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(Stock Exchange Code 3222)  
May 2, 2018

**To Shareholders with Voting Rights:**

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

**NOTICE OF  
THE 3RD 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 3rd 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 or via the Internet, etc. Please review the attached Reference Documents for the General Meeting of Shareholders and exercise your voting rights in accordance with the guidance on page 3.

**1. Date and Time:** Monday, May 21, 2018 at 10:00 a.m. Japan time

**2. Place:** Banquet Room “Hisho” (4th floor)  
Asakusa View Hotel  
3-17-1 Nishiasakusa, Taito-ku, Tokyo, Japan

**3. Meeting Agenda:**

- Matters to be reported:**
1. The Business Report, Consolidated Financial Statements for the Company’s 3rd Fiscal Year (March 1, 2017 - February 28, 2018) 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 3rd Fiscal Year (March 1, 2017 - February 28, 2018)

**Proposals to be resolved:**

- Proposal 1:** Partial Amendments to the Articles of Incorporation  
**Proposal 2:** Election of Nine (9) Directors  
**Proposal 3:** Election of Two (2) Corporate Auditors

- “Basic Policy on the Company’s Corporate Governance,” “Systems to Ensure Proper Operations” and “Implementation Statuses of Systems to Ensure Proper Operations,” which are described in the Company’s Systems and Policies in the Business Report, “Notes to Consolidated Financial Statements” in the Consolidated Financial Statements and “Notes to Non-consolidated Financial Statements” in the 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. The Business Report, Consolidated Financial Statements and Non-consolidated Financial Statements audited by Corporate Auditors and the Accounting Auditor include the following documents in addition to the documents attached to this notice: “Basic Policy on the Company’s Corporate Governance,” “Systems to Ensure Proper Operations” and “Implementation Statuses of Systems to Ensure Proper Operations,” which are described in the Company’s Systems and Policies in the Business Report; “Notes to Consolidated Financial Statements” in the Consolidated Financial

Statements; and “Notes to Non-consolidated Financial Statements” in the Non-consolidated Financial Statements. These documents are posted on the Company’s website (at the URL below).

- 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/>).

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- ◎ If you plan to attend the meeting, please submit your Voting Rights Exercise Form at the front desk when you arrive at the venue. In addition, please bring this notice with you for resource-saving purposes.
  - ◎ The front desk will open at 9:00 a.m. As there will be congestion at the front desk right before the start of the meeting, your early arrival is recommended.
  - ◎ Souvenirs for attendees of the General Meeting will not be provided. We appreciate your understanding.

# Reference Documents for the General Meeting of Shareholders

## Proposals and References

### Proposal 1: Partial Amendments to the Articles of Incorporation

1. Reason for the amendments

It is proposed to add “management of nursery schools, day-care centers, etc.” to the business purpose, taking into account the Group’s business development etc. going forward.

2. Details of the amendments

Details of the amendments are as follows.

(Underlined portions are to be amended.)

Current Articles of Incorporation	Proposed Amendments
(Purpose)	(Purpose)
Article 2	Article 2
(1) - (15) (Provisions omitted)	(1) - (15) (Unchanged)
(Newly established)	<u>(16) Management of nursery schools, day-care centers, etc.</u>
<u>(16)</u> - <u>(31)</u> (Provisions omitted)	<u>(17)</u> - <u>(32)</u> (Unchanged)

**Proposal 2:** Election of Nine (9) Directors

The terms of office of all nine (9) Directors will expire at the conclusion of this year's Annual General Meeting of Shareholders. Accordingly the election of nine (9) Directors, including three (3) Outside Directors, is proposed. Two (2) of the three (3) Outside Directors satisfy the requirements for Independent Director prescribed by Tokyo Stock Exchange and the criteria for independence of Independent Outside Directors specified by the Company as described below. The Company has determined the following matters as a policy for nomination of candidates for Director and all the candidates for Director satisfy these requirements.

“Policy for Nomination of Candidates for Director”

Criteria set as follows. Based on the management philosophy of the Company, the person shall be capable of contributing to further development of the entire group. In addition, the person shall be capable of precisely identifying the issues of the divisions he or she is responsible for and solving the problems in cooperation with other managers and employees. In addition, the person shall have insights concerning compliance with laws and regulations and corporate ethics.

“Criteria for Independence of Independent Outside Directors/Corporate Auditors”

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.

(\*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.

■List of candidates for Director

No.	Name	Position at the Company	Attendance at the Board of Directors
1	Makoto Ueda <span style="border: 1px solid black; padding: 2px;">Re-appointed</span>	Chairman and Representative Director	100% (14/14)
2	Motohiro Fujita <span style="border: 1px solid black; padding: 2px;">Re-appointed</span>	President and Representative Director	100% (14/14)
3	Daisuke Tezuka <span style="border: 1px solid black; padding: 2px;">Re-appointed</span>	Representative Director	100% (14/14)
4	Ryota Furuse <span style="border: 1px solid black; padding: 2px;">Re-appointed</span>	Director	100% (14/14)
5	Toshiki Ishii <span style="border: 1px solid black; padding: 2px;">Re-appointed</span>	Director	100% (14/14)
6	Motoya Okada <span style="border: 1px solid black; padding: 2px;">Re-appointed</span>	Director and Advisor	64.3% (9/14)
7	Shigekazu Torikai <span style="border: 1px solid black; padding: 2px;">Re-appointed</span> <span style="border: 1px solid black; padding: 2px;">Outside Director</span> <span style="border: 1px solid black; padding: 2px;">Independent Director</span>	Director	100% (14/14)
8	Naoko Makino <span style="border: 1px solid black; padding: 2px;">Re-appointed</span> <span style="border: 1px solid black; padding: 2px;">Outside Director</span> <span style="border: 1px solid black; padding: 2px;">Independent Director</span>	Director	71.4% (10/14)
9	Koji Yamazaki <span style="border: 1px solid black; padding: 2px;">Newly appointed</span> <span style="border: 1px solid black; padding: 2px;">Outside Director</span>		

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	Makoto Ueda (August 17, 1953)  Re-appointed	<p>March 1976    Joined The Maruetsu, Inc.  May 2005    Director, The Maruetsu, Inc.  May 2006    Executive Officer, The Maruetsu, Inc.  May 2007    Managing Executive Officer, The Maruetsu, Inc.  March 2008    General Manager, Sales and Marketing Division, The Maruetsu, Inc.  March 2010    General Manager, Education and Personnel Division, The Maruetsu, Inc.  September 2010    Assistant Manager, Sales and Marketing Control (In charge of merchandise planning), The Maruetsu, Inc.  May 2011    Senior Managing Executive Officer, The Maruetsu, Inc.  April 2013    President and Representative Director, The Maruetsu, Inc. (to present)  March 2015    President and Representative Director, the Company  March 2017    Chairman 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>	51,701

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	Motohiro Fujita (July 11, 1955)  Re-appointed	<p>March 1978    Joined KASUMI CO., LTD.  May 2000    Director, KASUMI CO., LTD.  May 2004    Managing Director, KASUMI CO., LTD.  March 2005    Senior Executive Officer; Manager, Business Services  Division; Manager, Compliance Control Office, KASUMI  CO., LTD.  May 2006    Manager, Development Division, KASUMI CO., LTD.  May 2007    Senior Managing Director, KASUMI CO., LTD.  February 2009    Manager, Store Development and Service Division,  KASUMI CO., LTD.  September 2010    Manager, Sales Managing Division; Manager, Food  Market Managing Division, KASUMI CO., LTD.  September 2011    Manager, Sales Control Division; Manager, Food Market  Managing Division, KASUMI CO., LTD.  March 2012    President and Representative Director, KASUMI CO.,  LTD.  March 2015    Executive Vice-President, the Company  March 2017    President and Representative Director, the Company (to  present)  Executive Officer responsible for the Supermarket  Business, AEON CO., LTD. (to present)  Director, KASUMI CO., LTD. (to present)  May 2017    Director, MAXVALU KANTO CO., LTD. (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]  Mr. Motohiro Fujita concurrently serves as Executive Officer responsible  for the Supermarket Business 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, The Maruetsu, Inc. and the AEON Group include  procurement of merchandise. Transactions between the Company's  subsidiary, MAXVALU KANTO CO., LTD. and the AEON Group  include member store contracts, procurement of merchandise, and store  leasing.</p>	148,400

No.	Name (Date of birth)	Career summary, positions and assignment in the Company and significant concurrent positions	Number of shares of the Company held
3	Daisuke Tezuka (September 19, 1975)  Re-appointed	<p>September 2002 Joined AEON CREDIT SERVICE Co., Ltd. June 2006 AEON Financial Project Co., Ltd. November 2007 General Manager, Planning Division, AEON Bank, Ltd. July 2011 Strategic Division, AEON CO., LTD. March 2014 General Manager, Strategic Division, AEON CO., LTD. April 2016 Adviser, the Company May 2016 Representative Director, the Company (to present) Director, The Maruetsu, Inc. (to present) Director, MAXVALU KANTO CO., LTD. March 2017 President and Representative Director, MAXVALU KANTO CO., LTD. (to present)</p> <p>[Reasons to be nominated as candidate for Director] Mr. Daisuke Tezuka is the President and Representative Director of a subsidiary of the Company 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] There are no special interests between Mr. Daisuke Tezuka and the Company.</p>	900
4	Ryota Furuse (January 3, 1957)  Re-appointed	<p>March 1980 Joined The Maruetsu, Inc. May 2006 Director and Executive Officer, The Maruetsu, Inc. May 2008 Managing Executive Officer, The Maruetsu, Inc. May 2011 Senior Managing Executive Officer, The Maruetsu, Inc. April 2013 General Manager, Corporate Planning Division; Supervising Finance and Accounting, The Maruetsu, Inc. May 2013 Vice President, Executive Officer, The Maruetsu, Inc. March 2014 General Manager, Corporate Planning Division; Supervising Finance and Accounting; Supervising Development, The Maruetsu, Inc. March 2015 Director, the Company (to present) April 2015 General Manager, Corporate Planning Division; Supervising Development, The Maruetsu, Inc. March 2017 Vice President and Representative Director responsible for administration, The Maruetsu, Inc. (to present)</p> <p>[Reasons to be nominated as candidate for Director] Mr. Ryota Furuse is a Vice President and Representative Director of a subsidiary of the Company 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] There are no special interests between Mr. Ryota Furuse and the Company.</p>	39,080



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	Toshiki Ishii (November 26, 1956)  Re-appointed	<p>March 1979    Joined KASUMI CO., LTD.</p> <p>May 2007    Director and Executive Officer, KASUMI CO., LTD.</p> <p>June 2007    Manager, Food Square Managing Division, KASUMI CO., LTD.</p> <p>March 2012    Manager, Sales Managing Division, KASUMI CO., LTD.</p> <p>May 2012    Managing Director and Senior Executive Officer, KASUMI CO., LTD.</p> <p>March 2013    Manager, Stores Division, KASUMI CO., LTD.</p> <p>March 2014    Manager, Merchandise Division, KASUMI CO., LTD.</p> <p>May 2014    Director, AEON TOPVALU Co., Ltd.</p> <p>May 2015    Director, The Maruetsu, Inc.</p> <p>March 2017    President and Representative Director, KASUMI CO., LTD. (to present)</p> <p>May 2017    Director, the Company (to present)</p> <p>[Reasons to be nominated as candidate for Director] Mr. Toshiki Ishii is the President and Representative Director of a subsidiary of the Company 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] There are no special interests between Mr. Toshiki Ishii and the Company.</p>	72,800

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    Outside 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 HOLDINGS CO., LTD. (to present)</p> <p>November 2014    Director, WELCIA HOLDINGS CO., LTD. (to present)</p> <p>March 2015     Director and Advisor, the Company (to present)</p> <p>[Reasons to be nominated as candidate for Director] 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] 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, The Maruetsu, Inc. and the AEON Group include procurement of merchandise. Transactions between the Company's subsidiary, MAXVALU KANTO CO., LTD. and the AEON Group include member store contracts, procurement of merchandise, and store leasing.</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
7	Shigekazu Torikai (March 12, 1947)  [Outside Director]  [Independent Director]  Re-appointed	<p>April 1975      Joined a tax accountant office</p> <p>April 1990      Registered as Attorney</p> <p>April 1994      Representative, Torikai Management and Law Office (currently Torikai Law Office) (to present)</p> <p>March 2015     Director, the Company (to present)</p> <p>June 2017      External Member of the Audit &amp; Supervisory Board, Kurita Water Industries Ltd. (to present)</p> <p>[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 other than of the Company, 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.</p> <p>[Special interests] There are no special interests between Mr. Shigekazu Torikai and the Company.</p> <p>[Years of service as Outside Director] Mr. Shigekazu Torikai will have served as Outside Director for three years and two months at the conclusion of this General Meeting of Shareholders.</p>	0
8	Naoko Makino (January 28, 1968)  [Outside Director]  [Independent Director]  Re-appointed	<p>April 1990      Joined Asako Aramaki Office Co., Ltd. (currently Diet Communications Co., Ltd.)</p> <p>December 1995 Resigned from Asako Aramaki Office Co., Ltd. (currently Diet Communications Co., Ltd.)</p> <p>January 1996    Freelance (Member of Association of Freelance Dieticians in Nakano Ward)</p> <p>March 2004     Representative Director, Studio Ku Ltd. (to present)</p> <p>May 2007      Council and Member of Editorial Committee, Japan Society of Food Science Education (to present)</p> <p>January 2016    Member of Planning Committee, Japan Society of Food Science Education (to present)</p> <p>May 2016      Director, the Company (to present)</p> <p>[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 culinary expert 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.</p> <p>[Special interests] There are no special interests between Ms. Naoko Makino and the Company.</p> <p>[Years of service as Outside Director] Ms. Naoko Makino will have served as Outside Director for two years at the conclusion of this General Meeting of Shareholders.</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
9	*Koji Yamazaki (September 7, 1955) [Outside Director] Newly appointed	<p>April 1978      Joined Marubeni Corporation</p> <p>April 2001      General Manager, Foods Merchandising Dept., Marubeni Corporation</p> <p>April 2002      General Manager, Foods Marketing Project Dept., Marubeni Corporation</p> <p>October 2003    Assistant to Operating Officer, Agri-Marine Products Div., Marubeni Corporation</p> <p>April 2004      Senior Operating Officer, Agri-Marine Products Div., Marubeni Corporation</p> <p>April 2005      Senior Operating Officer, Agri-Marine Products Div.; General Manager, Daiei Project Dept., Marubeni Corporation</p> <p>September 2006 Managing Executive Officer, The Daiei, Inc.</p> <p>October 2006    Managing Director, The Daiei, Inc.</p> <p>May 2010        Director, Senior Managing Corporate Officer, The Daiei, Inc.</p> <p>February 2014   Director, The Daiei, Inc.</p> <p>April 2014      Executive Officer, Chief Operating Officer, Food Products Div., Marubeni Corporation</p> <p>April 2015      Executive Officer, Chief Operating Officer, Food Products Div., Marubeni Corporation</p> <p>April 2016      Managing Executive Officer, Chief Operating Officer, Food Products Div., Marubeni Corporation (to present)</p> <p>[Reasons to be nominated as candidate for Outside Director] Mr. Koji Yamazaki has abundant experience as a corporate manager and deep insight cultivated through that experience and is well versed in foods merchandising. Thus, in view of the importance of strategic and appropriate corporate operation, the Company considers him suitable for the position.</p> <p>[Special interests] Mr. Koji Yamazaki is Managing Executive Officer of Marubeni Corporation. Transactions between the U.S.M.H Group and the Marubeni Group include procurement of merchandise. The amount of transactions during this fiscal year was less than 3% of net sales of the U.S.M.H Group and negligible.</p>	0

(Notes)

1. The Company has entered into agreements with Mr. Shigekazu Torikai and Ms. Naoko Makino 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 agreements with them. Subject to approval of election of Mr. Koji Yamazaki, the Company intends to enter into such an agreement with him to limit his liability.
2. Of the candidates for Director, Mr. Shigekazu Torikai, Ms. Naoko Makino, and Mr. Koji Yamazaki are candidates for Outside Director.
3. Mr. Shigekazu Torikai and Ms. Naoko Makino satisfy the requirements for Independent Director prescribed by Tokyo Stock Exchange and the Company designated Mr. Shigekazu Torikai and Ms. Naoko Makino as Independent Directors prescribed by Tokyo Stock Exchange on which the Company's shares are listed and submitted a notification of the designation to the said Exchange. The Company considers that they satisfy 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 28, 2018. It does not include the number of shares of the Company held through the Executives' Shareholding Association.

**Proposal 3:** Election of Two (2) Corporate Auditors

Corporate Auditors Mr. Kazuo Hosoya and Mr. Masahiro Miyatake will resign at the conclusion of this year's Annual General Meeting of Shareholders. Accordingly the election of two (2) Corporate Auditors to succeed the resigning Corporate Auditors is proposed.

As Mr. Tatsuo Mizuhashi and Mr. Shigeru Koyama will be elected as substitutes for Mr. Kazuo Hosoya and Mr. Masahiro Miyatake, respectively, their terms of office will be until expiration of the terms of office of the resigning Corporate Auditors in accordance with the Articles of Incorporation of the Company.

The Company has specified the following matters as a policy for nomination of candidates for Corporate Auditor and all the candidates for Corporate Auditor satisfy these requirements. The Audit & Supervisory Board has previously given its approval to this proposal.

“Policy for Nomination of Candidates for Corporate Auditor”

Based on the management philosophy of the Company, the person shall audit execution of duties of Directors and prevent violation of laws and regulations or the Articles of Incorporation and also be capable of contributing to maintenance and improvement of sound management and social credibility of the Company. The person shall be capable of contributing to securing soundness of management by conducting audits from a neutral and objective perspective.

No.	Name (Date of birth)	Career summary, positions in the Company and significant concurrent positions	Number of shares of the Company held
1	Tatsuo Mizuhashi (August 11, 1954)  Newly appointed	<p>March 1977    Joined The Maruetsu, Inc.</p> <p>August 2002    Manager, Bakery and Food Service Department, Merchandise Division, The Maruetsu, Inc.</p> <p>September 2006    Manager, Delicatessen Department, Merchandise Division, The Maruetsu, Inc.</p> <p>March 2008    Manager, Sales Planning Department, Sales and Marketing Division, The Maruetsu, Inc.</p> <p>March 2009    Acting General Manager, Saitama Stores Division, The Maruetsu, Inc.</p> <p>March 2010    Manager, Kitasaitama Area Control Department, Sales and Marketing Control, The Maruetsu, Inc.</p> <p>March 2011    Manager, Store Planning Department, Development Division, The Maruetsu, Inc.</p> <p>March 2012    Deputy General Manager, General Affairs Division; Manager, Internal Control Office, The Maruetsu, Inc.</p> <p>May 2012    Executive Officer; General Manager, General Affairs Division; Manager, Internal Control Office, The Maruetsu, Inc.</p> <p>April 2013    General Manager, Sales and Marketing Division, The Maruetsu, Inc.</p> <p>March 2014    Assistant to President, The Maruetsu, Inc.</p> <p>May 2014    Full-time Corporate Auditor, The Maruetsu, Inc. (to present)</p> <p>[Reasons to be nominated as candidate for Corporate Auditor] Mr. Tatsuo Mizuhashi has abundant experience and deep insight through his service as an Executive Officer and a Corporate Auditor at The Maruetsu, Inc. The Company considers that his experience and insight make him suitable for the position.</p> <p>[Special interests] There are no special interests between Mr. Tatsuo Mizuhashi and the Company.</p>	11,766

No.	Name (Date of birth)	Career summary, positions in the Company and significant concurrent positions	Number of shares of the Company held
2	Shigeru Koyama (August 6, 1955) [Outside Corporate Auditor]  Newly appointed	<p>March 1979    Joined JUSCO Co., Ltd. (currently AEON CO., LTD.)</p> <p>May 2008     General Manager, Customer Service Department, JUSCO Co., Ltd</p> <p>September 2008 General Manager, General Affairs Department, Maxvalu Business Division, AEON Retail Co., Ltd.</p> <p>December 2009 Director, MAXVALU HOKURIKU CO., LTD.</p> <p>May 2012     Internal Audit Office, AEON CO., LTD.</p> <p>April 2013    Full-time Corporate Auditor, AEON MARKET CO., LTD. (to present)</p> <p>May 2014     Outside Corporate Auditor, SUNDAY CO., LTD.</p> <p>May 2015     Outside Director (Audit and Supervisory Committee Member), SUNDAY CO., LTD. (to present)</p> <p>[Reasons to be nominated as candidate for Outside Corporate Auditor] Mr. Shigeru Koyama has knowledge about business administration and abundant experience as an auditor and deep insight cultivated through that experience. The Company considers him suitable for the position, which role is to audit the Company's management from a neutral and objective perspective.</p> <p>[Special interests] There are no special interests between Mr. Shigeru Koyama and the Company.</p>	0

(Notes)

1. Of the candidates for Corporate Auditor, Mr. Shigeru Koyama is a candidate for Outside Corporate Auditor.
2. Mr. Shigeru Koyama currently serves as Full-time Corporate Auditor of AEON MARKET CO., LTD., a subsidiary of AEON CO., LTD., which is the Company's parent company. He also serves as Outside Director (Audit and Supervisory Committee Member) of SUNDAY CO., LTD., a subsidiary of AEON CO., LTD., and has been receiving remuneration for serving as a Director since May 2015.
3. The number of shares of the Company held is the number of shares of the Company held as of February 28, 2018. It does not include the number of shares of the Company held through the Executives' Shareholding Association.
4. Subject to the approval of this proposal, the Company intends to enter an agreement with Mr. Shigeru Koyama to limit his liability pursuant to Article 423, Paragraph 1 of the Companies Act to the minimum amount stipulated in Article 425 of the said Act.