

Note: This document has been translated from a part of the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail. The Company assumes no responsibility for this translation or for direct, indirect or any other forms of damages arising from the translation.

(Stock Exchange Code 9974)
May 10, 2019

To Shareholders with Voting Rights:

Takayuki Oshima
President and Representative
Director
Belc CO., LTD.
1646, Suneori,
Tsurugashima-shi, Saitama,
Japan

**NOTICE OF
THE 60TH ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

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

You are cordially invited to attend the 60th Annual General Meeting of Shareholders of Belc CO., LTD. (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 by electromagnetic means (the Internet, etc.). Please review the attached Reference Documents for the General Meeting of Shareholders, and exercise your voting rights by no later than 6:00 p.m. on Tuesday, May 28, 2019, Japan time.

[Exercising Voting Rights by Mail (in Writing)]

Please return the enclosed Voting Rights Exercise Form after indicating your consent/dissent for each proposal.

[Exercising Voting Rights by Electromagnetic Means (the Internet, etc.)]

Please enter your consent/dissent for each proposal on the Voting Rights Exercise Website designated by the Company (<https://evote.tr.mufg.jp/>).

Date and Time: Wednesday, May 29, 2019 at 10:00 a.m. Japan time (reception opens at 9:00 a.m.)

Place: Hou-ou Room, 2nd floor, Sakado Grand Hotel WIN (2-6-32 Sekima,
Sakado-shi, Saitama)
(Please refer to the attached “Guide to Meeting Venue for the General Meeting of Shareholders” (Japanese version only).)

Meeting Agenda:

- Matters to be reported:**
1. The Business Report, Consolidated Financial Statements for the Company’s 60th Fiscal Year (March 1, 2018 – February 28, 2019) and results of audit by the Accounting Auditor and the Audit & Supervisory Board of the Consolidated Financial Statements
 2. Non-consolidated Financial Statements for the Company’s 60th Fiscal Year (March 1, 2018 – February 28, 2019)

Proposals to be resolved:

- Proposal 1:** Distribution of Surplus
Proposal 2: Election of 12 Directors
Proposal 3: Election of 2 Audit & Supervisory Board Members
Proposal 4: Election of 1 Substitute Audit & Supervisory Board Member
Proposal 5: Payment of Retirement Benefits to Retiring Audit & Supervisory Board Member

- When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk.
Furthermore, if a shareholder is unable to attend the meeting, one other shareholder who holds voting rights of the Company may attend the General Meeting of Shareholders as a proxy. Please note, however, that the submission of a document proving the authority to represent shall be required.
- Of the documents accompanying this Notice, the “Notes to Consolidated Financial Statements” and “Notes to Non-consolidated Financial Statements” are posted on the website below, in accordance with laws and regulations and the provisions of Article 15 of the Company’s Articles of Incorporation, and therefore are not included in the documents accompanying this Notice.
Accordingly, the documents accompanying this Notice comprise part of the Consolidated Financial Statements and Non-consolidated Financial Statements audited by Audit & Supervisory Board Members and the Accounting Auditor when preparing their respective audit reports.
- The results of resolutions at this Annual General Meeting of Shareholders will be posted on the website below after the conclusion of this Annual General Meeting of Shareholders, in lieu of sending notification of resolutions in writing.
- Should matters in the Business Report, Non-consolidated Financial Statements, Consolidated Financial Statements, and Reference Documents for the General Meeting of Shareholders require revisions, the revised versions will be posted on the website below.

The Company’s website: (<https://www.belc.jp/company>)

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal 1: Distribution of Surplus

The Company proposes a distribution of surplus as follows.

1. Items Related to the Year-end Dividend

Taking into consideration business performance in the fiscal year under review, future business development, and other factors, the Company proposes a year-end dividend for the Company's 60th fiscal year consisting of an ordinary dividend in addition to a commemorative dividend for the 60th fiscal year as follows.

(1) Items related to the allocation of dividend property to shareholders and its total amount

36 yen per common share of the Company (Ordinary dividend: 34 yen; Commemorative dividend for the 60th fiscal year: 2 yen)

Total of 751,208,400 yen

(Note) The annual dividend for the fiscal year under review, including the interim dividend, will be 70 yen per share.

(2) Date the distribution of surplus comes into effect

May 30, 2019

2. Other Items Related to the Distribution of Surplus

In order to prepare for sound business development and strengthen the Company's financial position, taking into consideration the future business environment, the Company proposes a distribution of surplus as follows.

(1) Surplus item to be increased and amount of increase

| | |
|-----------------|-------------------|
| General reserve | 4,000,000,000 yen |
|-----------------|-------------------|

(2) Surplus item to be decreased and amount of decrease

| | |
|-----------------------------------|-------------------|
| Retained earnings brought forward | 4,000,000,000 yen |
|-----------------------------------|-------------------|

Proposal 2: Election of 12 Directors

The terms of office of all 12 incumbent Directors will expire at the conclusion of this General Meeting of Shareholders. Accordingly, the election of 12 Directors is proposed.

The candidates for Director are as follows.

Policy and Procedures for the Nomination of Candidates for Director

When nominating candidates for Director, the Company nominates persons with the knowledge and experience to execute the management of the Company in an accurate, fair, and efficient manner. In addition, the Board of Directors shall be an appropriate structure, consisting of personnel from diverse backgrounds with a balance of knowledge, experience, and abilities, of a size that promotes prompt decision-making.

In regard to the procedures for nominating candidates for Director, the Board of Directors determines candidates after explanation and deliberation of the reasons for their nomination, and discloses the reasons for their nomination.

| No. | Name | Current positions and responsibilities |
|-----|-----------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1 | [Reappointment] [Male] Tamotsu Harashima | Chairman of the Board of Directors |
| 2 | [Reappointment] [Male] Takayuki Oshima | President and Representative Director |
| 3 | [Reappointment] [Male] Issei Harashima | Representative Director; Senior Managing Director; General Manager of Sales Headquarters |
| 4 | [Reappointment] [Male] Hideo Ueda | Managing Director; General Manager of Administration Headquarters |
| 5 | [Reappointment] [Male] Yoichiro Harashima | Managing Director; General Manager of Grocery Control Department; General Manager of Logistics Control Department; General Manager of Bakery Department |
| 6 | [Reappointment] [Male] Shuji Watanabe | Director; General Manager of Finance and Accounting Department |
| 7 | [Reappointment] [Male] Hatsuo Takano | Director; General Manager of Systems Reform Department |
| 8 | [Reappointment] [Male] Mitsuhiro Nakamura | Director; General Manager of Sales and Operation Department; General Manager of Checker Department |
| 9 | [Reappointment] [Male] Yoshihiro Osugi | Director; General Manager of Human Resources Development Department |
| 10 | [Reappointment] [Male] Kanji Ueda | Director; General Manager of Development Headquarters |
| 11 | [Reappointment] [Female] [Outside] [Independent Officer] Tomoko Furukawa | Outside Director |
| 12 | [Reappointment] [Male] [Outside] [Independent Officer] Shohei Murai | Outside Director |

No.

1

Tamotsu Harashima

[Reappointment]

[Male]

| Date of birth | July 3, 1957 | Number of shares of the Company held | 499,020 |
|------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|---------|
| Past experience, positions, responsibilities, and significant concurrent positions | April 1984 Joined the Company February 1995 General Manager of Sales Department May 1995 Director; General Manager of Sales Department May 1997 Managing Director; General Manager of Sales Department March 2001 Managing Director; General Manager of Merchandise Headquarters May 2002 Senior Managing Director; General Manager of Merchandise Headquarters May 2006 Senior Managing Director; General Manager of Administration Headquarters May 2014 Vice Chairman April 2015 Chairman of the Board of Directors (to present) | | |
| Reason for nomination as candidate for Director | Mr. Tamotsu Harashima serves as Chairman of the Board of Directors of the Company and possesses abundant experience and knowledge related to corporate management and business strategy. Since he is expected to be suitable as a manager and supervisor in business management in general from a wide-ranging and high-level perspective, the Company has judged that he is appropriately qualified to be a Director of the Company and nominated him as a candidate for Director. | | |

No.

2

Takayuki Oshima

[Reappointment]

[Male]

| Date of birth | April 1, 1955 | Number of shares of the Company held | 8,700 |
|------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|-------|
| Past experience, positions, responsibilities, and significant concurrent positions | March 1979 Joined the Company March 1992 General Manager of Store Operation Department May 1994 Director; General Manager of Store Operation Department February 1997 Director; General Manager of Merchandise Department I March 2001 Director; General Manager of Store Operation Department May 2002 Managing Director; General Manager of Store Operation Department May 2006 Managing Director; General Manager of Fresh Food Products Department March 2007 Managing Director; Representative of Fresh Food Products March 2009 Managing Director; Representative of Fresh Food Products; General Manager of Food Control Office July 2009 Managing Director; General Manager of Sales and Operation Department February 2013 Managing Director; General Manager of Sales Headquarters; General Manager of Sales and Operation Department December 2013 Managing Director; General Manager of Sales and Operation Department April 2014 Representative Director; Senior Managing Director; General Manager of Sales and Operation Department April 2014 Representative Director; Senior Managing Director May 2014 President and Representative Director February 2015 President and Representative Director; General Manager of Merchandise Headquarters April 2015 President and Representative Director (to present) (Significant concurrent positions) President and Representative Director, Home Delica Co. LTD. President and Representative Director, JOYTECH Co. LTD. | | |
| Reason for nomination as candidate for Director | Mr. Takayuki Oshima serves as President and Representative Director of the Company and possesses abundant experience and achievements as a corporate manager. He has demonstrated leadership skills in corporate management and possesses appropriate personal quality as a corporate manager, and the Company has thus judged that he is appropriately qualified to be a Director of the Company and nominated him as a candidate for Director. | | |

No.
3

Issei Harashima

[Reappointment]

[Male]

| Date of birth | May 22, 1978 | Number of shares of the Company held | 380,710 |
|------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|---------|
| Past experience, positions, responsibilities, and significant concurrent positions | <p>March 2005 Joined the Company</p> <p>February 2012 General Manager of Confectionary Department</p> <p>May 2013 General Manager Attached to General Manager of Administration Headquarters</p> <p>May 2013 Director; General Manager Attached to General Manager of Administration Headquarters</p> <p>December 2013 Director; General Manager Attached to General Manager of Sales Headquarters</p> <p>May 2014 Senior Managing Director; General Manager of Sales Headquarters</p> <p>April 2015 Representative Director; Senior Managing Director; General Manager of Sales Headquarters (to present)</p> | | |
| Reason for nomination as candidate for Director | <p>Mr. Issei Harashima serves as Representative Director and Senior Managing Director and possesses abundant insight and achievements as a corporate manager. He has demonstrated appropriate discernment and decision-making skills in corporate management, and the Company has thus judged that he is appropriately qualified to be a Director of the Company and nominated him as a candidate for Director.</p> | | |

No.
4

Hideo Ueda

[Reappointment]

[Male]

| Date of birth | January 24, 1964 | Number of shares of the Company held | 10,500 |
|------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|--------|
| Past experience, positions, responsibilities, and significant concurrent positions | <p>April 1986 Joined the Company</p> <p>February 2003 General Manager of Information Systems Department</p> <p>May 2004 Corporate Officer; General Manager of Information Systems Department</p> <p>January 2006 Corporate Officer; General Manager of Sales Planning Department</p> <p>May 2006 Director; General Manager of Sales Planning Department</p> <p>February 2009 Director; General Manager of Corporate Planning Department</p> <p>May 2014 Managing Director; General Manager of Administration Headquarters and Corporate Planning Department</p> <p>July 2015 Managing Director; General Manager of Administration Headquarters (to present)</p> | | |
| Reason for nomination as candidate for Director | <p>Mr. Hideo Ueda has held management positions in charge of the sales planning and information systems departments, in addition to the corporate planning department, and possesses abundant experience and achievements. The Company has judged from his experience and insight that he is appropriately qualified to be a Director of the Company and therefore nominated him as a candidate for Director.</p> | | |

No.
5

Yoichiro Harashima

[Reappointment]

[Male]

| Date of birth | July 30, 1966 | Number of shares of the Company held | 10,500 |
|------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|--------|
| Past experience, positions, responsibilities, and significant concurrent positions | <p>April 1990 Joined the Company</p> <p>January 2004 General Manager of Logistics Department</p> <p>May 2004 Corporate Officer; General Manager of Logistics Department</p> <p>May 2006 Director; General Manager of Store Operation Department</p> <p>March 2007 Director; General Manager of Sales and Operation Department</p> <p>July 2009 Director; Representative of Fresh Food Products; General Manager of Food Control Office</p> <p>June 2012 Director; General Manager of Merchandise Control Department</p> <p>August 2012 Director; General Manager of Merchandise Control Department and Grocery Control Department</p> <p>March 2013 Director; General Manager of Grocery Control Department</p> <p>May 2014 Director; General Manager of Grocery Control Department and Bakery Department</p> <p>November 2014 Director; General Manager of Grocery Control Department and Logistics Control Department; General Manager of Bakery Department</p> <p>May 2017 Managing Director; General Manager of Grocery Control Department and Logistics Control Department; General Manager of Bakery Department (to present)</p> | | |
| Reason for nomination as candidate for Director | Mr. Yoichiro Harashima has held management positions in charge of sales departments in general, and possesses abundant experience and achievements. The Company has judged from his experience and insight that he is appropriately qualified to be a Director of the Company and therefore nominated him as a candidate for Director. | | |

No.
6

Shuji Watanabe

[Reappointment]

[Male]

| Date of birth | April 18, 1966 | Number of shares of the Company held | 3,800 |
|------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|-------|
| Past experience, positions, responsibilities, and significant concurrent positions | <p>May 1996 Joined the Company</p> <p>April 2005 General Manager of Finance and Accounting Department</p> <p>May 2007 Corporate Officer; General Manager of Finance and Accounting Department</p> <p>May 2010 Director; General Manager of Finance and Accounting Department (to present)</p> | | |
| Reason for nomination as candidate for Director | Mr. Shuji Watanabe possesses abundant experience and achievements as a manager in charge of the finance and accounting department. The Company has judged from his experience and insight that he is appropriately qualified to be a Director of the Company and therefore nominated him as a candidate for Director. | | |

No.
7

Hatsuo Takano

[Reappointment]

[Male]

| Date of birth | September 27, 1963 | Number of shares of the Company held | 2,300 |
|------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|-------|
| Past experience, positions, responsibilities, and significant concurrent positions | <p>April 1987 Joined the Company</p> <p>October 2006 General Manager of Operation System Reform Department</p> <p>May 2008 Corporate Officer; General Manager of Operation System Reform Department</p> <p>September 2011 Corporate Officer; General Manager of Systems Reform Department</p> <p>May 2015 Director; General Manager of Systems Reform Department (to present)</p> | | |
| Reason for nomination as candidate for Director | Mr. Hatsuo Takano has abundant experience and achievements as a manager in charge of operational efficiency improvement. The Company has judged from his experience and insight that he is appropriately qualified to be a Director of the Company and therefore nominated him as a candidate for Director. | | |

No.
8

Mitsuhiro Nakamura

[Reappointment]

[Male]

| Date of birth | July 10, 1969 | Number of shares of the Company held | 1,900 |
|------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|-------|
| Past experience, positions, responsibilities, and significant concurrent positions | April 1992 Joined the Company December 2013 General Manager of Checker Department April 2014 General Manager of Sales and Operation Department and Checker Department May 2014 Corporate Officer; General Manager of Sales and Operation Department and Checker Department May 2015 Director; General Manager of Sales and Operation Department; General Manager of Checker Department (to present) | | |
| Reason for nomination as candidate for Director | Mr. Mitsuhiro Nakamura has abundant insight and achievements as a manager in charge of the sales and operation department. The Company has judged from his experience and insight that he is appropriately qualified to be a Director of the Company and therefore nominated him as a candidate for Director. | | |

No.
9

Yoshihiro Osugi

[Reappointment]

[Male]

| Date of birth | March 16, 1975 | Number of shares of the Company held | 3,400 |
|------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|-------|
| Past experience, positions, responsibilities, and significant concurrent positions | April 1997 Joined the Company April 2013 General Manager of Human Resources Development Department May 2014 Corporate Officer; General Manager of Human Resources Development Department May 2015 Director; General Manager of Human Resources Development Department (to present) | | |
| Reason for nomination as candidate for Director | Mr. Yoshihiro Osugi has abundant insight and achievements as a manager in charge of the human resources development department. The Company has judged from his experience and insight that he is appropriately qualified to be a Director of the Company and therefore nominated him as a candidate for Director. | | |

No.
10

Kanji Ueda

[Reappointment]

[Male]

| Date of birth | March 5, 1965 | Number of shares of the Company held | 1,500 |
|------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|-------|
| Past experience, positions, responsibilities, and significant concurrent positions | May 2002 Joined the Company May 2005 General Manager of Store Development Department I September 2007 General Manager of Store Development Department April 2016 Corporate Officer; General Manager of Development Headquarters and Store Development Department May 2016 Director; General Manager of Development Headquarters and Store Development Department September 2016 Director; General Manager of Development Headquarters (to present) | | |
| Reason for nomination as candidate for Director | Mr. Kanji Ueda has abundant experience and achievements as a manager in charge of the store development department. The Company has judged from his experience and insight that he is appropriately qualified to be a Director of the Company and therefore nominated him as a candidate for Director. | | |

| No. 11 | Tomoko Furukawa | [Reappointment] | [Candidate for Outside Director] | [Independent Officer] [Female] |
|------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|-----------------------------------|
| Date of birth | February 25, 1951 | | Number of shares of the Company held | — |
| Past experience, positions, responsibilities, and significant concurrent positions | April 1973 April 2000 January 2001 May 2016 | Joined Wakodo Co., Ltd. Instructor of Correspondence Course, Kagawa Nutrition University Lifelong Study Tutor (to present) Outside Director, the Company (to present) | | |
| Reason for nomination as candidate for Outside Director | Ms. Tomoko Furukawa has never been directly involved in corporate management, but she has served as a lecturer at an undergraduate school of nutrition sciences of a university over many years, and has provided accurate advice and opinions at meetings of the Board of Directors of the Company, based on her abundant knowledge about food. The Company has judged that she is capable of continuing to sufficiently fulfill her role as an Outside Director of the Company, and therefore nominated her as a candidate for Outside Director. | | | |
| Independence | The Company has designated Ms. Tomoko Furukawa as an Independent Officer, pursuant to the rules of the Tokyo Stock Exchange, and if her election is approved, she is expected to continue to be an Independent Officer. | | | |
| Liability limitation agreement | The Company has entered into an agreement with Ms. Tomoko Furukawa to limit her liability for damages as provided for in Article 423, Paragraph 1 of the Companies Act, in accordance with the provisions of Article 427, Paragraph 1 of the same. If her reelection is approved, the Company intends to continue the above liability limitation agreement with her. The maximum amount of liability for damages based on this agreement shall be the higher of five million yen or the minimum amount provided for in Article 425, Paragraph 1 of the same. | | | |

| No. 12 | Shohei Murai | [Reappointment] | [Candidate for Outside Director] | [Independent Officer] [Male] |
|------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|------------------------------|
| Date of birth | March 30, 1950 | Number of shares of the Company held | | — |
| Past experience, positions, responsibilities, and significant concurrent positions | March 1974 May 2004 May 2006 April 2008 April 2009 May 2009 March 2011 March 2013 May 2013 February 2015 March 2016 May 2017 May 2017 June 2017 (Significant concurrent positions) Adviser, AEON CO., LTD. Outside Director, INAGEYA CORPORATION | Joined JUSCO Co., Ltd. (currently AEON CO., LTD.) Managing Executive Officer Senior Managing Executive Officer President and Representative Director, AEON Retail Co., Ltd. CEO of General Merchandise Store Business, AEON CO., LTD. Executive Officer Senior Managing Executive Officer Representative Director; Chairman, AEON Retail Co., Ltd. President and CEO, The Daiei, Inc. Executive Officer, AEON CO., LTD. In charge of Supermarket Reform In charge of Supermarket and Drugstore Businesses Adviser (to present) Outside Director, the Company (to present) Outside Director, INAGEYA CORPORATION (to present) | | |
| Reason for nomination as candidate for Outside Director | Mr. Shohei Murai possesses abundant achievements and insight as incumbent Advisor at AEON CO., LTD. The Company has judged from his achievements and experience that he is capable of continuing to sufficiently fulfill his role as Outside Director of the Company, and therefore nominated him as a candidate for Outside Director. | | | |
| Independence | The Company has designated Mr. Shohei Murai as an Independent Officer, pursuant to the rules of the Tokyo Stock Exchange, and if his election is approved, he is expected to continue to be an Independent Officer. | | | |
| Liability limitation agreement | The Company has entered into an agreement with Mr. Shohei Murai to limit his liability for damages as provided for in Article 423, Paragraph 1 of the Companies Act, in accordance with the provisions of Article 427, Paragraph 1 of the same. If his reelection is approved, the Company intends to continue the above liability limitation agreement with him. The maximum amount of liability for damages based on this agreement shall be the higher of five million yen or the minimum amount provided for in Article 425, Paragraph 1 of the same. | | | |

- (Notes)
1. Special interests between each candidate and the Company are as follows.
 - (1) Mr. Shohei Murai serves concurrently as Advisor of AEON CO., LTD., which is a major shareholder and business alliance partner of the Company.
 - (2) There are no special interests between any other candidate and the Company.
 2. Ms. Tomoko Furukawa and Mr. Shohei Murai are candidates for Outside Director.
 3. Ms. Tomoko Furukawa's term of office as Outside Director will be three years at the conclusion of this General Meeting of Shareholders.
 4. Mr. Shohei Murai's term of office as Outside Director will be two years at the conclusion of this General Meeting of Shareholders.
 5. Other than the above, there are no matters to be noted in regard to matters to be stated in proposals related to the election of Directors, as provided for in Article 74 of the Regulation for Enforcement of the Companies Act.

Proposal 3: Election of 2 Audit & Supervisory Board Members

The term of office of incumbent Audit & Supervisory Board Members, Mr. Yoshihisa Senoo and Mr. Masumi Tokunaga, will expire at the conclusion of this General Meeting of Shareholders. Accordingly, the election of two Audit & Supervisory Board Members is proposed. In addition, incumbent Audit & Supervisory Board Member, Mr. Yoshihisa Senoo, will retire at the conclusion of this General Meeting of Shareholders.

Furthermore, the consent of the Audit & Supervisory Board has been obtained in regard to the submission of this Proposal.

The candidates for Audit & Supervisory Board Member are as follows.

Policy and Procedures for the Nomination of Candidates for Audit & Supervisory Board Member

When nominating candidates for Audit & Supervisory Board Member, the Company nominates persons with the knowledge and experience to audit the execution of duties by Directors in an accurate, fair, and efficient manner.

In regard to the procedures for nominating candidates for Audit & Supervisory Board Member, the Board of Directors first obtains the consent of the Audit & Supervisory Board, then determines candidates after explanation and deliberation of the reasons for their nomination, and discloses the reasons for their nomination.

| No. 1 | Shigeru Sugimura | [New appointment] | [Candidate for Outside Audit & Supervisory Board Member] | [Independent Officer] [Male] |
|------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------|------------------------------|
| | Date of birth | June 24, 1953 | Number of shares of the Company held | — |
| Past experience, positions, and significant concurrent positions | April 1976 | Joined MARUI CO., LTD. (currently MARUI GROUP CO., LTD.) | | |
| | January 1997 | General Manager of Personnel Division | | |
| | January 2002 | General Manager of Accounting Department | | |
| | October 2003 | General Manager of Group Financial Department, MARUI CO., LTD., and Managing Director, Marui Smart Support Co., Ltd. | | |
| | March 2006 | Full-time Audit & Supervisory Board Member, MRI Co., Ltd. | | |
| | June 2006 | Full-time Audit & Supervisory Board Member, Zero First Co., Ltd. | | |
| | March 2008 | Full-time Audit & Supervisory Board Member, Epos Card Co., Ltd. | | |
| | October 2009 | Director, MRI Co., Ltd. | | |
| | June 2018 | Audit & Supervisory Board Member, Nissan-Satio-Saitama Co., Ltd. (to present) | | |
| | | Audit & Supervisory Board Member, Motoren Shizuoka Co., Ltd. (to present) | | |
| Reason for nomination as candidate for Outside Audit & Supervisory Board Member | (Significant concurrent positions) | | | |
| | Audit & Supervisory Board Member, Nissan-Satio-Saitama Co., Ltd. | | | |
| | Audit & Supervisory Board Member, Motoren Shizuoka Co., Ltd. | | | |
| Independence | Mr. Shigeru Sugimura has experience in a wide range of industries including the distribution industry and possesses abundant achievements and insight. The Company has judged from his achievements and experience that he is capable of sufficiently fulfilling his role as Outside Audit & Supervisory Board Member of the Company, and therefore nominated him as a candidate for Outside Audit & Supervisory Board Member. | | | |
| Liability limitation agreement | Subject to the approval of this Proposal, the Company has designated Mr. Shigeru Sugimura as an Independent Officer, pursuant to the rules of the Tokyo Stock Exchange. | | | |
| | If Mr. Shigeru Sugimura assumes office as an Audit & Supervisory Board Member, the Company intends to enter into an agreement with him to limit his liability for damages as provided for in Article 423, Paragraph 1 of the Companies Act, in accordance with the provisions of Article 427, Paragraph 1 of the same. The maximum amount of liability for damages based on this agreement shall be the higher of five million yen or the minimum amount provided for in Article 425, Paragraph 1 of the same. | | | |

| No. 2 | Masumi Tokunaga | [Reappointment] | [Candidate for Outside Audit & Supervisory Board Member] | [Independent Officer] [Male] |
|------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------|------------------------------|
| Date of birth | July 26, 1955 | Number of shares of the Company held | | — |
| Past experience, positions, and significant concurrent positions | April 1992 September 1994 April 2006 April 2010 January 2019 | Registered as attorney Served at Tajima Law Office Established Tokunaga Law Office, Head (to present) Vice Chairman, Saitama Bar Association Chief, Kawagoe Branch, Saitama Bar Association Audit & Supervisory Board Member, the Company (to present) | | |
| Reason for nomination as candidate for Outside Audit & Supervisory Board Member | Although Mr. Masumi Tokunaga has never been involved in corporate management, other than by serving as an Outside Director or Outside Audit & Supervisory Board Member, he possesses wide-ranging insight centered on legal matters, based on his experience as an attorney. The Company has thus judged that he is capable of sufficiently fulfilling his role as an Outside Audit & Supervisory Board Member of the Company, and therefore nominated him as a candidate for Outside Audit & Supervisory Board Member. | | | |
| Independence | The Company has designated Mr. Masumi Tokunaga as an Independent Officer, pursuant to the rules of the Tokyo Stock Exchange, and if his election is approved, he is expected to continue to be an Independent Officer. | | | |
| Liability limitation agreement | The Company has entered into an agreement with Mr. Masumi Tokunaga to limit his liability for damages as provided for in Article 423, Paragraph 1 of the Companies Act, in accordance with the provisions of Article 427, Paragraph 1 of the same. If his reelection is approved, the Company intends to continue the above liability limitation agreement with him. The maximum amount of liability for damages based on this agreement shall be the higher of five million yen or the minimum amount provided for in Article 425, Paragraph 1 of the same. | | | |

- (Notes)
1. There are no special interests between each candidate and the Company.
 2. Mr. Shigeru Sugimura is scheduled to retire as Audit & Supervisory Board Member of Nissan-Satio-Saitama Co., Ltd. and Audit & Supervisory Board Member of Motoren Shizuoka Co., Ltd. in June 2019.
 3. Mr. Shigeru Sugimura and Mr. Masumi Tokunaga are candidates for Outside Audit & Supervisory Board Member.
 4. Mr. Masumi Tokunaga is currently an Outside Audit & Supervisory Board Member of the Company, and his term of office as Outside Audit & Supervisory Board Member will be five months at the conclusion of this General Meeting of Shareholders.
 5. Other than the above, there are no matters to be noted in regard to matters to be stated in proposals related to the election of Audit & Supervisory Board Members, as provided for in Article 76 of the Regulation for Enforcement of the Companies Act.

Proposal 4: Election of 1 Substitute Audit & Supervisory Board Member

The effectiveness of the current election of the Substitute Audit & Supervisory Board Member shall expire at the commencement of this General Meeting of Shareholders. Accordingly, in order to prepare for cases where the number of Audit & Supervisory Board Members falls below the number prescribed by laws and regulations, the election of one Substitute Audit & Supervisory Board Member is proposed.

If the candidate assumes office as an Audit & Supervisory Board Member, his term of office shall be the remaining term of office of his predecessor.

Furthermore, the consent of the Audit & Supervisory Board has been obtained in regard to the submission of this Proposal.

The candidate for Substitute Audit & Supervisory Board Member is as follows.

Policy and Procedures for the Nomination of Candidates for Substitute Audit & Supervisory Board Member

When nominating candidates for Substitute Audit & Supervisory Board Member, the Company nominates persons with the knowledge and experience to audit the execution of duties by Directors in an accurate, fair, and efficient manner.

In regard to the procedures for nominating candidates for Substitute Audit & Supervisory Board Member, the Board of Directors first obtains the consent of the Audit & Supervisory Board, then determines candidates after explanation and deliberation of the reasons for their nomination, and discloses the reasons for their nomination.

Tomoaki Machida

[Candidate for Substitute
Outside Audit & Supervisory
Board Member]

[Male]

| Date of birth | January 31, 1954 | Number of shares of the Company held | — |
|--------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|---|
| Past experience, positions, and significant concurrent positions | <p>April 1986 Registered as attorney Served at Sekii Law Office</p> <p>March 1992 Established Hagiwara & Machida Law Office, Head</p> <p>October 2005 Established Machida Tomoaki Law Office, Head (to present)</p> <p>April 2006 Vice Chairman, Saitama Bar Association</p> <p>July 2007 Chairman, Public Procurement Monitoring Committee, Saitama Labour Bureau, Ministry of Health, Labour and Welfare (to present)</p> <p>January 2018 Outside Audit & Supervisory Board Member, Fiveishome Co., Ltd. (to present)</p> <p>(Significant concurrent positions) Outside Audit & Supervisory Board Member, Fiveishome Co., Ltd.</p> | | |
| Reason for nomination as candidate for Substitute Outside Audit & Supervisory Board Member | <p>Although Mr. Tomoaki Machida has never been involved in corporate management, other than by serving as an Outside Director or Outside Audit & Supervisory Board Member, he possesses wide-ranging insight centered on legal matters, based on his experience as an attorney. The Company has thus judged that he is capable of appropriately executing his duties as an Outside Audit & Supervisory Board Member, and therefore nominated him as a candidate for Substitute Outside Audit & Supervisory Board Member.</p> | | |
| Independence | <p>If Mr. Tomoaki Machida assumes office as an Outside Audit & Supervisory Board Member, the Company intends to designate him as an Independent Officer, pursuant to the rules of the Tokyo Stock Exchange.</p> | | |
| Liability limitation agreement | <p>If Mr. Tomoaki Machida assumes office as an Audit & Supervisory Board Member, the Company intends to enter into an agreement with him to limit his liability for damages as provided for in Article 423, Paragraph 1 of the Companies Act, in accordance with the provisions of Article 427, Paragraph 1 of the same. The maximum amount of liability for damages based on this agreement shall be the higher of five million yen or the minimum amount provided for in Article 425, Paragraph 1 of the same.</p> | | |

- (Notes)
1. There are no special interests between the candidate and the Company.
 2. Mr. Tomoaki Machida is a candidate for Substitute Outside Audit & Supervisory Board Member.
 3. Other than the above, there are no matters to be noted in regard to matters to be stated in proposals related to the election of Audit & Supervisory Board Members, as provided for in Article 76 of the Regulation for Enforcement of the Companies Act.

Proposal 5: Payment of Retirement Benefits to Retiring Audit & Supervisory Board Member

As of the conclusion of this General Meeting of Shareholders, Mr. Yoshihisa Senoo will retire as Audit & Supervisory Board Member due to expiration of his term of office. In order to reward his services during his term of office, the Company proposes the payment of retirement benefits within an appropriate range, in line with specified standards of the Company.

The Company requests that specific amounts, timing of payment, methods, etc., be delegated to the discussion by Audit & Supervisory Board Members.

The past experience of the retiring Audit & Supervisory Board Member is as follows:

| Name | Past experience |
|-----------------|-------------------------------------------------------------------------------|
| Yoshihisa Senoo | May 2007 Full-time Audit & Supervisory Board Member, the Company (to present) |