,146
Net assets (Millions of yen)	97,560	110,299	122,002	136,855
Net assets per share (Yen)	2,081.61	2,353.44	2,599.79	2,916.09

- Notes:
- Earnings per share is calculated based on the average number of shares outstanding during each fiscal year, and the amount of net assets per share is calculated based on the total number of shares outstanding at the end of each fiscal year. Treasury shares are excluded from the average number of shares outstanding during each fiscal year and from the total number of shares outstanding at the end of each fiscal year.
  - Amounts less than one million yen are rounded down, except for amounts of earnings per share and net assets per share.
  - The Company has applied the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020), etc. from the beginning of the 68th fiscal year, and each figure from the 68th fiscal year onward is the figure after applying the accounting standard, etc.

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

Category \ Period	66th Fiscal Year ended February 2021	67th Fiscal Year ended February 2022	68th Fiscal Year ended February 2023	69th Fiscal Year (fiscal year under review) ended February 2024
Operating revenue (Millions of yen)	758,259	767,379	765,240	809,472
Ordinary profit (Millions of yen)	27,972	23,556	19,683	24,565
Profit (Millions of yen)	17,665	15,066	12,977	16,706
Earnings per share (Yen)	376.93	321.46	276.87	355.99
Total assets (Millions of yen)	274,950	275,299	283,477	289,603
Net assets (Millions of yen)	98,170	110,634	120,563	134,043
Net assets per share (Yen)	2,094.63	2,360.60	2,569.11	2,856.17

- Notes:
- Earnings per share is calculated based on the average number of shares outstanding during each fiscal year, and the amount of net assets per share is calculated based on the total number of shares outstanding at the end of each fiscal year. Treasury shares are excluded from the average number of shares outstanding during each fiscal year and from the total number of shares outstanding at the end of each fiscal year.
  - Amounts less than one million yen are rounded down, except for amounts of earnings per share and net assets per share.
  - The Company has applied the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020), etc. from the beginning of the 68th fiscal year, and each figure from the 68th fiscal year onward is the figure after applying the accounting standard, etc.

## 8. Significant parent company and subsidiaries

### (1) Parent company

Not applicable.

### (2) Significant subsidiaries

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

## 9. Issues to be addressed

In terms of the future outlook for the Japanese economy, a real recovery in inbound demand as well as wage increases that exceed inflation seem possible, and we expect the economy to follow a track of recovery driven by expanded personal consumption. Overseas, however, while economies showed underlying strength, frequent natural disasters, fiscal, monetary, and trade policies in Europe and the United States, economic trends in China, and heightened geopolitical risks continue to affect the Japanese economy, and the situation remains less optimistic.

In the retail industry, increasing financial assets and rising wages, etc. are supporting consumption. However, challenging conditions remain amid inflation and increasingly serious labor shortages. As a result, we are seeing more drastic moves in the industry, including drugstores expanding their food offerings, growth in discount-style retailing, and an expansion beyond traditional operations into the fresh food segment, including by major online retailers.

In this challenging environment, to become the stores most trusted by customers in local communities, and to achieve even greater success, we are advancing our 7th Medium-Term Plan starting in the current fiscal year to realize our Corporate Philosophy, Vision and the “True to LIFE Declaration,” with a focus on our vision for the fiscal year ending February 28, 2030.

In the 7th Medium-Term Plan, the three main themes that we address are as follows.

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

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

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

The economy is following a track of recovery with the normalization of socioeconomic activities, and wages are expected to rise, but the impact of product prices rising at a more moderate pace and of continuous inflation on consumption makes it extremely difficult to forecast results trends. Even though the outlook remains unclear, however, for the second year of the 7th Medium-Term Plan (fiscal 2024), the Group forecasts operating revenue of ¥853.4 billion (up 5.4% year on year), operating profit of ¥24.7 billion (up 2.4% year on year), ordinary profit of ¥25.5 billion (up 2.2% year on year), and profit attributable to owners of parent of ¥17.0 billion (up 0.4% year on year). Although we may revise our business outlook in response

to changes in the social and economic environment, we steadily implement all measures to “realize our Corporate Philosophy, Vision, and the True to LIFE Declaration,” which are the goals of the 7th Medium-Term Plan.

#### 10. Principal lines of business (as of February 29, 2024)

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

#### 11. Major business locations (as of February 29, 2024)

LIFE: 305 stores			
167 stores in the Osaka Region		138 stores in the Tokyo Region	
Osaka	127 stores	Tokyo	95 stores
Kyoto	18 stores	Kanagawa	31 stores
Hyogo	19 stores	Saitama	7 stores
Nara	3 stores	Chiba	5 stores

##### (1) Logistics centers and other locations of the Company

- |             |  |
|-------------|--|
| 1) Osaka    | Nanko Food Process Center<br>Sakai Food Process Center<br>Suminoe Logistics Center<br>Shintempoan Low Temperature Logistics Center<br>Tempoan Food Process Center<br>Osaka Hirabayashi Comprehensive Logistics Center<br>Osaka Hirabayashi Food Process Center |
| 2) Tokyo    | Higashigotanda Satellite Delicatessen Center<br>Sakurashinmachi Satellite Delicatessen Center  |
| 3) Saitama  | Kurihashi Food Process Center<br>Yoshikawa Ekimae Bakery Center<br>Kazo Food Process Center  |
| 4) Chiba    | Matsudo Comprehensive Logistics Center<br>Funabashi Food Process Center  |
| 5) Kanagawa | Kawasaki Comprehensive Logistics Center  |

##### (2) Head offices and headquarters of subsidiaries

LIFE FINANCIAL SERVICE  
Head Office and Headquarters (Taito-ku, Tokyo)

## 12. Employees (as of February 29, 2024)

### (1) Employees of the corporate group

Number of employees	Increase/decrease from the previous fiscal year-end
7,304	+179

Note: In addition to the above, the average number of part-timers employed during the period was 24,867 (converted on an eight-hour workday basis).

### (2) Employees of the reporting company

Number of employees	Increase/decrease from the previous fiscal year-end	Average age	Average years of service
7,299	+182	40.8 years old	15.3 years

Note: In addition to the above, the average number of part-timers employed during the period was 24,867 (converted on an eight-hour workday basis).

## 13. Major creditor banks and balance of borrowings (as of February 29, 2024)

(Millions of yen)

Creditor banks	Balance of borrowings
Sumitomo Mitsui Trust Bank, Limited	14,966
The Norinchukin Bank	13,020
MUFG Bank, Ltd.	3,715
Sumitomo Mitsui Banking Corporation	3,270
Mizuho Bank, Ltd.	2,166
Resona Bank, Limited	1,586
Development Bank of Japan Inc.	1,264
The Bank of Yokohama, Ltd.	578

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

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

Not applicable.

## II. Shares of the Company (as of February 29, 2024)

1. Total number of authorized shares 120,000,000 shares
2. Total number of issued shares 49,450,800 shares (including 2,439,031 treasury shares)
3. Number of shareholders 7,313
4. Major shareholders

Name	Number of shares held (shares)	Shareholding ratio (%)
Mitsubishi Corporation	10,562,500	22.5
Seishin Kosan Corporation	5,382,000	11.4
LIFE Sport Foundation	3,229,200	6.9
The Master Trust Bank of Japan, Ltd. (Trust Account)	3,024,600	6.4
LIFE Mutual Prosperity Association	2,327,912	5.0
Sumitomo Mitsui Trust Bank, Limited	2,264,000	4.8
The Norinchukin Bank	1,400,276	3.0
Custody Bank of Japan, Ltd. (Trust Account)	1,081,200	2.3
SUMITOMO LIFE INSURANCE COMPANY	737,000	1.6
Hisako Shimizu	701,400	1.5

Note: The shareholding ratio is calculated after deducting treasury shares (2,439,031 shares).  
The treasury shares do not include 80,500 shares of the Company held by Custody Bank of Japan, Ltd. as trust assets for the "Trust for Delivering Shares to Directors."

### 5. Shares granted to the Company's officers as consideration for their performance of duties during the fiscal year under review

	Number of shares	Number of eligible persons
Directors (excluding Outside Directors)	3,728	1

Notes: 1. Details of the Company's share remuneration are presented in section "IV. Company Officers, 4. (1) Remuneration for Directors" of the Business Report.  
2. The above are the shares which were provided to a retired Director.

### 6. Other important matters related to shares

Not applicable.

## III. Share acquisition rights, etc. of the Company

Not applicable.

## IV. Company Officers

### 1. Directors and Corporate Auditors (as of February 29, 2024)

Position	Name	Responsibilities of the Company and significant concurrent positions outside the Company
Representative Director and President	Takaharu Iwasaki	Group CEO of Development Group Headquarters Member of the Nomination & Remuneration Advisory Committee Representative Director and Vice President of Nihon Ryutsu Sangyo Co., Ltd. Representative Director and Chairman of LIFE FINANCIAL SERVICE Chairman of Japan Supermarkets Association
Director & Senior Managing Executive Officer	Tomehisa Morishita	Group CEO of Corporate Functions Group Headquarters and Division COO of Information Strategy Division
Director & Managing Executive Officer	Takashi Sumino	Group CEO of Infrastructure Group Headquarters
Director & Managing Executive Officer	Nobuyuki Kawai	Deputy Group CEO of Corporate Functions Group Headquarters and Division COO of Corporate Finance and Accounting Division
Director	Koichi Narita	Chairperson of the Nomination & Remuneration Advisory Committee
Director	Haruhiko Yahagi	
Director	Hiroko Kono	Outside Director (Audit and Supervisory Committee Member) of PayPay Corporation
Director	Takashi Katayama	
Full-Time Corporate Auditor	Kaoru Sueyoshi	
Corporate Auditor	Mitsuo Maki	Attorney at law
Corporate Auditor	Naoko Miyatake	Member of the Nomination & Remuneration Advisory Committee
Corporate Auditor	Koji Shiono	Certified tax accountant

- Notes:
- The Company has established a Nomination & Remuneration Advisory Committee, with an independent outside Director as the chair, as a non-mandatory advisory body to the Board of Directors.
  - Koichi Narita, Haruhiko Yahagi, Hiroko Kono, and Takashi Katayama are outside Directors. The Company has submitted notification to the Tokyo Stock Exchange that they have been appointed as independent officers.
  - Mitsuo Maki, Naoko Miyatake, and Koji Shiono are outside Corporate Auditors. The Company has submitted notification to Tokyo Stock Exchange that they have been appointed as independent officers.
  - Corporate Auditor Mitsuo Maki is well-versed in corporate legal affairs as an attorney at law and has sufficient knowledge to audit corporate management.
  - Corporate Auditor Naoko Miyatake has sufficient knowledge to audit corporate management, given her extensive experience as a corporate executive.
  - Corporate Auditor Koji Shiono is a certified tax accountant and has considerable knowledge of finance and accounting.
  - The Company has entered into a directors and officers liability insurance policy, as defined in Article 430-3, paragraph (1) of the Companies Act, with an insurance company. The scope of those insured by this policy is Directors and Corporate Auditors of the Company, as well as Directors and Corporate Auditors of the Company's subsidiaries. The insured do not pay insurance premiums.

This insurance policy provides coverage for damages that may arise from the assumption of liability incurred in the course of the execution of duties by the insured or claims pertaining to the pursuit of such liability. The Company plans to renew the insurance policy with the same contents at the next renewal.

## 2. Changes to Directors and Corporate Auditors during the fiscal year under review

### (1) New appointment

At the 68th Annual General Meeting of Shareholders held on May 25, 2023, Koji Shiono was newly elected and appointed as Corporate Auditor.

### (2) Retirement

Director Toshiaki Namiki and Corporate Auditor Junichi Hamahira retired upon the expiry of their terms of office at the conclusion of the 68th Annual General Meeting of Shareholders held on May 25, 2023.

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

Name	New position	New responsibilities	Former position	Former responsibilities	Date of change
Takaharu Iwasaki	Representative Director and President	Group CEO of Business Group Headquarters and Group CEO of Development Group Headquarters	Representative Director and President	Group CEO of Business Group Headquarters	May 25, 2023
		Group CEO of Business Group Headquarters, Group CEO of Development Group Headquarters, and Division COO of Business Strategy Division		Group CEO of Business Group Headquarters and Group CEO of Development Group Headquarters	September 1, 2023
		Group CEO of Development Group Headquarters		Group CEO of Business Group Headquarters, Group CEO of Development Group Headquarters, and Division COO of Business Strategy Division	October 16, 2023

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

Not applicable.

### 3. Total amount of remuneration for Directors and Corporate Auditors

Category	Total amount of remuneration (Millions of yen)	Total amount of remuneration by type (millions of yen)		Number of recipients
		Fixed remuneration	Performance-linked remuneration	
Director (of which outside Directors)	210 (32)	195 (32)	14 (-)	9 (4)
Corporate Auditor (of which outside Corporate Auditors)	38 (25)	38 (25)	- (-)	5 (4)
Total (of which outside officers)	248 (57)	233 (57)	14 (-)	14 (8)

Notes: 1. The abovementioned figures include one Director and one outside Corporate Auditor who retired at the conclusion of the 68th Annual General Meeting of Shareholders held on May 25, 2023.

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

In addition, separate from the above monetary remuneration, at the 64th Annual General Meeting of Shareholders held on May 23, 2019, it was resolved that the upper limit of money contributed by the Company to the board benefit trust for performance-linked share remuneration shall be ¥200,000 thousand in total for the five fiscal years from the fiscal year ended February 29, 2020 to the fiscal year ended February 29, 2024 (the term of which may be extended), and that the total number of points to be granted as share remuneration shall be no more than 20,000 points (where one point equates to one share in the Company) for each fiscal year (outside Directors and non-residents of Japan shall not be eligible for share remuneration). The number of Directors (excluding outside Directors) at the conclusion of this Annual General Meeting of Shareholders was seven.

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



#### 4. Policies for determining remuneration for Directors and other officers

##### (1) Remuneration for Directors

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

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

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

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

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

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

[Components of Director remuneration]

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

[Performance-linked remuneration]

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

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

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

(\*1) Position-based base points

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

(\*2) The performance-linked coefficient is set, as below, between 0.0 and 1.5, based on the achievement of the target for ordinary profit<sup>(\*3)</sup> for the corresponding evaluation period.

Achievement level of the target for ordinary profit	Performance-linked coefficient
120% and higher	1.5
100% and higher, less than 120%	2.5 x achievement level - 1.5
90% and higher, less than 100%	6.0 x achievement level - 5.0
Less than 90%	0.0

(\*3) The target for ordinary profit is determined by the Board of Directors each fiscal year. Achieving the targeted ordinary profit is required for the target to be considered achieved.

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

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

Furthermore, the target consolidated ordinary profit for the fiscal year under review is a profit of ¥22.2 billion, and the remuneration will not be provided unless the consolidated ordinary profit reaches at least 90% of the target. The actual results for the fiscal year under review were a profit of ¥24,948 million, which is 112.4% of the target. As the payment requirement has been met, performance-linked remuneration corresponding to the points granted in accordance with the target level achieved has been recorded as an expense in accordance with the Director Performance-Linked Share Distribution Regulations.

## **(2) Remuneration for Corporate Auditors**

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

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

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

- Directors: No more than ¥35 million per month (pursuant to the resolution at the 52nd Annual General Meeting of Shareholders held on May 24, 2007)
- Corporate Auditors: No more than ¥6 million per month (pursuant to the resolution at the 64th Annual General Meeting of Shareholders held on May 23, 2019)

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

## 5. Outside Directors and outside Corporate Auditors

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

Although the Company has a business relationship in relation to merchant agreements with PayPay Corporation, where outside Director Hiroko Kono concurrently serves as an outside director, it has no special relationship with that company.

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

Category	Name	Attendance at meetings, comments made, and outline of duties performed in relation to the roles expected of outside Directors
Director	Koichi Narita	He attended all 17 Board of Directors meetings held during the fiscal year under review, actively offered opinions in the meetings that were mainly based on his expertise and from a perspective of a corporate executive with rich experience, and fulfilled appropriate roles in ensuring appropriate and proper decision-making. He also serves as the chairperson of the Nomination & Remuneration Advisory Committee.
Director	Haruhiko Yahagi	He attended all 17 Board of Directors meetings held during the fiscal year under review, actively offered opinions in the meetings mainly based on his deep knowledge of the retail industry and digital marketing, and fulfilled appropriate roles in ensuring appropriate and proper decision-making.
Director	Hiroko Kono	She attended all 17 Board of Directors meetings held during the fiscal year under review, actively offered opinions in the meetings mainly based on her deep knowledge of human resource development and from a perspective of an investor, and fulfilled appropriate roles in ensuring appropriate and proper decision-making.
Director	Takashi Katayama	He attended all 17 Board of Directors meetings held during the fiscal year under review, actively offered opinions in the meetings mainly based on his rich experience of a corporate executive and high level of knowledge related to logistics environment systems and overseas logistics, and fulfilled appropriate roles in ensuring appropriate and proper decision-making.
Corporate Auditor	Mitsuo Maki	He attended 16 of the 17 Board of Directors meetings and 11 of the 12 Board of Corporate Auditors meetings held during the fiscal year under review and provided remarks that were mainly based on his expertise as an attorney at law.
Corporate Auditor	Naoko Miyatake	She attended all 17 Board of Directors meetings and all 12 Board of Corporate Auditors meetings held during the fiscal year under review and provided remarks that were mainly based on her expertise as a corporate executive. She also serves as a member of the Nomination & Remuneration Advisory Committee.
Corporate Auditor	Koji Shiono	He attended all 14 Board of Directors meetings and all 9 Board of Corporate Auditors meetings held during the fiscal year under review after his appointment and provided remarks that were mainly based on his expertise as a certified tax accountant.

- (3) Matters pertaining to limited liability agreements

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

## V. Accounting Auditor

1. Name KPMG AZSA LLC

### 2. Amount of remuneration

	Amount of remuneration (Millions of yen)
Amount of remuneration for the Accounting Auditor for the fiscal year under review	40
Total amount of money and other economic benefits payable by the Company and its subsidiaries	40

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

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

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