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(Stock Exchange Code 3222)
May 2, 2016

To Shareholders with Voting Rights:

Makoto Ueda
President and Representative Director
United Super Markets Holdings Inc.
1 Kanda Aioi-cho, Chiyoda-ku, Tokyo

**NOTICE OF
THE 1ST ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

We would like to express our appreciation to you for your continued support and patronage.

You are cordially invited to attend the 1st Annual General Meeting of Shareholders of United Super Markets Holdings Inc. (the "Company"). The meeting will be held for the purposes as described below.

If you are unable to attend the meeting, you can exercise your voting rights in writing. Please review the attached Reference Documents for the General Meeting of Shareholders, indicate your vote for or against the proposal on the enclosed Voting Rights Exercise Form and return it so that it is received by 6:00 p.m. on Wednesday, May 18, 2016, Japan time.

1. Date and Time: Thursday, May 19, 2016 at 10:00 a.m. Japan time

2. Place: Banquet Room "Orion" (5th floor of Plaza)
Hotel Chinzanso Tokyo
2-10-8, Sekiguchi, Bunkyo-ku, Tokyo, Japan

3. Meeting Agenda:

- Matters to be reported:**
1. The Business Report, Consolidated Financial Statements for the Company's 1st Fiscal Year (March 2, 2015 - February 29, 2016) and results of audits by the Accounting Auditor and the Audit & Supervisory Board of the Consolidated Financial Statements
 2. Non-consolidated Financial Statements for the Company's 1st Fiscal Year (March 2, 2015 - February 29, 2016)

Proposals to be resolved:

- Proposal 1:** Election of Nine (9) Directors
Proposal 2: Election of Two (2) Corporate Auditors
Proposal 3: Determination of the Amounts of Remuneration for Directors and Corporate Auditors

- The fiscal year of major consolidated subsidiaries is from March 1, 2015 to February 29, 2016.
- "Systems to Ensure Proper Operations," "Implementation Statuses of Systems to Ensure Proper Operations," "Notes to Consolidated Financial Statements" and "Notes to Non-consolidated Financial Statements" are posted on the Company's website pursuant to laws and regulations and Article 16 of the Company's Articles of Incorporation. Accordingly, they are not included in the documents attached to this notice. Consolidated financial statements and non-consolidated financial statements audited by Corporate Auditors and the Accounting Auditor include "Systems to Ensure Proper Operations," "Implementation Statuses of Systems to Ensure Proper Operations," "Notes to Consolidated Financial Statements" and "Notes to Non-consolidated Financial Statements" posted on the Company's website (at the URL below) in addition to the documents attached to this notice.

- Should the Business Report, Consolidated Financial Statements, Non-consolidated Financial Statements, and the Reference Documents for the General Meeting of Shareholders require revisions, the revised versions will be posted on the Company's website (<http://www.usmh.co.jp/>).

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal 1: Election of Nine (9) Directors

The terms of office of all eight (8) Directors will expire at the conclusion of this year's General Meeting of Shareholders. To strengthen the independence of the Board of Directors and enhance the effectiveness of oversight of management and Directors, it is proposed to increase the number of Outside Directors by one and accordingly the election of nine (9) Directors is proposed.

The candidates for Directors are as follows:

No.	Name (Date of birth)	Career summary, positions and assignment in the Company and significant concurrent positions	Number of shares of the Company held
1	Hiromasa Kohama (March 12, 1941) Re-appointed	<p>April 1965 Joined Shufu no mise Daiei, Inc. (currently The Daiei, Inc.)</p> <p>May 1997 Managing Director, Shufu no mise Daiei, Inc.</p> <p>September 2000 Adviser of KASUMI CO., LTD.</p> <p>May 2001 Vice President and Representative Director, KASUMI CO., LTD.</p> <p>March 2002 President and Representative Director, KASUMI CO., LTD.</p> <p>March 2010 Chairman and Representative Director, KASUMI CO., LTD. (to present)</p> <p>October 2011 Chairman and Director, Wonder Corporation (to present)</p> <p>March 2015 Chairman and Representative Director, the Company (to present)</p> <p>May 2015 Director, MAXVALU KANTO CO., LTD. (to present)</p> <p>November 2015 Outside Director, RIGHT ON Co., Ltd. (to present)</p> <p>[Reasons to be nominated as candidate for Director] Mr. Hiromasa Kohama has abundant experience and an excellent track record as a corporate manager through his service as President and Representative Director and Chairman and Representative Director of the Company's subsidiary. The Company nominated him as a candidate for Director based on the judgment that his experience and insight make him a suitable person to serve as the Company's Director.</p> <p>[Special interests] There are no special interests between Mr. Hiromasa Kohama and the Company.</p>	176,699

No.	Name (Date of birth)	Career summary, positions and assignment in the Company and significant concurrent positions	Number of shares of the Company held
2	Makoto Ueda (August 17, 1953) Re-appointed	<p>March 1976 Joined The Maruetsu, Inc.</p> <p>April 1995 Manager, the 16th Stores Department, Stores Division, The Maruetsu, Inc.</p> <p>April 1996 Manager, Corporate Planning & Strategy Department, Business Administration Division, The Maruetsu, Inc.</p> <p>March 1999 Manager, Personnel Department, General Affairs and Personnel Division, The Maruetsu, Inc.</p> <p>March 2005 General Manager, Education and Personnel Division, The Maruetsu, Inc.</p> <p>May 2005 Director, The Maruetsu, Inc.</p> <p>May 2006 Executive Officer, The Maruetsu, Inc.</p> <p>May 2007 Managing Executive Officer, The Maruetsu, Inc.</p> <p>March 2008 General Manager, Sales and Marketing Division, The Maruetsu, Inc.</p> <p>March 2010 General Manager, Education and Personnel Division, The Maruetsu, Inc.</p> <p>September 2010 Assistant Manager, Sales and Marketing Control (In charge of merchandise planning), The Maruetsu, Inc.</p> <p>May 2011 Senior Managing Executive Officer, The Maruetsu, Inc.</p> <p>April 2013 President and Representative Director, The Maruetsu, Inc. (to present)</p> <p>March 2015 President and Representative Director, the Company (to present)</p> <p>[Reasons to be nominated as the candidate for Director] Mr. Makoto Ueda has abundant experience and an excellent track record as a corporate manager through his service as President and Representative Director of the Company's subsidiary. The Company nominated him as a candidate for Director based on the judgment that his experience and insight make him a suitable person to serve as the Company's Director.</p> <p>[Special interests] There are no special interests between Mr. Makoto Ueda and the Company.</p>	19,001
3	Daisuke Tezuka (September 19, 1975) Newly-appointed	<p>September 2002 Joined AEON CREDIT SERVICE Co., Ltd.</p> <p>June 2006 Seconded to AEON Financial Project Co., Ltd.</p> <p>November 2007 Joined AEON Bank, Ltd. General Manager, Planning Division</p> <p>July 2011 Seconded to Strategic Division, AEON CO., LTD.</p> <p>March 2014 General Manager, Strategic Division, AEON CO., LTD.</p> <p>April 2016 Adviser, the Company (to present)</p> <p>[Reasons to be nominated as candidate for Director] Mr. Daisuke Tezuka has abundant experience and an excellent track record as General Manager of Planning Division of AEON Bank, Ltd. and as General Manager of Strategic Division of AEON CO., LTD. The Company nominated him as a candidate for Director based on the judgment that his abundant experience in the AEON Group and insight make him a suitable person to serve as the Company's Director.</p> <p>[Special interests] There are no special interests between Mr. Daisuke Tezuka and the Company.</p>	0

No.	Name (Date of birth)	Career summary, positions and assignment in the Company and significant concurrent positions	Number of shares of the Company held
4	Motohiro Fujita (July 11, 1955) Re-appointed	<p>March 1978 Joined KASUMI CO., LTD.</p> <p>September 1998 Manager, Personnel Department, KASUMI CO., LTD.</p> <p>May 2000 Director, KASUMI CO., LTD.</p> <p>May 2004 Managing Director, KASUMI CO., LTD.</p> <p>March 2005 Senior Executive Officer; Manager, Business Services Division; Manager, Compliance Control Office, KASUMI CO., LTD.</p> <p>May 2006 Manager, Development Division, KASUMI CO., LTD.</p> <p>May 2007 Senior Managing Director, KASUMI CO., LTD.</p> <p>February 2009 Manager, Store Development and Service Division, KASUMI CO., LTD.</p> <p>September 2010 Manager, Sales Managing Division; Manager, Food Market Managing Division, KASUMI CO., LTD.</p> <p>September 2011 Manager, Sales Control Division; Manager, Food Market Managing Division, KASUMI CO., LTD.</p> <p>March 2012 President and Representative Director, KASUMI CO., LTD. (to present)</p> <p>March 2015 Executive Vice-President, the Company (to present)</p> <p>[Reasons to be nominated as candidate for Director] Mr. Motohiro Fujita has abundant experience and an excellent track record as a corporate manager through his service as President and Representative Director of the Company's subsidiary. The Company nominated him as a candidate for Director based on the judgment that his experience and insight make him a suitable person to serve as the Company's Director.</p> <p>[Special interests] There are no special interests between Mr. Motohiro Fujita and the Company.</p>	106,100

No.	Name (Date of birth)	Career summary, positions and assignment in the Company and significant concurrent positions	Number of shares of the Company held
5	<p>Ryota Furuse (January 3, 1957)</p> <p>Re-appointed</p>	<p>March 1980 Joined The Maruetsu, Inc.</p> <p>March 1999 Manager, General Planning Department, Business Administration Division, The Maruetsu, Inc.</p> <p>March 2001 Manager, Business Planning Department, Corporate Planning and Strategy Office, The Maruetsu, Inc.</p> <p>September 2003 Manager, Research Department, Business Strategy Office, The Maruetsu, Inc.</p> <p>March 2006 General Manager, Corporate Planning Division, The Maruetsu, Inc.</p> <p>May 2006 Director (to present) and Executive Officer, The Maruetsu, Inc.</p> <p>May 2008 Managing Executive Officer, The Maruetsu, Inc.</p> <p>May 2011 Senior Managing Executive Officer, The Maruetsu, Inc.</p> <p>April 2013 General Manager, Corporate Planning Division; Supervising Finance and Accounting, The Maruetsu, Inc.</p> <p>May 2013 Vice President, Executive Officer, The Maruetsu, Inc. (to present)</p> <p>March 2014 General Manager, Corporate Planning Division; Supervising Finance and Accounting; Supervising Development, The Maruetsu, Inc.</p> <p>March 2015 Director, the Company (to present)</p> <p>April 2015 General Manager, Corporate Planning Division; Supervising Development, The Maruetsu, Inc. (to present)</p> <p>[Reasons to be nominated as candidate for Director] Mr. Ryota Furuse is a Director of a subsidiary of the Company and has abundant experience and an excellent track record as a manager responsible for corporate planning. The Company nominated him as a candidate for Director based on the judgment that his experience and insight make him a suitable person to serve as the Company's Director.</p> <p>[Special interests] There are no special interests between Mr. Ryota Furuse and the Company.</p>	15,680

No.	Name (Date of birth)	Career summary, positions and assignment in the Company and significant concurrent positions	Number of shares of the Company held
6	Motoya Okada (June 17, 1951) Re-appointed	<p>March 1979 Joined JUSCO Co., Ltd. (currently AEON CO., LTD.)</p> <p>May 1990 Director, JUSCO Co., Ltd.</p> <p>February 1992 Managing Director, JUSCO Co., Ltd.</p> <p>May 1995 Senior Managing Director, JUSCO Co., Ltd.</p> <p>June 1997 President and Representative Director, JUSCO Co., Ltd.</p> <p>May 2002 Director and Advisor, AEON Mall Co., Ltd. (to present)</p> <p>May 2003 Director, President and Representative Executive Officer, AEON CO., LTD. (to present)</p> <p>May 2004 Director and Advisor, KASUMI CO., LTD. (to present)</p> <p>November 2005 Director and Advisor, TSURUHA HOLDINGS Inc. (to present)</p> <p>March 2012 Group CEO, AEON CO., LTD. (to present)</p> <p>August 2014 Outside Director, KUSURI NO AOKI CO., LTD. (to present)</p> <p>November 2014 Director, WELCIA HOLDINGS CO., LTD. (to present)</p> <p>March 2015 Director, the Company (to present)</p>	0
		<p>[Reasons to be nominated as candidate for Director]</p> <p>Mr. Motoya Okada is Director, President and Representative Executive Officer, and Group CEO of AEON CO., LTD. and has abundant experience and an excellent track record as a corporate manager. The Company nominated him as a candidate for Director based on the judgment that his experience and insight make him a suitable person to serve as the Company's Director.</p>	
		<p>[Special interests]</p> <p>Mr. Motoya Okada is Director, President and Representative Executive Officer and Group CEO of AEON CO., LTD. Transactions between the Company's subsidiary KASUMI CO., LTD. and the AEON Group include procurement of merchandise, store leasing, contracted credit operations, and purchase of facilities. Transactions between the Company's subsidiary Maruetsu and the AEON Group include procurement of merchandise. Transactions between the Company's subsidiary MAXVALU KANTO CO., LTD. and the AEON Group include borrowing of funds, member store contracts, procurement of merchandise, and store leasing.</p>	

No.	Name (Date of birth)	Career summary, positions and assignment in the Company and significant concurrent positions	Number of shares of the Company held
7	Mitsuru Akiyoshi (January 9, 1956) [Outside Director] Re-appointed	April 1978 Joined Marubeni Corporation April 2005 General Manager, Finance Department, Marubeni Corporation	0
		April 2007 Executive Officer, Marubeni Corporation April 2009 Managing Executive Officer, Marubeni Corporation June 2010 Managing Executive Officer, Representative Director, Marubeni Corporation	
		April 2012 Senior Managing Executive Officer, Representative Director, Marubeni Corporation April 2014 Senior Executive Vice President, Representative Director, Marubeni Corporation (to present) CEO, Food & Consumer Products Group (to present)	
		March 2015 Director of the Company (to present)	
		[Reasons to be nominated as candidate for Outside Director] Mr. Mitsuru Akiyoshi has abundant experience as a corporate manager at a trading company and deep insight cultivated through that experience and is well versed in corporate governance. Thus, in view of the importance of ensuring appropriate corporate governance with transparency, the Company considers him suitable for the position.	
		[Special interests] Mr. Mitsuru Akiyoshi is Senior Executive Vice President, Representative Director of Marubeni Corporation. Transactions between the Company's subsidiary Maruetsu and the Marubeni Group include procurement of merchandise.	
		[Years of service as Outside Director] Mr. Mitsuru Akiyoshi will have served as Outside Director for one year and two months at the conclusion of this General Meeting of Shareholders.	
8	Shigekazu Torikai (March 12, 1947) [Outside Director] [Independent Director] Re-appointed	April 1975 Joined a tax accountant office April 1990 Registered as Attorney April 1994 Representative, Torikai Management and Law Office (currently Torikai Law Office) (to present)	0
		March 2015 Director of the Company (to present)	
		[Reasons to be nominated as candidate for Outside Director] Mr. Shigekazu Torikai has abundant experience of corporate legal affairs as an attorney-at-law and extensive knowledge of legal affairs and accounting. Although he has not been involved in corporate management, the Company considers that he will be capable of fulfilling his duties as Outside Director by utilizing his experience and knowledge for the benefit of the Company for the reasons stated above.	
		[Special interests] There are no special interests between Mr. Shigekazu Torikai and the Company.	
		[Years of service as Outside Director] Mr. Shigekazu Torikai will have served as Outside Director for one year and two months at the conclusion of this General Meeting of Shareholders.	

No.	Name (Date of birth)	Career summary, positions and assignment in the Company and significant concurrent positions	Number of shares of the Company held
9	Naoko Makino (January 28, 1968) [Outside Director] [Independent Director] Newly-appointed	April 1990 Joined Asako Aramaki Office Co., Ltd. (currently Diet Communications Co., Ltd.)	0
		December 1995 Resigned from Asako Aramaki Office Co., Ltd. (currently Diet Communications Co., Ltd.)	
		January 1996 Freelance (Member of Association of Freelance Dieticians in Nakano Ward)	
		March 2004 Representative Director, Studio Ku Ltd. (to present)	
		May 2007 Council and Member of Editorial Committee, Japan Society of Food Science Education (to present)	
		January 2016 Member of Planning Committee, Japan Society of Food Science Education (to present)	
		[Reasons to be nominated as candidate for Outside Director] Ms. Naoko Makino started her career as a managerial dietician and currently is a member of the Japan Society for the Study of Obesity and serves as a lecturer for the lifelong education program of Kagawa Nutrition University and as a lecturer of Kagawa Nutrition University. She has abundant experience of food as a cook and extensive knowledge about nutrition and cookery. The Company considers that she will be capable of fulfilling her duties as Outside Director by utilizing her experience and knowledge for the benefit of the Company.	
		[Special interests] There are no special interests between Ms. Naoko Makino and the Company.	

(Notes)

1. The Company has entered into an agreement with Mr. Mitsuru Akiyoshi and Mr. Shigekazu Torikai to limit their liability pursuant to Article 423 Paragraph 1 of the Companies Act to the minimum amount stipulated in Article 425 of the said Act. Subject to approval of their reelection, the Company intends to continue the said agreement with them. Subject to approval of election of Ms. Naoko Makino, the Company intends to enter into such an agreement with her to limit her liability.
2. Of the candidates for Director, Mr. Mitsuru Akiyoshi, Mr. Shigekazu Torikai, and Ms. Naoko Makino are candidates for Outside Directors.
3. The Company designated Mr. Shigekazu Torikai as an Independent Director prescribed by Tokyo Stock Exchange on which the Company's shares are listed and submitted a notification of the designation to the said Exchange. Ms. Naoko Makino satisfies the requirements for Independent Director prescribed by Tokyo Stock Exchange and the Company intends to designate her as an Independent Director and submit a notification of the designation to the said Exchange. The Company considers that she satisfies the criteria for independence of Independent Outside Director specified by the Company.
4. The number of shares of the Company held is the number of shares of the Company held as of February 29, 2016. It does not include the number of shares of the Company held through the Executives' Shareholding Association.

Proposal 2: Election of Two (2) Corporate Auditors

Corporate Auditor Mr. Shinya Wako will resign at the conclusion of this General Meeting of Shareholders. To strengthen the independence of the Audit & Supervisory Board, it is proposed to increase the number of Corporate Auditors by one and accordingly the election of 2 Corporate Auditors (both of whom are Outside Corporate Auditors) is proposed.

As Mr. Masahiro Miyatake will be elected as a substitute for Mr. Shinya Wako, Mr. Miyatake's term of office will be until expiration of the term of office of resigning Corporate Auditor Mr. Shinya Wakai in accordance with the Articles of Incorporation of the Company.

The Audit & Supervisory Board has previously given its approval to this proposal.

The candidates for Corporate Auditors are as follows:

No.	Name (Date of birth)	Career summary, positions in the Company and significant concurrent positions	Number of shares of the Company held
1	Masahiro Miyatake (September 4, 1952) [Outside Corporate Auditor] Newly-appointed	<p>August 1979 Joined Nichii Co., Ltd. (currently AEON Retail Co., Ltd.)</p> <p>September 2008 Manager, Shikoku Sales Department, MYCAL CORPORATION (currently AEON Retail Co., Ltd.)</p> <p>March 2010 Manager, East Kanto Sales Department, MYCAL CORPORATION</p> <p>July 2010 Assistant to Chief Executive Officer of GMS Business, AEON CO., LTD.</p> <p>May 2011 President, Representative Director, ZWEI CO., LTD.</p> <p>May 2014 Full-time Corporate Auditor, ORIGIN TOSHU Co., Ltd. (to present)</p> <p>Corporate Auditor, MAXVALU NAGANO CO., LTD. (to present)</p> <p>[Reasons to be nominated as candidate for Outside Corporate Auditor] Mr. Masahiro Miyatake has abundant experience as a corporate manager and deep insight cultivated through that experience. Thus, the Company considers that he will be capable of fulfilling his duties as Outside Corporate Auditor.</p> <p>[Special interests] There are no special interests between Mr. Masahiro Miyatake and the Company.</p>	0

No.	Name (Date of birth)	Career summary, positions in the Company and significant concurrent positions	Number of shares of the Company held		
2	Shinobu Okamoto (June 18, 1954)	April 1977	Co-ordination Division, Management and Co-ordination Department, Tokyo Regional Taxation Bureau	0	
		July 2005	Special Officer (Planning and Co-ordination), First Taxation Department, Tokyo Regional Taxation Bureau		
		July 2006	District Director, Kawashima Tax Office, Takamatsu Regional Taxation Bureau (Tokushima Prefecture)		
		July 2007	Chief Examiner, Third Large Enterprise Examination Department, Tokyo Regional Taxation Bureau		
		July 2008	Director, Planning Division, Management and Co-ordination Department, Tokyo Regional Taxation Bureau		
		July 2009	Director, First Personnel Division, Management and Co-ordination Department, Tokyo Regional Taxation Bureau		
		[Outside Corporate Auditor]	July 2012		Chief Internal Inspector, Commissioner's Secretariat, National Tax Agency
		[Independent Auditor]	June 2013		Assistant Regional Commissioner (Management and Co-ordination), Nagoya Regional Taxation Bureau
		Newly-appointed	July 2014		Regional Commissioner, Kumamoto Regional Taxation Bureau
		October 2015	Representative, Shinobu Okamoto Tax Accountant Office (to present)		
[Reasons to be nominated as candidate for Outside Corporate Auditor] Mr. Shinobu Okamoto has abundant experience in business accounting as a certified tax accountant and extensive knowledge about legal affairs and accounting. Although he has not been involved in corporate management, the Company considers that he will be capable of fulfilling his duties as Outside Corporate Auditor by utilizing his experience and knowledge in management of the Company for the reasons stated above.					
[Special interests] There are no special interests between Mr. Shinobu Okamoto and the Company.					

(Notes)

1. Mr. Masahiro Miyatake and Mr. Shinobu Okamoto are new candidates for Outside Corporate Auditors.
2. Remarks about candidates for Outside Corporate Auditors
 - (1) Mr. Shinobu Okamoto satisfies the requirements for Independent Auditors prescribed by Tokyo Stock Exchange. The Company considers that he satisfies the criteria for independence of Independent Outside Auditors specified by the Company. When his appointment is approved, the Company intends to designate him as Independent Auditor and submit a notification of the designation to the said Exchange on which the Company's shares are listed.
 - (2) Mr. Masahiro Miyatake served as Representative Director of Zwei Co., Ltd., a subsidiary of AEON CO., LTD., which is the Company's parent company, from May 2011 to May 2014 and had been receiving remuneration for serving as a Director from Zwei Co., Ltd. for two years. At present, Mr. Miyatake serves as a Corporate Auditor of ORIGIN TOSHU Co., Ltd. and MAXVALU NAGANO CO., LTD.
 - (3) Subject to the approval of this proposal, the Company intends to enter an agreement with Mr. Masahiro Miyatake and Mr. Shinobu Okamoto to limit their liability pursuant to Article 423 Paragraph 1 of the Companies Act to the minimum amount stipulated in Article 425 of the said Act.

[Reference]

Criteria for Independence of Outside Directors/Corporate Auditors

United Super Market Holdings Inc. (hereinafter the “Company”) defines the requirements for independence of Outside Directors/Corporate Auditors who will be Independent Director/Auditor (including candidates) of the Company as stated below. These are conditions for election of Outside Directors/Corporate Auditors who will be Independent Director/Auditor. Independent Directors/Auditors shall maintain the following requirements for independence specified below following the assumption of the position, and if an Independent Director/Auditor subsequently assumes a major position, the Company’s Board of Directors judges his/her independence in view of the requirements of independence.

1. He/she does not currently serve as Director (excluding Outside Director), Corporate Auditor (excluding Outside Corporate Auditor), Executive Officer, or employee of the Company or the Company’s subsidiaries (hereinafter the “U.S.M.H Group”) and he/she has not served as Director (excluding Outside Director), Corporate Auditor (excluding Outside Corporate Auditor), Executive Officer, or employee of the U.S.M.H Group in the past.
2. He/she has not served as Director, Corporate Auditor, Executive Officer, or employee of the Company’s parent company (*1) in any of the past five business years.
3. He/she has not served as Director, Corporate Auditor, Executive Officer, or employee of the Company’s fellow subsidiaries (*2) in any of the past five business years.
4. He/she has not served as Director, Corporate Auditor, Executive Officer, or employee of any of the Company’s major shareholders (*3) or of a company of which the U.S.M.H Group has been a major shareholder in any of the past five business years.
5. He/she does not serve as Director, Corporate Auditor, Executive Officer, or employee of any of the major suppliers/customers of the U.S.M.H Group (*4).
6. He/she does not serve as Director, Corporate Auditor, Executive Officer, or employee of any of the corporations, organizations, etc. that are recipients of a large amount of donations from the U.S.M.H Group (*5).
7. He/she has not served as Representative Partner, Senior Partner, Partner, or employee of the accounting auditor of the U.S.M.H Group in any of the past five business years.
8. He/she is not an attorney-at-law, certified public accountant, consultant or other professional who receives a large amount of money (*6) or other property from the U.S.M.H Group other than remuneration for Directors/Corporate Auditors.
9. He/she is not a spouse, a relative in the second degree of kinship, a relative residing together with the person specified below, or he/she is not in the same household as the person specified below:
 - (1) Director, Corporate Auditor, Executive Officer, or important employee of the U.S.M.H Group (*7)
 - (2) Person who has served as Director, Corporate Auditor, Executive Officer, or important employee of the U.S.M.H Group in any of the past five business years.
 - (3) Person who comes under the restrictions specified in the above Items 2.-8.

10. There is no doubt about his/her independence in fulfilling his/her duties as Independent Director/Corporate Auditor.

Definitions of terms are as follows:

- (*1) The “parent company” means a company that has control over the organ (General Meeting of Shareholders or the like) that decides the Company’s financial, sales or business policies.
- (*2) “Fellow subsidiary” means a company that has the same parent company (including a person controlling the Company’s management) as the Company.
- (*3) “Major shareholder” means a company that own 10% or more of the total voting rights.
- (*4) “Major supplier/customer” means a company whose transactions with the U.S.M.H Group (amount paid or received) are equal to 2% or more of consolidated sales of the Company or of such company (including its parent company and significant subsidiaries) in the most recent business year and in any of the preceding three business years.
- (*5) “A large amount of donations” means donations exceeding ¥10 million per year on average in the past three business years, or 2% of consolidated sales or total revenues of the donation recipient, whichever the larger.
- (*6) A large amount of money means an amount exceeding ¥10 million per year on average in the past three business years in the case of an individual and an amount exceeding ¥10 million per year on average for the past three business years or 2% of consolidated sales of an organization, whichever the larger, in the case of the said organization.
- (*7) “Important employee” means an employee whose position is department manager or higher.

Proposal 3: Determination of the Amounts of Remuneration for Directors and Corporate Auditors

In accordance with the provision in Article 2 of Bylaws of the Articles of Incorporation of the Company, it is specified that the maximum amount of remuneration for Directors and Corporate Auditors of the Company for the period from the date of establishment of the Company (March 2, 2015) to the conclusion of the first General Meeting Of Shareholders shall be ¥150 million and ¥50 million, respectively. However, the amounts of remuneration for Directors and Corporate Auditors for the period from the conclusion of the first Ordinary General Meeting of Shareholders is not specified. Accordingly, the Company proposes to determine the amounts as described below and requests approval. The amount of remuneration for Directors does not include portions of their salaries as employees.

The Company currently has 8 Directors (including 2 Outside Directors). If Proposal 1 is approved as originally proposed, the Company will have 9 Directors (including 3 Outside Directors). The Company currently has 4 Corporate Auditors (including 2 Outside Corporate Auditors). If Proposal 2 is approved as originally proposed, the Company will have 5 Corporate Auditors (including 3 Outside Corporate Auditors).

1. Amount of remuneration for Directors

Maximum ¥150 million per year (including maximum ¥35 million per year for Outside Directors)

2. Amount of remuneration for Corporate Auditors

Maximum ¥50 million per year