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Securities Code 8198  
May 8, 2019

## To Those Shareholders with Voting Rights

Keiji Kamio  
President, Representative Director  
Maxvalu Tokai Co., Ltd.  
303-1 Shimonagakubo, Nagaizumi-cho,  
Sunto-gun, Shizuoka Prefecture

## NOTICE OF THE 57TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

You are cordially invited to attend the 57th Ordinary General Meeting of Shareholders of the Company. The meeting will be held as described below.

**If you attend the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk on arrival at the meeting. If you are unable to attend the meeting, you can exercise your voting rights by mail or via the internet. Please review the Reference Documents for the General Meeting of Shareholders, and exercise your voting rights by Thursday, May 23, 2019 at 6:00 p.m.**

- 1. Date and Time:** Friday, May 24, 2019 at 10:00 a.m.
- 2. Place:** RIVER SIDE HOTEL NUMAZU, 4F, SHANGRI-LA  
100-1, Agetsuchi-cho, Numazu-shi, Shizuoka Prefecture
- 3. Agenda of the Meeting:**  
**Matters to be reported:**
  1. Business Report, Consolidated Financial Statements, and results of audits by the Independent Auditor and by the Board of Corporate Auditors of the Consolidated Financial Statements for the 57th Fiscal Year (from March 1, 2018 to February 28, 2019)
  2. Non-consolidated Financial Statements for the 57th Fiscal Year (from March 1, 2018 to February 28, 2019)

**Proposals to be resolved:**

- Proposal No. 1:** Approval of Absorption-type Merger Agreement  
**Proposal No. 2:** Partial Amendments to the Articles of Incorporation  
**Proposal No. 3:** Election of Six Directors  
**Proposal No. 4:** Election of Three Directors upon Merger  
**Proposal No. 5:** Election of Two Corporate Auditors  
**Proposal No. 6:** Election of One Corporate Auditor upon Merger

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For those attending, please present the enclosed Voting Rights Exercise Form at the reception desk on arrival at the meeting.

Subsequent amendments to the Reference Documents for the General Meeting of Shareholders, Business Report, Consolidated Financial Statements and Non-consolidated Financial Statements (if any) will be listed on the Company's website ([http://www.mv-tokai.com/ir/settlement\\_public.html](http://www.mv-tokai.com/ir/settlement_public.html)).

Among the documents required to be provided, the Company, pursuant to the laws and regulations and the provisions in Article 16 of the Company's Articles of Incorporation, posts the following items on the Company's website ([http://www.mv-tokai.com/ir/settlement\\_public.html](http://www.mv-tokai.com/ir/settlement_public.html)), therefore, they are not included in this convocation notice.

- Notes to the Consolidated Financial Statements, and Notes to the Non-consolidated Financial Statements, as well as Details of the Financial Statements, etc. for the final fiscal year of Maxvalu Chubu Co., Ltd. to be included in Proposal No. 1: Approval of Absorption-type Merger Agreement.

## **Reference Documents for the General Meeting of Shareholders**

### **Proposal No. 1: Approval of Absorption-type Merger Agreement**

On April 10, 2019, the respective Boards of Directors of the Company and Maxvalu Chubu Co., Ltd. (hereinafter, “MV Chubu”) resolved to implement a merger (hereinafter, the “Merger”) with an effective date of September 1, 2019, whereby the Company is to be the surviving company and MV Chubu is to be the disappearing company, and subsequently concluded a merger agreement (hereinafter, the “Merger Agreement”). We, herein, request your approval of the Merger Agreement. The purpose of the Merger, details of the Merger Agreement and other matters related to this Proposal are as follows.

#### **1. Purpose of the Merger**

The environment surrounding “food” in Japan has been changing significantly. The changes in the mindsets of customers include a “price-saving consciousness” that has developed against a backdrop of a stagnant growth of income, an increase in living expenses in old age due to extended lifespans, and easier price comparison due to progress in digitization with smart phones, etc., as well as other “diversified consumer preferences for food,” such as “health consciousness,” which values natural and organic products, and “locally-grown consciousness,” which prefers fresh and delicious products grown close to consumers, and a remarkable increase in time-saving requirements such as households with senior citizens and dual-income households where both partners work. It is becoming increasingly important for us to provide customers with merchandise, stores, and services that respond to the lifestyle changes stated above.

The changes in the business environment include cross-industry competitions between drugstores, convenience stores, and home delivery services, etc., as well as intensifying competition surrounding the borderless “food” market brought about by the mounting prominence of e-commerce and “changes in the labor market” which feature continually high labor costs brought about by increasing difficulties in securing personnel and climbing minimum wages and social security contributions due to a decrease in the working age population, and the pressing need to develop new business models for the future which shift away from the current model of labor-intensive operations.

The Company and MV Chubu, companies engaged in the supermarket business in Kanagawa Prefecture, Yamanashi Prefecture, Shizuoka Prefecture, Aichi Prefecture, Mie Prefecture, Gifu Prefecture and Shiga Prefecture (hereinafter, collectively referred to as the “Tokai-Chubu Area”), have been specifically examining the potential of restructuring the supermarket business structure in the Tokai-Chubu Area.

The environment surrounding food-providing supermarkets is constantly shifting through transformative changes in customer lifestyles and changes in social structures, including the declining birthrate and aging population, the decrease in average family sizes, women's active participation in workforce, and intensifying competition involving players from other industries. In response to the customer needs diversifying every day, the Company strives to provide merchandise and services which facilitate healthy and affluent eating habits for customers, while improving future competitiveness by promoting community-based business which features the unique traits of regional and independent stores. In order to achieve this, it is essential to further expand business and increase profit margins, and the Company recognized that in order to achieve these goals, it would be necessary to expand the area of business development and increase the market share within the area, while strengthening merchandise development and merchandise procurement capabilities. In this business environment, the Company began examining the potential of a merger in late January 2018, and had multiple meetings regularly which included officers from both the Company and MV Chubu to discuss and consider the merger plan. As a result of these considerations, the Company reached the conclusion that a merger with MV Chubu would make it possible for the Company to expand the areas it serves to other areas with high geographic affinity, and that the know-how of operating in urban areas that MV Chubu cultivated in the Nagoya area, one of the largest metropolitan areas in Japan, would work in the areas that the Company currently serves, and that the merchandising know-how that MV Chubu accumulated in the diverse food cultures of Mie Prefecture, its place of origin would be useful in strengthening the Company’s merchandise development and merchandise procurement capabilities. Determining that through this process, it would be possible for the Company to expand business and increase profit margins and that transferring the Company’s discount store business to AEON BIG CO., LTD. (hereinafter, “AEON BIG”) prior to the merger and concentrating management resources on the highly profitable supermarket business would lead to a further improvement in the profit margins, the Company concluded a basic agreement with MV Chubu on October 10, 2018. After entering into the basic agreement, the Company held repeated discussions with MV Chubu, AEON CO., LTD. (hereinafter, “AEON”), and AEON BIG regarding mergers and splits at regular meetings of the Merger Preparation Committee and its subcommittees, and accomplished further extensive discussions on management policies, operational systems, etc., after the possible

merger. At the same time, the Company performed deliberate consideration of the effects the merger would have on the shareholders and the stockholders. Based on those discussions, these related parties agreed that the merger and split as mentioned above would enable them to surmount the remarkably diverse and complicated environmental changes as they further promote community-based management in the Tokai-Chubu Area and be exceedingly beneficial in improving corporate value. As a result, the parties concluded a merger agreement on April 10, 2019.

Through the merger, the Company considers that the merger would enable it to further promote business operations that cohere with local communities and increase the potential to contribute to the improvement of corporate value based on the following strategies.

(1) Enhancing sales capabilities by combining existing resources

The Company will work to enhance existing sales capabilities by sharing and combining know-how in producing and operating sales plans for relevant seasons and events, and mutually supporting each other in the respective merchandise and services that the Company and MV Chubu specialize in under a unified management structure.

(2) Enhancing competitiveness by expanding business scale

By increasing investment capabilities through the merger, the Company will work to acquire a dominant market share by assertively opening new stores in the Midwest regions of Aichi Prefecture and Shizuoka Prefecture, where the growth potential of both companies is expected to be high.

(3) Integrating functions and eliminating redundancy

The Company will work to eliminate complexities and high costs for organizational management by reducing redundant expenses through efforts such as the establishment of a head office system that can effectively and efficiently control the expanding area of business development which will result from the merger.

(4) Strengthening business foundation by actively increasing investment in human resources

The Company will work to strengthen the business foundation to promote growth strategies through improved information sharing and optimization in the operational structure and increased investment in human resources.

(5) Becoming an optimal partner for local communities

The Company and MV Chubu both aim to operate business cohering with local communities, and in addition to combining their accumulated know-how to further improve their individual efforts to date, they will further strengthen their ties with local communities through efforts which include the prioritization of local production for local consumption, local industry revitalization through the sale of local food products produced in the areas where stores will be developed, the inheritance of each area's traditional food culture, and expansion of events produced by collaboration with local companies and local governments.

After the merger, the Company and MV Chubu will devote their energy to becoming a service infrastructure company that supports food truly sustainable. In the short term, the merged company will strive to become one of the most competitive companies in each area by maximizing synergy through strengthening the merchandise procurement and distribution that the stores rely on and optimizing the store operation support structures. In the medium to long term, the merged company will focus on community-based management to rapidly improve in three primary realms of satisfaction: "customer satisfaction," "employee satisfaction," and a multifaceted outlook on "community satisfaction." These efforts will improve corporate value.

## 2. Details of the Merger Agreement

Details of the Merger Agreement concluded on April 10, 2019, are as follows.

### Absorption-type Merger Agreement (Copy)

Maxvalu Tokai Co., Ltd. (hereinafter, "the Company") and Maxvalu Chubu Co., Ltd. (hereinafter, "MV Chubu") enter into the following absorption-type merger agreement (the "Agreement").

#### Article 1 (Method of Merger and Parties to the Merger)

The Company and MV Chubu shall execute a merger (hereinafter, the "Merger"), whereby the Company is to be the surviving company and MV Chubu is to be the disappearing company.

#### 2. The trade names and addresses of the surviving company and the disappearing company under the Merger

are as follows:

(1) Surviving company

Trade name: Maxvalu Tokai Co., Ltd.

Address: 303-1 Shimonagakubo, Nagaizumi-cho, Sunto-gun, Shizuoka Prefecture

(2) Disappearing company

Trade name: Maxvalu Chubu Co., Ltd.

Address: 1-18-22 Nishiki, Naka-ku, Nagoya-shi, Aichi Prefecture

Article 2 (Shares to be Delivered in the Merger and Allocation Thereof)

(1) Delivery of shares

In the Merger, the Company shall deliver common shares in the Company to each MV Chubu shareholder (hereinafter, each “Shareholder Receiving Consideration,” which shall not include MV Chubu) in exchange for the shares in MV Chubu held by them, immediately before the time at which the Merger takes effect (hereinafter, “Record Time”). The number of common shares in the Company to be delivered to each MV Chubu shareholder is equal to the number calculated by multiplying 0.59 by the number of shares in MV Chubu held by that Shareholder Receiving Consideration (hereinafter, the “Target Shares,” which shall not include share acquisition rights of which purchase was demanded pursuant to Article 785 of the Companies Act).

(2) Allocation of shares

In the Merger, the Company shall allocate common shares in the Company to each Shareholder Receiving Consideration at a ratio of 0.59 common shares in the Company for each Target Share held by that Shareholder Receiving Consideration.

Article 3 (Share Acquisition Rights to be Delivered in the Merger and Allocation Thereof)

(1) Delivery of share acquisition rights

In the Merger, the Company shall deliver share acquisition rights of the Company to each person who holds share acquisition rights of MV Chubu (hereinafter, each “Share Acquisition Right Holder”) as of the Record Time, which are listed in (i) through (xii) in Column 2 of the List on Attachment 1 (hereinafter, the “List”), the share acquisition rights of the Company, as listed in (i) through (xii) in Column 1 of the List (hereinafter, the “Share Acquisition Rights.”) The number of share acquisition rights of the Company to be delivered to each Share Acquisition Right Holder is equal to the number of the remaining share acquisition rights held by that Share Acquisition Right Holder as of the Record Time, in exchange for the share acquisition rights of MV Chubu held by them (excluding share acquisition rights of which purchase was demanded pursuant to Article 787 of the Companies Act.)

(2) Allocation of share acquisition rights

In the Merger, the Company shall allocate Share Acquisition Rights to each Share Acquisition Right Holder at a ratio of one Share Acquisition Right for each share acquisition right held that are listed in (i) through (xii) in Column 2 of the List.

Article 4 (Matters concerning the Amount of Capital and Reserves, etc. of the Company)

The Merger will not increase the amount of capital of the Company. The amount of reserves shall be determined by the Company upon consultation between the Company and MV Chubu, in accordance with Article 35 of the Regulation on Corporate Accounting.

Article 5 (Effective Date)

The date on which the Merger takes effect (the “Effective Date”) shall be September 1, 2019. However, the Company and MV Chubu may change the Effective Date upon agreement as necessary to conform to the procedures of the Merger or other events

Article 6 (Shareholders Meeting to approve the Merger)

On or before the day before the Effective Date, the Company and MV Chubu shall convene a shareholders meeting, respectively, and seek approval of the Agreement and other necessary matters for the Merger at their respective shareholders meetings.

Article 7 (Succession of Corporate Assets)

Upon the Effective Date, the Company shall succeed all assets, liabilities, rights and obligations owned by MV Chubu as of the Effective Date.

Article 8 (Due Care of a Prudent Manager)

During the period between the conclusion of the Agreement and the Effective Date, the Company and MV Chubu shall conduct their businesses and manage their assets with the due care of a prudent manager. Any acts which may have a material influence on the assets, rights and obligations shall be taken upon prior mutual consultation and agreement between the Company and MV Chubu.

Article 9 (Succession of Employees)

The Company shall succeed all the employees of MV Chubu as of the Effective Date. Treatment of the employees shall be determined upon consultation held separately between the Company and MV Chubu.

Article 10 (Amendment to Terms and Conditions of the Merger and Cancellation of the Agreement)

During the period between the conclusion of the Agreement and the Effective Date, if a material change occurs in the assets, liabilities or managing conditions of the Company or MV Chubu, the Company and MV Chubu may, upon consultation, amend or cancel the Agreement. The Company and MV Chubu shall not claim any compensation from each other for any damages incurred by either party as a result of the amendments or cancellation.

Article 11 (Effectiveness of the Agreement)

The Agreement will lose its effectiveness if the approval of the Agreement at the shareholders meeting of the Company or MV Chubu provided for in Article 6 is not obtained on or before the day before the Effective Date, or the permission, license or approval of competent authorities as required for the implementation of the Merger is not obtained.

Article 12 (Governing Law and Exclusive Jurisdiction)

The Agreement shall be governed by and interpreted in accordance with the laws of Japan.

2. All disputes arising in connection with the Agreement shall be submitted to the exclusive jurisdiction of the Shizuoka District Court in the first instance.

Article 13 (Matters for Negotiation)

In addition to the matters provided for in the Agreement, any matters necessary for to the Merger shall be determined upon negotiation between the Company and MV Chubu in accordance with the purpose of the Agreement.

IN WITNESS WHEREOF, the parties hereto have executed two originals of the Agreement and affix their names and seal, and each party retains one original.

April 10, 2019

303-1 Shimonagakubo, Nagaizumi-cho, Sunto-gun,  
Shizuoka Prefecture  
The Company: Maxvalu Tokai Co., Ltd.  
Keiji Kamio  
President, Representative Director

1-18-22 Nishiki, Naka-ku, Nagoya-shi, Aichi  
Prefecture  
MV Chubu: Maxvalu Chubu Co., Ltd.  
Yoshitomo Suzuki  
President, Representative Director

Column 1			Column 2		
	Name	Content	Name	Content	Number of remaining share acquisition rights
1	Maxvalu Tokai Co., Ltd. The 13th Series Share Acquisition Rights	Described in Attachment 2-(i)-1	Maxvalu Chubu Co., Ltd. The 1st Series Share Acquisition Rights	Described in Attachment 2-(i)-2	8
2	Maxvalu Tokai Co., Ltd. The 14th Series Share Acquisition Rights	Described in Attachment 2-(ii)-1	Maxvalu Chubu Co., Ltd. The 2nd Series Share Acquisition Rights	Described in Attachment 2-(ii)-2	25
3	Maxvalu Tokai Co., Ltd. The 15th Series Share Acquisition Rights	Described in Attachment 2-(iii)-1	Maxvalu Chubu Co., Ltd. The 3rd Series Share Acquisition Rights	Described in Attachment 2-(iii)-2	25
4	Maxvalu Tokai Co., Ltd. The 16th Series Share Acquisition Rights	Described in Attachment 2-(iv)-1	Maxvalu Chubu Co., Ltd. The 4th Series Share Acquisition Rights	Described in Attachment 2-(iv)-2	23
5	Maxvalu Tokai Co., Ltd. The 17th Series Share Acquisition Rights	Described in Attachment 2-(v)-1	Maxvalu Chubu Co., Ltd. The 5th Series Share Acquisition Rights	Described in Attachment 2-(v)-2	53
6	Maxvalu Tokai Co., Ltd. The 18th Series Share Acquisition Rights	Described in Attachment 2-(vi)-1	Maxvalu Chubu Co., Ltd. The 6th Series Share Acquisition Rights	Described in Attachment 2-(vi)-2	12
7	Maxvalu Tokai Co., Ltd. The 19th Series Share Acquisition Rights	Described in Attachment 2-(vii)-1	Maxvalu Chubu Co., Ltd. The 7th Series Share Acquisition Rights	Described in Attachment 2-(vii)-2	36
8	Maxvalu Tokai Co., Ltd. The 20th Series Share Acquisition Rights	Described in Attachment 2-(viii)-1	Maxvalu Chubu Co., Ltd. The 8th Series Share Acquisition Rights	Described in Attachment 2-(viii)-2	63
9	Maxvalu Tokai Co., Ltd. The 21st Series Share Acquisition Rights	Described in Attachment 2-(ix)-1	Maxvalu Chubu Co., Ltd. The 9th Series Share Acquisition Rights	Described in Attachment 2-(ix)-2	124
10	Maxvalu Tokai Co., Ltd. The 22nd Series Share Acquisition Rights	Described in Attachment 2-(x)-1	Maxvalu Chubu Co., Ltd. The 10th Series Share Acquisition Rights	Described in Attachment 2-(x)-2	147
11	Maxvalu Tokai Co., Ltd. The 23rd Series Share Acquisition Rights	Described in Attachment 2-(xi)-1	Maxvalu Chubu Co., Ltd. The 11th Series Share Acquisition Rights	Described in Attachment 2-(xi)-2	75
12	Maxvalu Tokai Co., Ltd. The 24th Series Share Acquisition Rights	Described in Attachment 2-(xii)-1	Maxvalu Chubu Co., Ltd. The 12th Series Share Acquisition Rights	Described in Attachment 2-(xii)-2	124

(Note) The figures provided in the “Number of remaining share acquisition rights” section are those as of April 10, 2019. If the remaining number of any share acquisition rights as listed in (i) through (xii) in Column 2 in the above list decreases due to exercise, etc. prior to the Effective Date of this absorption-type merger, the number of corresponding share acquisition rights in Column 1 to be issued shall be decreased by the same

number. If any number of remaining share acquisition rights listed in (i) through (xii) in Column 2 becomes zero due to this treatment, the corresponding share acquisition rights in Column 1 shall not be issued, and the series number shall be retired.



## Details of the 13th Series Share Acquisition Rights of Maxvalu Tokai Co., Ltd.

## 1. Name of the share acquisition rights

Maxvalu Tokai Co., Ltd. the 13th Series Share Acquisition Rights (Stock Compensation-type Stock Options)

## 2. Type and number of shares to be acquired by the share acquisition rights

The type of shares to be acquired by the share acquisition rights shall be common shares in the Company. The number of shares to be acquired by each share acquisition right (the “Number of Granted Shares”) shall be 59.

If the Company splits or consolidates its shares, the number of shares shall be adjusted according to the following formula. However, the said adjustment shall be made only on the number of shares to be acquired by the share acquisition rights which have not been exercised as of the share split or consolidation, and any resulting fraction less than one share arising from the adjustment shall be truncated.

Number of shares after adjustment = Number of shares before adjustment  $\times$  Ratio of split (or consolidation)

If the share acquisition rights are succeeded in absorption-type merger or consolidation-type merger with other companies, or the Company conducts incorporation-type company split or absorption-type company split, or it is deemed necessary in similar circumstances to adjust the number of shares, the Company may adjust the number of shares to a reasonable extent.

## 3. Value of assets to be invested upon the exercise of the share acquisition rights

The amount to be paid in upon the exercise of each share acquisition right shall be the amount obtained by multiplying the paid-in amount per share for the shares that may be issued or transferred by exercising the share acquisition rights (hereinafter, the “Exercise Price”) by the Number of Granted Shares. The Exercise Price shall be one (1) yen.

However, if an adjustment is made to the number of shares to be acquired upon the exercise of one share acquisition right, the amount shall be obtained by dividing the paid-in amount per share of one (1) yen by the number of shares after the adjustment.

If the Company splits or consolidates its shares, the paid-in amount per share shall be adjusted according to the following formula, and any resulting fraction less than one (1) yen arising from the adjustment shall be rounded up.

Paid-in amount after adjustment = Paid-in amount before adjustment  $\times$  (1/ Ratio of split (or consolidation))

## 4. The period during which the share acquisition rights may be exercised

From September 1, 2019 to April 30, 2023

## 5. Other conditions for the exercise of the share acquisition rights

- (1) Persons who have been allocated the share acquisition rights (hereinafter, the “Share Acquisition Right Holder”) must maintain the position of Director or Corporate Auditor of the Company at the time of exercise of their rights. However, Share Acquisition Right Holders may also exercise their rights in any of the following cases.
  - (a) A Share Acquisition Right Holder may exercise the share acquisition rights only within five (5) years from the date on which he or she retired from the positions of Director or Corporate Auditor of the Company.
  - (b) A Share Acquisition Right Holder who had already retired from the positions of Director and Corporate Auditor of Maxvalu Chubu Co., Ltd. (hereinafter, “MV Chubu”) at the time when the merger agreement (hereinafter, the “Merger Agreement”) was entered into by the Company and MV Chubu on April 10, 2019, may exercise the share acquisition rights within five (5) years from the date on which he or she retired.
  - (c) A Share Acquisition Right Holder who retires from the positions of Director and Corporate Auditor of MV Chubu after the execution of the Merger Agreement and by the day preceding the effective date provided in the Merger Agreement, may exercise the share acquisition rights within five (5) years

from the day following the date on which he or she retires.

- (2) The share acquisition rights shall be only exercised on a lump-sum basis entirely and shall not be exercised partially.

6. Causes of extinguishment of share acquisition rights

- (1) If the period for exercising the right of a Share Acquisition Right Holder elapsed with the share acquisition rights not being exercised, or even within the period for exercising the right, if five (5) years has elapsed from the date on which a Share Acquisition Right Holder retired as provided in 5 (1) above, the share acquisition rights shall be extinguished.
- (2) If a Share Acquisition Right Holder materially breaches laws and regulations, or the Company's internal regulations, or if a Share Acquisition Right Holder assumes or agrees to assume the position of an executive or employee of competing companies, the Company may acquire the share acquisition rights held by the Share Acquisition Right Holder without consideration, provided that the Board of Directors has resolved to do so.

7. Prohibition of transfer of share acquisition rights

Share Acquisition Right Holders, and their right successors to be defined in the following paragraph, shall not transfer the share acquisition rights or provide them as collateral.

8. Succession of the share acquisition rights

In the case of the death of a Share Acquisition Right Holder, only one of the legal heirs of the Share Acquisition Right Holder (hereinafter, the "Right Successor") may succeed the share acquisition rights. In the case of the death of the Right Successor, the heirs of the Right Successor shall not succeed the share acquisition rights.

9. Issuance of certificates of share acquisition rights

Share Acquisition Right Holders and their Right Successors shall not demand the issuance of certificates of share acquisition rights related to the share acquisition rights.

10. Increases in capital and legal capital surplus upon issuance of shares due to the exercise of share acquisition rights

If shares are issued upon exercise of the share acquisition rights, the increase in the amount of capital shall be one half of the sum of the carrying amount per share and the exercise price (any fraction less than one (1) yen shall be rounded up), and the increase in the amount of legal capital surplus shall be an amount obtained by deducting the increase in the capital from the sum described above.

(Note) In Attachments 2-(ii)-1, (iii)-1, (iv)-1, (v)-1, (vi)-1, (vii)-1, (viii)-1, (ix)-1, (x)-1, (xi)-1, and (xii)-1, the "term subject to reinterpretation" that appears in the share acquisition rights regulation in the abovementioned Attachment 2-(i)-1 shall be construed as "term after reinterpretation" in accordance with the following table.

	Name	Exercise period
Term subject to reinterpretation in Attachment 2-(i)-1	Maxvalu Tokai Co., Ltd. The 13th Series Share Acquisition Rights	September 1, 2019 to April 30, 2023
Term after reinterpretation in Attachment 2-(ii)-1	Maxvalu Tokai Co., Ltd. The 14th Series Share Acquisition Rights	September 1, 2019 to April 30, 2024
Term after reinterpretation in Attachment 2-(iii)-1	Maxvalu Tokai Co., Ltd. The 15th Series Share Acquisition Rights	September 1, 2019 to April 30, 2025
Term after reinterpretation in Attachment 2-(iv)-1	Maxvalu Tokai Co., Ltd. The 16th Series Share Acquisition Rights	September 1, 2019 to April 30, 2026
Term after reinterpretation in Attachment 2-(v)-1	Maxvalu Tokai Co., Ltd. The 17th Series Share Acquisition Rights	September 1, 2019 to April 30, 2027
Term after reinterpretation in Attachment 2-(vi)-1	Maxvalu Tokai Co., Ltd. The 18th Series Share Acquisition Rights	September 1, 2019 to June 9, 2028
Term after reinterpretation in Attachment 2-(vii)-1	Maxvalu Tokai Co., Ltd. The 19th Series Share Acquisition Rights	September 1, 2019 to June 9, 2029
Term after reinterpretation in Attachment 2-(viii)-1	Maxvalu Tokai Co., Ltd. The 20th Series Share Acquisition Rights	September 1, 2019 to June 9, 2030

Term after reinterpretation in Attachment 2-(ix)-1	Maxvalu Tokai Co., Ltd. The 21st Series Share Acquisition Rights	September 1, 2019 to June 9, 2031
Term after reinterpretation in Attachment 2-(x)-1	Maxvalu Tokai Co., Ltd. The 22nd Series Share Acquisition Rights	September 1, 2019 to June 9, 2032
Term after reinterpretation in Attachment 2-(xi)-1	Maxvalu Tokai Co., Ltd. The 23rd Series Share Acquisition Rights	September 1, 2019 to June 9, 2033
Term after reinterpretation in Attachment 2-(xii)-1	Maxvalu Tokai Co., Ltd. The 24th Series Share Acquisition Rights	September 1, 2019 to June 9, 2034

## Details of the 1st Series Share Acquisition Rights of Maxvalu Chubu Co., Ltd.

## 1. Name of the share acquisition rights

Maxvalu Chubu Co., Ltd. the 1st Series Share Acquisition Rights (Stock Compensation-type Stock Options)

## 2. Type and number of shares to be acquired by the share acquisition rights

The type of the shares to be acquired by the share acquisition rights shall be common shares in the Company. The number of shares to be acquired by each share acquisition right (the “Number of Granted Shares”) shall be 100.

If Company splits or consolidates its shares, the number of shares shall be adjusted according to the following formula. However, the said adjustment shall be made only on the number of shares to be acquired by the share acquisition rights which have not been exercised as of the share split or consolidation, and any resulting fraction less than one share arising from the adjustment shall be truncated.

$$\text{Number of shares after adjustment} = \text{Number of shares before adjustment} \times \text{Ratio of split (or consolidation)}$$

If the share acquisition rights are succeeded in absorption-type merger or consolidation-type merger with other companies, or the Company conducts incorporation-type company split or absorption-type company split, or it is deemed necessary in similar circumstances to adjust the number of shares, the Company may adjust the number of shares to a reasonable extent.

## 3. Issue Price of the Share Acquisition Rights

The share acquisition rights shall be issued at a price fairly valued under accounting procedures on the allotment date.

## 4. Amount to be Paid for the Share Acquisition Rights

The share acquisition rights shall be issued as Directors’ compensation equivalent to a price fairly valued under accounting procedures on the allotment date, and therefore no payment of cash shall be required in exchange for the share acquisition rights.

## 5. Value of assets to be invested upon the exercise of the share acquisition rights

The amount to be paid in upon the exercise of each share acquisition right shall be the amount obtained by multiplying the paid-in amount per share for the shares that may be issued or transferred by exercising the share acquisition rights (hereinafter, the “Exercise Price”) by the Number of Granted Shares. The Exercise Price shall be one (1) yen.

If the Company splits or consolidates its shares, the paid-in amount per share shall be adjusted according to the following formula, and any resulting fraction less than one (1) yen for each share acquisition rights arising from the adjustment shall be rounded up.

$$\text{Paid-in amount after adjustment} = \text{Paid-in amount before adjustment} \times (1 / \text{Ratio of split (or consolidation)})$$

## 6. The period during which the share acquisition rights may be exercised

From May 1, 2008 to April 30, 2023.

## 7. Other conditions for the exercise of the share acquisition rights

(i) Persons who have been allocated the share acquisition rights (hereinafter, the “Share Acquisition Right Holder”) must maintain the position of Director or Corporate Auditor of the Company at the time of exercise of their rights. However, persons may exercise the share acquisition rights only within five (5) years from the date on which he or she retired from the positions of Director or Corporate Auditor of the Company.

(ii) The share acquisition rights shall be only exercised on a lump-sum basis entirely and shall not be exercised partially.

## 8. Causes of extinguishment of share acquisition rights and reason for acquisition

(i) If the period for exercising the right of a Share Acquisition Right Holder elapsed with the share acquisition rights not being exercised, or even within the period for exercising the right, if five (5) years has elapsed from the date on which a Share Acquisition Right Holder retired from the position of Director or Corporate Auditor, the share acquisition rights shall be extinguished.

(ii) If the Board of Directors resolves to acquire share acquisition rights held by a Share Acquisition Right Holder on the grounds that any of the incidents described in the items below happens to the Share Acquisition Right Holder, the Company may acquire the share acquisition rights held by the Share Acquisition Right Holder without consideration.

- (a) The Share Acquisition Right Holder has committed a material breach of laws and regulations
  - (b) The Share Acquisition Right Holder has committed a crime that results in imprisonment or greater
  - (c) The Share Acquisition Right Holder has assumed or agreed to assume the position of an executive or employee of competitive companies
  - (d) The heir as defined in Paragraph 10 has died
  - (e) The Share Acquisition Right Holder has made a statement to forfeit all of the share acquisition rights
- (iii) If the Board of Directors resolves to acquire all or part of the share acquisition rights, the Company may acquire the share acquisition rights as defined in the Board of Directors' resolution, without consideration.
9. Prohibition of transfer of share acquisition rights  
Share Acquisition Right Holders, and their Right Successors to be defined in the following paragraph, shall not transfer the share acquisition rights or provide them as collateral.
  10. Succession of the share acquisition rights  
In the case of the death of a Share Acquisition Right Holder, only one of the legal heirs of the Share Acquisition Right Holder (hereinafter, the "Right Successor") may succeed the share acquisition rights. In the case of the death of the Right Successor, the heirs of the Right Successor shall not succeed the share acquisition rights.
  11. Issuance of certificates of share acquisition rights  
Share Acquisition Right Holders and their Right Successors shall not demand the issuance of certificates of share acquisition rights related to the share acquisition rights.
  12. Increases in capital and legal capital surplus upon issuance of new common shares due to the exercise of share acquisition rights  
If new common shares are issued upon exercise of the share acquisition rights, the increase in the amount of capital shall be one half of the sum of the carrying amount per share and the exercise price (any fraction less than one (1) yen shall be rounded up), and the increase in the amount of legal capital surplus shall be an amount obtained by deducting the increase in the capital from the sum described above.
  13. Allotment date of the share acquisition rights  
April 1, 2008

End

(Note) In Attachments 2-(ii)-2, (iii)-2, (iv)-2, (v)-2, (vi)-2, (vii)-2, (viii)-2, (ix)-2, (x)-2, (xi)-2, and (xii)-2, the “term subject to reinterpretation” that appears in the share acquisition rights regulation in the abovementioned Attachment 2-(i)-2 shall be construed as “term after reinterpretation” in accordance with the following table.

	Name	Exercise period	Allotment Date
Term subject to reinterpretation in Attachment 2-(i)-2	Maxvalu Chubu Co., Ltd. The 1st Series Share Acquisition Rights	May 1, 2008 to April 30, 2023	April 1, 2008
Term subject to reinterpretation in Attachment 2-(ii)-2	Maxvalu Chubu Co., Ltd. The 2nd Series Share Acquisition Rights	May 1, 2009 to April 30, 2024	April 1, 2009
Term subject to reinterpretation in Attachment 2-(iii)-2	Maxvalu Chubu Co., Ltd. The 3rd Series Share Acquisition Rights	May 1, 2010 to April 30, 2025	April 1, 2010
Term subject to reinterpretation in Attachment 2-(iv)-2	Maxvalu Chubu Co., Ltd. The 4th Series Share Acquisition Rights	May 1, 2011 to April 30, 2026	April 1, 2011
Term subject to reinterpretation in Attachment 2-(v)-2	Maxvalu Chubu Co., Ltd. The 5th Series Share Acquisition Rights	May 1, 2012 to April 30, 2027	April 1, 2012
Term subject to reinterpretation in Attachment 2-(vi)-2	Maxvalu Chubu Co., Ltd. The 6th Series Share Acquisition Rights	June 10, 2013 to June 9, 2028	May 10, 2013
Term subject to reinterpretation in Attachment 2-(vii)-2	Maxvalu Chubu Co., Ltd. The 7th Series Share Acquisition Rights	June 10, 2014 to June 9, 2029	May 10, 2014
Term subject to reinterpretation in Attachment 2-(viii)-2	Maxvalu Chubu Co., Ltd. The 8th Series Share Acquisition Rights	June 10, 2015 to June 9, 2030	May 10, 2015
Term subject to reinterpretation in Attachment 2-(ix)-2	Maxvalu Chubu Co., Ltd. The 9th Series Share Acquisition Rights	June 10, 2016 to June 9, 2031	May 10, 2016
Term subject to reinterpretation in Attachment 2-(x)-2	Maxvalu Chubu Co., Ltd. The 10th Series Share Acquisition Rights	June 10, 2017 to June 9, 2032	May 10, 2017
Term subject to reinterpretation in Attachment 2-(xi)-2	Maxvalu Chubu Co., Ltd. The 11th Series Share Acquisition Rights	June 10, 2018 to June 9, 2033	May 10, 2018
Term subject to reinterpretation in Attachment 2-(xii)-2	Maxvalu Chubu Co., Ltd. The 12th Series Share Acquisition Rights	June 10, 2019 to June 9, 2034	May 10, 2019

3. Summary of Details Set Forth in Each Item of Article 191 of the Regulation for Enforcement of the Companies Act

(1) Appropriateness of provisions on particulars listed in Article 749, Paragraph 1, Items 2 and 3 of the Companies Act (Article 191, Item 1 of the Regulation for Enforcement of the Companies Act)

(i) Number of shares to be delivered and appropriateness of the allotment of shares in the Merger

1) Allotment of Shares Relating to the Merger

Company Name	The Company (surviving company)	MV Chubu (disappearing company)
Details of allotment relating to the Merger	1	0.59

(Note 1) Allotment ratio relating to the Merger (the “Merger Ratio”)

The Company shall allocate and deliver shares at a ratio of 0.59 common shares in the Company for each common share in MV Chubu (“MV Chubu share”). However, shares shall not be allocated in the Merger to treasury stock held by MV Chubu immediately prior to the effective date of the Merger (the “Record Date”) (235,388 shares as of February 28, 2019). Furthermore, the above Merger Ratio may be changed upon consultation between both companies if significant changes arise to the terms forming the basis of its calculation.

(Note 2) Number of shares in the Company to be delivered in the Merger

The Company intends to issue new common shares when allocating and delivering shares in the Company in the Merger. In the Merger, the Company intends to allocate and deliver common shares in the Company to shareholders of MV Chubu (excluding MV Chubu) listed or recorded in MV Chubu’s shareholder register on the Record Date. The number of common shares in the Company to be allocated and delivered to shareholders of MV Chubu shall be calculated based on the Merger Ratio in the above table. Accordingly, the number of shares to be delivered by the Company will fluctuate if the number of shares of treasury shares held by MV Chubu as of February 28, 2019 fluctuates prior to the Record Date, due to MV Chubu shareholders’ exercise of their right to demand the repurchase of shares or other reasons.

(Note 3) Treatment of shares less than one unit

Shareholders of MV Chubu who, as a result of the Merger, hold shares less than one unit of the Company (less than 100 shares) shall be able to use the following systems in relation to the Company’s shares. Furthermore, shareholders shall not be able to sell shares less than one unit on financial instruments exchange markets.

(i) Additional purchase system for shares less than one unit (purchase additional shares to comprise one unit (100 shares))

This is a system whereby, in accordance with the provisions of Article 194, Paragraph 1 of the Companies Act and the Company’s Articles of Incorporation, shareholders of the Company holding shares less than one unit may demand that the Company sell them shares in the Company to comprise one unit (100 shares) when combined with the shares less than one unit they hold.

(ii) Repurchase system for shares less than one unit (sale of shares less than one unit (100 shares))

This is a system whereby, in accordance with the provisions of Article 192, Paragraph 1 of the Companies Act, shareholders of the Company holding shares less than one unit may demand that the Company purchase the shares less than one unit they hold.

(Note 4) Treatment of fractions less than one (1) share

The Company shall pay shareholders of MV Chubu who are to be allocated fractions of less than one (1) share in the Company in the Merger cash equivalent to the fraction of less than one (1) share of MV Chubu, as provided for in Article 234 of the Companies Act and other related laws and regulations.

2) Basis for the details of the allotment, etc.

(i) Calculation basis

The Company’s third-party financial advisor, AGS Consulting Co., Ltd. (“AGS Consulting”), is not a related party of AEON, the Company, or MV Chubu, and has no material interest to be noted in connection with the Merger. In addition, MV Chubu’s third-party financial advisor, YAMADA Consulting Group Co., Ltd. (“YCG”), is not a related party of AEON, the Company, or MV Chubu, and has no material interest to be noted in connection with the Merger.

(ii) Summary of the calculation

The Company and MV Chubu requested that their respective third-party financial advisors calculate the merger ratio to be used in the Merger, and carefully negotiated and deliberated the merger ratio with each other on multiple occasions, based on the results of calculations by the third-party financial advisors and

the results of due diligence conducted on each other, etc., while taking into consideration their respective financial positions, assets, future outlook, and other factors in a comprehensive manner.

Subsequently, on April 10, 2019, the Company obtained a written opinion from Mr. Yasuhiro Nakanishi and Ms. Masayo Tateishi, who are External Directors of the Company without any interest in AEON and MV Chubu and independent Directors as provided for in Rule 436, Paragraph 2 of the Securities Listing Regulations of Tokyo Stock Exchange, Inc. (the “Tokyo Stock Exchange”) (“independent Directors/Auditors”), and Mr. Narihiro Osakada, who is an External Corporate Auditor of the Company without any interest in AEON and MV Chubu and an independent Auditor. This written opinion made a comprehensive assessment from the perspective of the objective of the Merger, the validity of the merger ratio in the Merger, the fairness of the negotiation process and the Merger procedures, and other factors, and judged that the decisions made by the Company in regard to the Merger were not disadvantageous to minority shareholders of the Company. Based on the above and the fact that the Merger Ratio was found to be appropriate as it fell within the range calculated by the Company’s third-party financial advisor AGS Consulting using the market share price method and the discounted cash flow method (the “DCF method”), the Company reached the final conclusion that the Merger Ratio would not be disadvantageous to minority shareholders of the Company.

An overview of the calculation by the Company’s third-party financial advisor is provided on page 18, “Document 1. Overview of Analysis by the Company’s Third-Party Financial Advisor.”

On April 10, 2019, MV Chubu obtained a written opinion from Mr. Kenichi Takashima and Mr. Kensuke Yabe, who are External Directors of MV Chubu without any interest in AEON and the Company and independent Directors, and Mr. Yoshihiro Shimizu, who is an External Corporate Auditor of MV Chubu without any conflicts of interest in AEON and the Company and an independent Auditor. This written opinion made a comprehensive assessment from the perspective of the objective of the Merger, the validity of the merger ratio in the Merger, the fairness of the negotiation process and the Merger procedures, and other factors, and judged that the decisions made by MV Chubu in regard to the Merger were not disadvantageous to minority shareholders of MV Chubu. Based on the above and the fact that the Merger Ratio was found to be appropriate as it fell within the range calculated by MV Chubu’s third-party financial advisor YCG using the market share price method and the DCF method, MV Chubu reached the final conclusion that the Merger Ratio would not be disadvantageous to minority shareholders of MV Chubu.

An overview of the calculation by MV Chubu’s third-party financial advisor is provided on page 19, “Document 2. Overview of Analysis by MV Chubu’s Third-Party Financial Advisor.”

(iii) Appropriateness of amount of capital and reserves of the surviving company

The amount of capital of the Company shall not increase as a result of the Merger. The Company considers that the treatment of reserves, etc. is appropriate, as the Company has determined it within the scope of laws and regulations, after comprehensively considering and evaluating the capital policy of the Company and other factors.

(2) Appropriateness of provisions on particulars listed in Article 749, Paragraph 1, Items 4 and 5 of the Companies Act (Article 191, Item 2 of the Regulation for Enforcement of the Companies Act)

As set forth in the Agreement, the Company and MV Chubu shall, by mutual consent, deliver share acquisition rights of the Company for each series of share acquisition rights from MV Chubu 1st Series Share Acquisition Rights through 12th Series Share Acquisition Rights when conducting the Merger, in accordance with the points set forth in Attachment 2-(i)-1 of this Agreement (including the table of replaced terms). The Company considers that the delivery treatment described above is appropriate, as effectively the same number of share acquisition rights of the Company with the same content as the MV Chubu share acquisition rights shall be delivered, based on the assumption that the Merger will be conducted in accordance with the merger ratio set forth in the Agreement, from the perspective of equally respecting the interests of MV Chubu’s shareholders and the Share Acquisition Right Holders.

(3) Financial statements, etc. (Article 191, Item 3 of the Regulation for Enforcement of the Companies Act)  
Details of Financial Statements, etc. for MV Chubu’s Final Fiscal Year

The details of financial statements, etc. for MV Chubu’s final fiscal year are posted on the Company’s website,\* pursuant to the laws and regulations and the provisions in Article 16 of the Company’s Articles of Incorporation. They are, therefore, not included in this convocation notice.

\* [http://www.mv-tokai.com/ir/settlement\\_public.html](http://www.mv-tokai.com/ir/settlement_public.html)



(4) Details of events that arose after the final day of the final fiscal year and will materially affect corporate property, including the disposal of corporate property, imposition of significant obligations, etc. (Article 191, Item 5 of the Regulation for Enforcement of the Companies Act)

(i) The Company

The Company and MV Chubu entered into the Merger Agreement on April 10, 2019. Please refer to the “Absorption-type Merger Agreement (Copy)” for details of the Merger Agreement.

On April 10, 2019, the Company and AEON BIG entered into an absorption-type split agreement to conduct an absorption-type split with the Company as the company splitting in the absorption-type split and AEON BIG as the company succeeding in the absorption-type split, whereby AEON BIG will succeed to all rights and obligations related to the discount store business operated by the Company, effective July 1, 2019.

(ii) MV Chubu

MV Chubu and the Company entered into the Merger Agreement on April 10, 2019. Please refer to the “Absorption-type Merger Agreement (Copy)” for details of the Merger Agreement.

On April 10, 2019, MV Chubu and AEON BIG entered into an absorption-type split agreement to conduct an absorption-type split with MV Chubu as the company splitting in the absorption-type split and AEON BIG as the company succeeding in the absorption-type split, whereby AEON BIG will succeed to all rights and obligations related to the discount store business operated by MV Chubu, effective June 1, 2019.

## Document 1. Overview of Analysis by the Company's Third-Party Financial Advisor

As the Company is listed on the Tokyo Stock Exchange with a market share price, AGS Consulting adopted a market share price method in valuating the Company, and adopted a DCF method to reflect future business activities in its valuation.

As MV Chubu is listed on Nagoya Stock Exchange, Inc. (hereinafter, the "Nagoya Stock Exchange") with a market share price, AGS Consulting adopted a market share price method in valuating the Company, and adopted a DCF method to reflect future business activities in its valuation.

The results of each calculation method are indicated below as the number of shares in the Company allocated for each single share in MV Chubu.

Adopted method	Calculated range of merger ratio
Market share price method	0.55 ~ 0.66
DCF method	0.45 ~ 0.68

In the market share price method, calculations were made using April 9, 2019 as the calculation base date for the closing prices of shares of the Company and MV Chubu on the Tokyo Stock Exchange and Nagoya Stock Exchange, respectively, and the simple average closing prices of the shares of each trading day during the one-month, three-month, and six-month periods prior to the calculation base date, respectively.

In the DCF method, the free cash flow which AGS Consulting expects the Company to produce in the future based on the financial forecasts prepared by the Company, taking into consideration various factors including the Company's business plan, latest business performance, and other information disclosed to the public, and the free cash flow which AGS Consulting expects MV Chubu to produce in the future based on the financial forecasts prepared by MV Chubu, taking into consideration various factors including MV Chubu's business plan, latest business performance, and information disclosed to the public, are each discounted to the present value at an appropriate discount rate to determine the corporate value and share value. Specifically, a discount rate of 3.98% to 4.98% was assumed for the Company, and when using the perpetual growth method to calculate the going concern value, the perpetual growth method resulted in a perpetual growth rate valuation of 0%. Meanwhile, a discount rate of 3.98% to 4.98% was assumed for MV Chubu, and when using the perpetual growth method to calculate the going concern value, the perpetual growth method resulted in a perpetual growth rate valuation of 0%. Based on these results, the merger ratio range was calculated to be from 0.45 to 0.68.

AGS Consulting performed the merger ratio calculation based on information provided by the Company and MV Chubu, as well as information disclosed to the public, assuming that all such information was accurate and complete, and has not conducted any independent verification of its accuracy or completeness. In addition, AGS Consulting has not made any independent evaluations, appraisals or assessments of the assets and liabilities (including contingent liabilities) of the Company or MV Chubu, including analyses and valuations of individual assets and liabilities, and did not request appraisals or assessments by any third-party advisor. The merger ratio calculation by AGS Consulting is based on the information available and economic conditions as of the calculation base date. Furthermore, the calculation is based on the assumption that the financial forecasts (including profit plans and other information) for the Company and MV Chubu used for the analysis were rationally considered and prepared by their respective companies based on the best projections and assessments currently available to them.

In the financial forecast submitted by the Company, which was the basis for the calculations made by AGS Consulting through the DCF method, no significant increase or decrease in profits is expected, but the financial forecast submitted by MV Chubu does contain a fiscal year in which a significant increase or decrease in profits is expected. Specifically, net income for the fiscal year ending February 28, 2021, is expected to increase by 30.6% compared to the previous fiscal year due to efforts including the revitalization of existing stores, IT-related investments aimed toward improving productivity, and the closure of unprofitable stores.

## Document 2. Overview of Analysis by MV Chubu's Third-Party Financial Advisor

As the Company is listed on the Tokyo Stock Exchange with a market share price, YCG adopted a market share price method in valuating the Company, and adopted a DCF method to reflect future business activities in its valuation. As MV Chubu is listed on the Nagoya Stock Exchange with a market share price, YCG adopted a market share price method in valuating the Company, and adopted a DCF method to reflect future business activities in its valuation.

The results of each calculation method are indicated below as the number of shares in the Company allocated for each single share in MV Chubu.

Adopted method	Calculated range of merger ratio
Market share price method	0.55 ~ 0.66
DCF method	0.51 ~ 0.72

In the market share price method, calculations were made using April 9, 2019 as the calculation base date for the closing prices of shares of the Company and MV Chubu on the Tokyo Stock Exchange and Nagoya Stock Exchange, respectively, and the simple average closing prices of the shares of each trading day during the one-month, three-month, and six-month periods prior to the calculation base date, respectively.

In the DCF method, the free cash flow which YCG expects the Company to produce in the future based on the financial forecasts prepared by the Company, taking into consideration various factors including the Company's business plan, latest business performance, and other information disclosed to the public, and the free cash flow which YCG expects MV Chubu to produce in the future based on the financial forecasts prepared by MV Chubu, taking into consideration various factors including MV Chubu's business plan, latest business performance, and information disclosed to the public, are each discounted to the present value at an appropriate discount rate to determine the corporate value and share value. Specifically, a discount rate of 5.20% to 5.70% was assumed for the Company, and when using the perpetual growth method to calculate the going concern value, the perpetual growth method resulted in a negative perpetual growth rate valuation of 0.25% to 0.25%. Meanwhile, a discount rate of 4.37% to 4.87% was assumed for MV Chubu, and when using the perpetual growth method to calculate the going concern value, the perpetual growth method resulted in a negative perpetual growth rate valuation of 0.25% to 0.25%. Based on these results, the merger ratio range was calculated to be from 0.51 to 0.72.

YCG performed the merger ratio calculation based on information provided by the Company and MV Chubu, as well as information disclosed to the public, assuming that all such information was accurate and complete, and has not conducted any independent verification of its accuracy or completeness. In addition, YCG has not made any independent evaluations, appraisals or assessments of the assets and liabilities (including contingent liabilities) of the Company or MV Chubu, including analyses and valuations of individual assets and liabilities, and did not request appraisals or assessments by any third-party advisor. The merger ratio calculation by YCG is based on the information available and economic conditions as of the calculation base date. Furthermore, the calculation is based on the assumption that the financial forecasts (including profit plans and other information) for the Company and MV Chubu used for the analysis were rationally considered and prepared by their respective companies based on the best projections and assessments currently available to them.

In the financial forecast submitted by the Company, which was the basis for the calculations made by YCG through the DCF method, no significant increase or decrease in profits is expected, but the financial forecast submitted by MV Chubu does contain a fiscal year in which a significant increase or decrease in profits is expected. Specifically, net income for the fiscal year ending February 28, 2021, is expected to increase by 30.6% compared to the previous fiscal year due to efforts including the revitalization of existing stores, IT-related investments aimed toward improving productivity, and the closure of unprofitable stores.

## Proposal No. 2: Partial Amendments to the Articles of Incorporation

### 1. Reason for Amendments

We, herein, request your approval of the following partial amendments to the Articles of Incorporation to accompany the merger (hereinafter, the “Merger”) with Maxvalu Chubu Co., Ltd. (hereinafter, “MV Chubu”) scheduled for September 1, 2019.

Furthermore, this proposal is subject to the approval of the merger agreement in Proposal No. 1 and the effectuation of the absorption-type merger, and the partial amendments to the Articles of Incorporation shall become effective on the effective date of the Merger (scheduled to be September 1, 2019).

- (1) In regard to Article 2 (Objectives), in order to assume all rights and obligations for the business activities in which MV Chubu engages, the business objectives defined in Article 2 (Objectives) of the current Articles of Incorporation shall be expanded.
- (2) In regard to Article 3 (Location of Head Office), in order to improve the efficiency of the functions of the head office by changing the location to Hamamatsu-shi, Shizuoka Prefecture, Article 3 (Location of Head Office) shall be amended.
- (3) In regard to Article 6 (Total Number of Shares Authorized to be Issued), in order for the Company to allocate and distribute common shares of the Company to the shareholders of MV Chubu, and enable the implementation of agile and flexible capital policies in preparation for future business expansion, Article 6 (Total Number of Shares Authorized to be Issued) shall be amended.
- (4) In regard to Article 14 (Location of Convocation), in order to guarantee a location for the General Meeting of Shareholders, Article 14 of the current Articles of Incorporation, which limits the location where the General Meeting of Shareholders can be convened, shall be deleted.
- (5) In regard to Article 31 (Exemption of External Directors from Liability) and Article 41 (Exemption of External Corporate Auditors from Liability), in order to secure appropriate personnel as Directors who are not Executive Directors and Corporate Auditors who are not External Corporate Auditors and ensure that their expected roles can be fully performed, Article 31 and Article 41 of the current Articles of Incorporation shall be partially amended. Furthermore, the approval of each Corporate Auditor has been obtained regarding the amendment of Article 31 of the current Articles of Incorporation.
- (6) In addition to the foregoing, other necessary amendments such as the renumbering of certain Articles will be made to accommodate the deletion of Article 14 of the current Articles of Incorporation. Furthermore, these partial amendments to the Articles of Incorporation shall become effective on the effective date of the Merger (scheduled to be September 1, 2019) subject to the approval of the Merger Agreement as proposed at this Ordinary General Meeting of Shareholders and the effectuation of the Merger, and this supplementary provision shall be deleted upon this coming into effect.

### 2. Details of Amendments

The details of the proposed amendments are as follows.

(Note) Underlined text indicates sections to be amended.

Current Articles of Incorporation	Proposed Amendments
Chapter I. General	Chapter I. General
Article 1. (Omitted)	Article 1. (Unchanged)
(Objectives)	(Objectives)
Article 2. The purpose of the Company shall be to engage in the following business activities:	Article 2. The purpose of the Company shall be to engage in the following business activities:
1. (1) - (9) (Omitted)	1. (1) - (9) (Unchanged)
(Newly established)	<u>2. Manufacture and sale of tofu, deli foods, rice, etc.</u>
<u>2.</u> - <u>3.</u> (Omitted)	<u>3.</u> - <u>4.</u> (Unchanged)
<u>4.</u> Ticket agents, restaurants, cleaning services, parking lots, warehousing, and pharmacy management	<u>5. Cultural courses,</u> ticket agents, restaurants, cleaning services, parking lots, warehousing, and pharmacy management
<u>5.</u> - <u>14.</u> (Omitted)	<u>6.</u> - <u>15.</u> (Unchanged)
(Location of Head Office)	(Location of Head Office)
Article 3. The head office of the Company shall be located in <u>Nagaizumi-cho, Sunto-gun, Shizuoka Prefecture.</u>	Article 3. The head office of the Company shall be located in <u>Hamamatsu-shi, Shizuoka Prefecture.</u>
Articles 4 - 5. (Omitted)	Articles 4 - 5. (Unchanged)

Current Articles of Incorporation	Proposed Amendments
Chapter II. Shares	Chapter II. Shares
(Total Number of Shares Authorized to be Issued) Article 6. The total number of shares authorized to be issued by the Company shall be <u>forty million</u> (40,000,000) shares.	(Total Number of Shares Authorized to be Issued) Article 6. The total number of shares authorized to be issued by the Company shall be <u>one hundred and forty million</u> (140,000,000) shares.
Articles 7 - 13. (Omitted)	Articles 7 - 13. (Unchanged)
<u>(Location of Convocation)</u> <u>Article 14. The Company's General Meeting of Shareholders shall be convened in Shizuoka Prefecture.</u>	(Deleted)
Articles <u>15</u> - <u>30</u> . (Omitted)	Articles <u>14</u> - <u>29</u> . (Unchanged)
(Exemption of <u>External</u> Directors from Liability) Article <u>31</u> . The Company may, <u>in accordance with Article 427, Paragraph 1 of the Companies Act</u> , execute an agreement with the <u>External Directors</u> to limit the liability for damages provided for the <u>External Directors</u> in Article 423, Paragraph 1 of the <u>same</u> Act. Provided, however, that the maximum amount of liability under the agreement shall be limited to the higher of either an amount specified in advance of five million (5,000,000) yen or more, or the amount prescribed by the laws and regulations.	(Exemption of Directors from Liability) Article <u>30</u> . The Company may execute an agreement with the <u>Directors (excluding Executive Directors, etc.)</u> to limit the liability for damages provided for the <u>Directors</u> in Article 423, Paragraph 1 of the <u>Companies Act</u> . Provided, however, that the maximum amount of liability under the agreement shall be limited to the higher of either an amount specified in advance of five million (5,000,000) yen or more, or the amount prescribed by the laws and regulations.
Articles <u>32</u> - <u>40</u> . (Omitted)	Articles <u>31</u> - <u>39</u> . (Unchanged)
(Exemption of <u>External Corporate Auditors</u> from Liability) Article <u>41</u> . The Company may, <u>in accordance with Article 427, Paragraph 1 of the Companies Act</u> , execute an agreement with the <u>External Corporate Auditors</u> to limit the liability for damages provided for the <u>External Corporate Auditors</u> in Article 423, Paragraph 1 of the <u>same</u> Act. Provided, however, that the maximum amount of liability under the agreement shall be limited to the higher of either an amount specified in advance of five million (5,000,000) yen or more, or the amount prescribed by the laws and regulations.	(Exemption of <u>Corporate Auditors</u> from Liability) Article <u>40</u> . The Company may execute an agreement with the <u>Corporate Auditors</u> to limit the liability for damages provided for the <u>Corporate Auditors</u> in Article 423, Paragraph 1 of the <u>Companies Act</u> . Provided, however, that the maximum amount of liability under the agreement shall be limited to the higher of either an amount specified in advance of five million (5,000,000) yen or more, or the amount prescribed by the laws and regulations.
Articles <u>42</u> - <u>48</u> . (Omitted)	Articles <u>41</u> - <u>47</u> . (Unchanged)
Supplementary Provision (Omitted) (Newly established)	Supplementary Provision (Unchanged) <u>These amendments to the Articles of Incorporation shall become effective on September 1, 2019.</u> <u>Furthermore, this supplementary provision shall be deleted upon coming into effect.</u>

**Proposal No. 3: Election of Six Directors**

The terms of office of all ten Directors will expire at the conclusion of the meeting. Accordingly, election of the following six Directors, including two External Directors, is proposed to accompany the introduction of an executive officer system. The introduction is aimed at speeding up decision-making and business execution of the management and strengthening the advisory function of the Board of Directors.

The candidates for Directors are as follows:

■ The List of Candidates

No.	Name	Current position and responsibility at the Company (*)	Record of attendance at the 57th fiscal year Board of Directors' meetings
1	Keiji Kamio	President, Representative Director <input type="checkbox"/> Reelection	18/18
2	Kenichiro Yamada	Managing Director, General Manager of Merchandise Management Headquarters <input type="checkbox"/> Reelection	18/18
3	Kenji Kondo	Director, General Manager of Human Resources and General Affairs Headquarters <input type="checkbox"/> Reelection General Manager of Human Resources Department	18/18
4	Makoto Takahashi	Director, General Manager of Business Management Headquarters <input type="checkbox"/> Reelection	18/18
5	Yasuhiro Nakanishi	External Director <input type="checkbox"/> Reelection <input type="checkbox"/> External <input type="checkbox"/> Independent	17/18
6	Masayo Tateishi	External Director <input type="checkbox"/> Reelection <input type="checkbox"/> External <input type="checkbox"/> Independent	17/18

\* The positions and responsibilities of the candidates stated above are as of May 8, 2019.

☐ External Candidate for External Director ☐ Independent Candidate for Independent Director to be notified to the Tokyo Stock Exchange

## 1 Keiji Kamio

Reelection

Date of birth	July 11, 1957	Number of shares of the Company held	25,450
<b>Career summary, position, responsibility and significant concurrent position</b>	<p>March 1980      Joined the Company</p> <p>February 1998      General Manager of Sales Coordination Department</p> <p>September 2001      Store Manager of Hachimancho store</p> <p>March 2003      Manager in charge of daily operations, Merchandise Management Department</p> <p>March 2004      General Manager of Store Management Headquarters</p> <p>May 2004      Director</p> <p>September 2006      General Manager of Merchandise Management Headquarters</p> <p>May 2008      Managing Director</p> <p>March 2009      General Manager of Staples Management Headquarters</p> <p>March 2011      Managing Director in charge of Sales, concurrently serving as General Manager of Merchandise Management Headquarters</p> <p>May 2011      General Manager of Merchandise Management Headquarters</p> <p>May 2013      President, Representative Director (current position)</p>		
<b>Reason for the election of candidate for Director</b>	<p>Mr. Keiji Kamio assumed the position as President, Representative Director of the Company in May 2013. He has demonstrated strong leadership to all employees as the chief executive and performed an appropriate role in the operation of the Board of Directors as chairman of the Board of Directors, based on his abundant experience and broad insight accumulated through his management career. The Company has judged that he is a person that will contribute to the Company's sustainable growth and improvement of corporate value over the medium- to long-term, and proposes his continued election as Director of the Company.</p>		
<b>Conflict of interest</b>	There is no conflict of interest between the Company and Mr. Keiji Kamio.		

## 2 Kenichiro Yamada

Reelection

Date of birth	June 10, 1961	Number of shares of the Company held	15,700
<b>Career summary, position, responsibility and significant concurrent position</b>	<p>March 1985      Joined the Company</p> <p>April 1996      Store Manager of Ninomiya store</p> <p>February 2002      Manager of Store Operation Department</p> <p>March 2005      General Manager of Store Operation Department</p> <p>March 2007      General Manager of Human Resources and Training Department</p> <p>March 2009      General Manager of Human Resources and General Affairs Headquarters</p> <p>May 2009      Director</p> <p>March 2012      General Manager of Human Resources Headquarters, concurrently serving as General Manager of Human Resources Department</p> <p>May 2013      General Manager of Sales Support Headquarters, concurrently serving as General Manager of CS Promotion Department</p> <p>April 2014      General Manager of Sales Management Headquarters</p> <p>March 2015      General Manager of Merchandise Management Headquarters (current position)</p> <p>May 2017      Managing Director (current position)</p>		
<b>Reason for the election of candidate for Director</b>	<p>Mr. Kenichiro Yamada assumed the position as Director of the Company in May 2009 and has served as the person responsible for business execution of human resources, general affairs, sales, and merchandise management. He assumed the position as Managing Director of the Company in May 2017. He has abundant experience and broad insight accumulated through his management career and can be expected to effectively strengthen the decision-making functions and the supervisory functions of the Board of Directors. The Company has judged that he is a person that will contribute to the Company's sustainable growth and improvement of corporate value over the medium- to long-term, and proposes his continued election as Director of the Company.</p>		
<b>Conflict of interest</b>	There is no conflict of interest between the Company and Mr. Kenichiro Yamada.		

### 3 Kenji Kondo

Reelection

Date of birth	October 15, 1960	Number of shares of the Company held	5,900
<b>Career summary, position, responsibility and significant concurrent position</b>	<p>April 1983      Joined Jusco Co., Ltd. (current AEON CO., LTD.)</p> <p>April 1995      Store Manager of Nishijin store of Jusco Co., Ltd. (current AEON CO., LTD.)</p> <p>April 2006      General Manager of Human Resources and Training Department of Kanto Company of AEON CO., LTD.</p> <p>September 2008      General Manager of Contracted Planning Promotion Department of Business Support Center (current Aeon Integrated Business Service Co., Ltd.) of AEON CO., LTD.</p> <p>September 2011      General Manager of Human Resources and General Affairs Headquarters of AEON KIMISAWA CO., LTD.</p> <p>May 2013      Director of the Company (current position)</p> <p>General Manager of Human Resources and General Affairs Headquarters, concurrently serving as General Manager of Human Resources Department (current position)</p>		
<b>Reason for the election of candidate for Director</b>	<p>Mr. Kenji Kondo assumed the position as Director of the Company in May 2013. He has served appropriately as the person responsible for business execution of human resources and general affairs, and has abundant experience and broad insight accumulated through his management career and can be expected to effectively strengthen the decision-making functions and the supervisory functions of the Board of Directors. The Company has judged that he is a person that will contribute to the Company's sustainable growth and improvement of corporate value over the medium- to long-term, and proposes his continued election as Director of the Company.</p>		
<b>Conflict of interest</b>	There is no conflict of interest between the Company and Mr. Kenji Kondo.		

### 4 Makoto Takahashi

Reelection

Date of birth	July 4, 1961	Number of shares of the Company held	4,900
<b>Career summary, position, responsibility and significant concurrent position</b>	<p>March 1985      Joined the Company</p> <p>March 2002      Store Manager of Fukude store</p> <p>September 2007      Leader of Internal Control Preparation Task Team</p> <p>March 2009      General Manager of Internal Control Department</p> <p>March 2012      General Manager of Compliance Department</p> <p>June 2013      Manager, Office of Internal Audit</p> <p>April 2014      General Manager of Business Management Headquarters (current position)</p> <p>May 2016      Director (current position)</p>		
<b>Reason for the election of candidate for Director</b>	<p>Mr. Makoto Takahashi assumed the position as Director of the Company in May 2016. He has served appropriately as the person responsible for business execution of business management, and has abundant experience and broad insight accumulated through his management career and can be expected to effectively strengthen the decision-making functions and the supervisory functions of the Board of Directors. The Company has judged that he is a person that will contribute to the Company's sustainable growth and improvement of corporate value over the medium- to long-term, and proposes his continued election as Director of the Company.</p>		
<b>Conflict of interest</b>	There is no conflict of interest between the Company and Mr. Makoto Takahashi.		



## 5 Yasuhiro Nakanishi

Reelection

Candidate for External Director

Candidate for Independent Director/Auditor

Date of birth	July 5, 1948	Number of shares of the Company held	750
<b>Career summary, position, responsibility and significant concurrent position</b>	<p>April 1967      Joined KYODO SHIRYO CO., LTD. (current FEED ONE CO., LTD.)</p> <p>May 1977      Joined YONEKYU CORPORATION</p> <p>May 1988      Director of YONEKYU CORPORATION</p> <p>May 2001      Managing Director of YONEKYU CORPORATION</p> <p>May 2006      Director and Managing Executive Officer of YONEKYU CORPORATION</p> <p>May 2008      Director, Managing Executive Officer and General Manager of Sales Headquarters of YONEKYU CORPORATION</p> <p>May 2010      Director, Senior Managing Executive Officer and General Manager of Sales Headquarters of YONEKYU CORPORATION</p> <p>May 2014      Advisor (part-time) of YONEKYU CORPORATION</p> <p>June 2015      Outside Director of AMIYAKI TEI CO., LTD. (current position)</p> <p>May 2016      External Director of the Company (current position)</p>		
<b>Reason for the election of candidate for External Director</b>	<p>Mr. Yasuhiro Nakanishi has been engaged in the management of YONEKYU CORPORATION over many years. He assumed the position as External Director of the Company in May 2016 and has actively expressed his remarks at the Board of Directors' Meetings based on his abundant experience and broad insight accumulated through his management career while exchanging information in close cooperation with the Board of Corporate Auditors, performing an important role as an External Director. The Company proposes his continued election as External Director to seek his managerial supervision for ensuring sustainable growth and medium- to long-term improvement of the Company's corporate value. His term of office as an External Director will be three years at the conclusion of this General Meeting of Shareholders.</p>		
<b>Conflict of interest</b>	There is no conflict of interest between the Company and Mr. Yasuhiro Nakanishi.		

- (Notes)
1. The Company does not have any special relationship with AMIYAKI TEI CO., LTD., where Mr. Yasuhiro Nakanishi holds concurrent position.
  2. The Company has concluded a contract with Mr. Yasuhiro Nakanishi to limit his liability for damages stipulated in Article 423, Paragraph 1 of the Companies Act. The limitation of liability for damages under the contract shall be 5 million yen or the minimum liability amount prescribed by laws and regulations, and in the event that the reelection of Mr. Yasuhiro Nakanishi is approved, the Company plans to continue with the said contract.
  3. The Company has filed a required notification to the Tokyo Stock Exchange for appointing Mr. Yasuhiro Nakanishi as its independent Director. In the event that he is reelected, the Company plans to continue to file the said notification for independent Director.

## 6 Masayo Tateishi

Reelection

Candidate for External Director

Candidate for Independent Director/Auditor

<b>Date of birth</b>	October 31, 1953	<b>Number of shares of the Company held</b>	0
<b>Career summary, position, responsibility and significant concurrent position</b>	March 1986 Registered as attorney (Shizuoka Bar Association) March 1986 Established Tateishi Law Office May 2015 Partner of Tateishi Shioya Law Office, L.P.C. (current position) May 2016 External Director of the Company (current position)		
<b>Reason for the election of candidate for External Director</b>	<p>Ms. Masayo Tateishi, active as a lawyer with abundant experience and professional expertise, assumed the position as External Director of the Company in May 2016. She has actively expressed her remarks at the Board of Directors' Meetings while exchanging information in close cooperation with the Board of Corporate Auditors, performing an important role as an External Director. The Company proposes her continued election as External Director to seek her managerial supervision for ensuring sustainable growth and medium- to long-term improvement of the Company's corporate value. Despite her lack of experience in the area of company management other than as External Director of the Company, the Company has judged that she will fulfill her responsibilities as External Director due to the reasons above.</p> <p>Her term of office as an External Director will be three years at the conclusion of this General Meeting of Shareholders.</p>		
<b>Conflict of interest</b>	There is no conflict of interest between the Company and Ms. Masayo Tateishi.		

- (Notes)
1. The Company has concluded a contract with Ms. Masayo Tateishi to limit her liability for damages stipulated in Article 423, Paragraph 1 of the Companies Act. The limitation of liability for damages under the contract shall be 5 million yen or the minimum liability amount prescribed by laws and regulations, and in the event that the reelection of Ms. Masayo Tateishi is approved, the Company plans to continue with the said contract.
  2. The Company has filed a required notification to the Tokyo Stock Exchange for appointing Ms. Masayo Tateishi as its independent Director. In the event that she is reelected, the Company plans to continue to file the said notification for independent Director.

**Proposal No. 4: Election of Three Directors upon Merger**

Subject to the approval of Proposal No. 1, the Company proposes to elect three Directors to take office upon the merger with Maxvalu Chubu Co., Ltd. scheduled for September 1, 2019.

The candidates for Directors are as follows.

The election of each candidate shall become effective on the effective date (scheduled to be September 1, 2019) on the condition that Proposal No. 1 is approved as proposed and the Merger takes effect.

**1 Yoshitomo Suzuki**

New Candidate

Date of birth	September 14, 1957	Number of shares of the Company held	0
Career summary, position, responsibility and significant concurrent position	April 1988	Joined Jusco Co., Ltd. (current AEON CO., LTD.)	
	May 2005	Executive Officer of AEON CO., LTD.	
	May 2006	Managing Executive Officer of AEON CO., LTD.	
	May 2007	Representative Director and President of AEON Global Merchandising Co., Ltd. (current AEON Retail Co., Ltd.)	
	April 2010	Executive Officer and General Manager of Food and Delicatessen Merchandise Division of AEON Retail Co., Ltd.	
	April 2011	Executive Officer and General Manager of Food Merchandise Planning Division of AEON Retail Co., Ltd.	
	November 2011	Senior Managing Director of SANYO MARUNAKA CO., LTD.	
	May 2013	President, Representative Director and Executive Officer of Maxvalu Chubu Co., Ltd. (current position)	
	September 2013	General Manager of New Business Promotion Headquarters of Maxvalu Chubu Co., Ltd.	
	March 2014	General Manager of Merchandise Headquarters of Maxvalu Chubu Co., Ltd.	
	March 2015	General Manager of Sales Headquarters of Maxvalu Chubu Co., Ltd.	
	April 2016	General Manager of Development Headquarters of Maxvalu Chubu Co., Ltd.	
	March 2017	General Manager of Sales and Commerce Support Headquarters of Maxvalu Chubu Co., Ltd.	
	June 2017	Supervisor in charge of Sales, Merchandise, and Development of Maxvalu Chubu Co., Ltd. (current position)	
Reason for the election of candidate for Director	Mr. Yoshitomo Suzuki has experience in major sections of several companies of the AEON Group and broad insight on corporate management, and has contributed to the improvement of corporate value. The Company has judged him to be essential for the management of the Company after the merger with Maxvalu Chubu Co., Ltd. based on his experience and superior insight cultivated through his experience as a corporate manager, and proposes his election as Director.		
Conflict of interest	There is no conflict of interest between the Company and Mr. Yoshitomo Suzuki.		

(Note) The above “Career summary, position, responsibility and significant concurrent position” of Mr. Yoshitomo Suzuki includes positions and responsibilities related to the execution of duties within the past five years at subsidiaries of AEON CO., LTD., the parent company of the Company.

## 2 Masaaki Tsukurimichi

New Candidate

<b>Date of birth</b>	June 27, 1969	<b>Number of shares of the Company held</b>	0
<b>Career summary, position, responsibility and significant concurrent position</b>	<p>March 1992      Joined Hokuriku Jusco Co., Ltd. (current AEON CO., LTD.)</p> <p>March 2013      General Manager of Sales Department II of Maxvalu Chubu Co., Ltd.</p> <p>March 2014      General Manager of Sales Department III and IV in Sales Headquarters of Maxvalu Chubu Co., Ltd.</p> <p>September 2014      Deputy General Manager of Sales Headquarters and Supervisor in charge of Operational Reform of Maxvalu Chubu Co., Ltd.</p> <p>March 2015      General Manager of Merchandise Headquarters of Maxvalu Chubu Co., Ltd.</p> <p>May 2015      Director and Executive Officer of Maxvalu Chubu Co., Ltd. (current position)</p> <p>March 2017      General Manager of Livestock Production Department of Maxvalu Chubu Co., Ltd.</p> <p>September 2017      General Manager of Maxvalu Business Headquarters of Maxvalu Chubu Co., Ltd. (current position)</p>		
<b>Reason for the election of candidate for Director</b>	<p>Mr. Masaaki Tsukurimichi has long been engaged in business operations and management related to sales and merchandising, among other areas, and has accumulated abundant experience and broad insight. The Company has judged him to be essential for the management of the Company after the merger with Maxvalu Chubu Co., Ltd. based on this professional experience and superior insight, and proposes his election as Director.</p>		
<b>Conflict of interest</b>	<p>There is no conflict of interest between the Company and Mr. Masaaki Tsukurimichi.</p>		

(Note) The above “Career summary, position, responsibility and significant concurrent position” of Mr. Masaaki Tsukurimichi includes positions and responsibilities related to the execution of duties within the past five years at subsidiaries of AEON CO., LTD., the parent company of the Company.

### 3 Kensuke Yabe

New Candidate

Candidate for External Director

Candidate for Independent Director/Auditor

Date of birth	December 16, 1972	Number of shares of the Company held	0
<b>Career summary, position, responsibility and significant concurrent position</b>	<p>April 1997      Joined Sanwa Research Institute Corp. (current Mitsubishi UFJ Research and Consulting Co., Ltd.)</p> <p>July 1999      Consultant of Sanwa Research Institute Corp. (current Mitsubishi UFJ Research and Consulting Co., Ltd.)</p> <p>January 2002    Senior Consultant of Roland Berger Ltd.</p> <p>January 2003    Project Manager of Roland Berger Ltd.</p> <p>April 2008      Associate Professor of Faculty of Accounting and Finance of Nagoya University of Commerce &amp; Business</p> <p>April 2010      Professor of Faculty of Commerce of Nagoya University of Commerce &amp; Business</p> <p>April 2011      Associate Professor of School of Management of Chukyo University</p> <p>April 2016      Professor of School of Management of Chukyo University (current position)</p> <p>May 2018      External Director of Maxvalu Chubu Co., Ltd. (current position)</p>		
<b>Reason for the election of candidate for External Director</b>	<p>Mr. Kensuke Yabe has been engaged in management consulting, including the establishment of corporate management strategies and supporting the formulation of the medium-term management plan, and has served as a professor at the Faculty of Commerce of Nagoya University of Commerce &amp; Business and the School of Management of Chukyo University. He has abundant experience and broad insight accumulated through his career, and can be expected to provide appropriate supervisory functions of the corporate governance structure and the management of the Group in order to achieve sustainable improvement of corporate value, and the Company proposes his new election as an External Director. Despite his lack of experience in the area of company management other than as an External Officer, the Company has judged that he will fulfill his responsibilities as External Director due to the reasons above.</p>		
<b>Conflict of interest</b>	There is no conflict of interest between the Company and Mr. Kensuke Yabe.		

- (Notes)
1. In the event that Mr. Kensuke Yabe takes office as an External Director, the Company plans to conclude a contract to limit his liability for damages stipulated in Article 423, Paragraph 1 of the Companies Act. The limitation of liability for damages under the contract shall be 5 million yen or the minimum liability amount prescribed by laws and regulations.
  2. The Company plans to file a required notification to the Tokyo Stock Exchange for appointing Mr. Kensuke Yabe as its independent Director.

**Proposal No. 5: Election of Two Corporate Auditors**

The term of office of Corporate Auditor Mr. Narihiro Osakada will expire and Mr. Tadao Minamidate will resign at the conclusion of this General Meeting of Shareholders. Accordingly, election of the following two Corporate Auditors is proposed.

The Board of Corporate Auditors has previously given its approval.

The candidates for Corporate Auditors are as follows:

**1 Narihiro Osakada**

Reelection

Candidate for External Corporate Auditor

Candidate for Independent Director/Auditor

<b>Date of birth</b>	June 28, 1976	<b>Number of shares of the Company held</b>	0
<b>Career summary, position and significant concurrent position</b>	April 2001 Entered Legal Research and Training Institute of Japan October 2002 Graduated from Legal Research and Training Institute of Japan October 2002 Registered as attorney (Osaka Bar Association) October 2002 Entered Yodoyabashi LPC (current Yodoyabashi & Yamagami LPC) (current position) May 2011 External Corporate Auditor of the Company (current position)		
<b>Reasons for the election of candidate for External Corporate Auditor</b>	Because Mr. Narihiro Osakada is currently active as a lawyer, the Company believes that his abundant knowledge and expertise as a law practitioner make him suitable for the position of External Corporate Auditor, and proposes his election. Despite the lack of his experience in the area of company management, the Company judged that he will fulfill the responsibility as an External Corporate Auditor due to the reasons above. His term of office as a Corporate Auditor of the Company will be eight years at the conclusion of this General Meeting of Shareholders.		
<b>Conflict of interest</b>	There is no conflict of interest between the Company and Mr. Narihiro Osakada.		

- (Notes)
1. The Company has concluded a contract with Mr. Narihiro Osakada to limit his liability for damages stipulated in Article 423, Paragraph 1 of the Companies Act. The limitation of liability for damages under the contract shall be 5 million yen or the minimum liability amount prescribed by laws and regulations, and in the event that the reelection of Mr. Narihiro Osakada is approved, the Company plans to continue with the said contract.
  2. The Company has filed a required notification to the Tokyo Stock Exchange for appointing Mr. Narihiro Osakada as its independent Auditor. In the event that he is reelected, the Company plans to continue to file the said notification for independent Auditor.

## 2 Keiko Fukui

New Candidate

Candidate for External Corporate Auditor

Date of birth	October 5, 1956	Number of shares of the Company held	0
<b>Career summary, position and significant concurrent position</b>	<p>March 1979      Joined Jusco Co., Ltd. (current AEON CO., LTD.)</p> <p>September 1991      General Manager of Kanto Operation Department of BLUE GRASS Co., Ltd. (current COX CO., LTD.)</p> <p>September 2001      Office of Group Strategy of AEON CO., LTD.</p> <p>March 2005      Manager of Apparel Planning Team of AEON CO., LTD.</p> <p>September 2008      General Manager of Human Resources and General Affairs Department of Talbots Japan Co., Ltd.</p> <p>July 2010      Business Administration Department of AEON CO., LTD.</p> <p>May 2015      Full-time Corporate Auditor of Mega Sports Co., LTD.</p> <p>May 2015      Corporate Auditor of MINISTOP Co., Ltd.</p> <p>May 2018      Corporate Auditor of Maxvalu Chubu Co., Ltd. (current position)</p> <p>May 2018      Full-time Corporate Auditor of KOHYO Co., Ltd. (current position)</p>		
<b>Reasons for the election of candidate for External Corporate Auditor</b>	<p>Ms. Keiko Fukui has held important positions and served as a Corporate Auditor for companies of the AEON Group. The Company has determined her to be an appropriate candidate based on her abundant experience and broad insight, and proposes her election as an External Corporate Auditor.</p>		
<b>Conflict of interest</b>	<p>There is no conflict of interest between the Company and Ms. Keiko Fukui.</p>		

(Note) The above “Career summary, position and significant concurrent position” of Ms. Keiko Fukui includes positions and responsibilities related to the execution of duties within the past five years at subsidiaries of AEON CO., LTD., the parent company of the Company.

**Proposal No. 6: Election of One Corporate Auditor upon Merger**

In order to develop a supervisory structure after the Company and Maxvalu Chubu Co., Ltd. are merged, election of the following one Corporate Auditor is proposed.

The candidate for Corporate Auditor is as follows. This candidate shall take office as a Corporate Auditor upon the Merger, and his election shall become effective on the effective date of the Merger (scheduled to be September 1, 2019) on the condition that Proposal No. 1 is approved as proposed and the Merger takes effect.

Current Corporate Auditor Mr. Koichi Hashimoto is scheduled to retire by resignation on the day prior to the effective date of the Merger (scheduled for August 31, 2019) on the condition that Proposal No. 1 is approved as proposed and the Merger takes effect.

The Board of Corporate Auditors has previously given its approval.

**Toshikazu Ota**

New Candidate

Candidate for External Corporate Auditor

Date of birth	January 4, 1956	Number of shares of the Company held	0
Career summary, position and significant concurrent position	April 1980	Joined Jusco Co., Ltd. (current AEON CO., LTD.)	
	September 2006	General Manager of SCM Cold Logistics Department of AEON CO., LTD.	
	August 2007	General Manager of Planning Department of AEON GLOBAL SCM CO., LTD.	
	September 2007	Director of AEON GLOBAL SCM CO., LTD.	
	September 2011	Director and General Manager of Business Management Department of AEON GLOBAL SCM CO., LTD.	
	April 2014	Director and General Manager of Business Management Headquarters of AEON GLOBAL SCM CO., LTD.	
	May 2018	Full-time Corporate Auditor of Maxvalu Chubu Co., Ltd. (current position)	
	May 2018	Corporate Auditor of Maxvalu Tohoku Co., Ltd. (current position)	
Reasons for the election of candidate for External Corporate Auditor	Mr. Toshikazu Ota has served as a Director and a Corporate Auditor for companies of the AEON Group. The Company has determined him capable of providing appropriate advice and auditing the management of the Company based on his abundant experience and broad insight, and proposes his election as an External Corporate Auditor.		
Conflict of interest	There is no conflict of interest between the Company and Mr. Toshikazu Ota.		

(Note) The above “Career summary, position and significant concurrent position” of Mr. Toshikazu Ota includes positions and responsibilities related to the execution of duties within the past five years at subsidiaries of AEON CO., LTD., the parent company of the Company.



### **<Board of Directors' Policies for Nominating Candidates for Director and Corporate Auditor>**

- (1) Candidates for Director are proposed by the President, Representative Director in accordance with the following requirements and determined at the Board of Directors' meeting.
  - 1) Individuals who are familiar with the corporate philosophy and management policies of the Company.
  - 2) Individuals with knowledge and experience required to deliberate proposals at the Board of Directors meetings, or with expertise required to exercise management supervision functions.
  - 3) Individuals with a keen managerial sense and leadership.
  - 4) Individuals with appropriate personalities and insights as Director and in good health both physically and mentally.
- (2) Candidates for Corporate Auditor are proposed by the President, Representative Director in accordance with the following requirements and determined at the Board of Directors' meeting after deliberating and obtaining consent of the Board of Corporate Auditors.
  - 1) Individuals who possess a wealth of knowledge and experience in various fields and with considerable knowledge of accounting shall be nominated as at least one of the Corporate Auditors.
  - 2) Individuals who are capable of executing audits from a neutral and objective perspective to secure the soundness and transparency for management.
  - 3) Individuals who are capable of securing effectiveness of compliance and corporate governance.

### **<Standards for Independence of External Officers >**

Maxvalu Tokai Co., Ltd. (hereinafter, "the Company") believes that it is desirable that its External Officers (External Directors and External Corporate Auditors) are sufficiently independent in order to secure objectivity and transparency required to maintain appropriate governance of the Company.

The Company hereby stipulates the standard of independence of its External Officers (including candidates). If its External Officers (including candidates) come under any of the following items, the Company deems that the sufficient independence from the Company is not secured.

- (1) An executive of the Company or a subsidiary and associates of the Company (Note 1).
- (2) A shareholder or an executive with 10% or more of the voting rights of the Company.
- (3) An executive of a company, etc., that comes under any of the following:
  - 1) A major business partner of the Company (Note 2).
  - 2) A major lender of the Company (Note 3).
  - 3) A shareholder with 10% or more of the shares as based on the voting rights of the Company.
- (4) A certified public accountant who belongs to an audit cooperation that serves as Accounting Auditor of the Company.
- (5) A business consultant, certified public accountant, licensed tax accountant, lawyer, judicial clerk, patent attorney or any other specialist who has received a large sum of money (Note 4) or other properties from the Company, or in the case of a corporate entity, association or any other types of entity, a person who belongs to the entity in question.
- (6) A payee of a large (Note 4) donation from the Company.
- (7) A person who is coming from a company which has a relationship of interlocking executives (Note 5) with the Company.
- (8) A person who has a close relative (Note 6) who falls under any of items (1) through (7) above (limited to significant executives who execute duties (Note 7), excluding (4) and (5)).
- (9) A person who has recently come under any of the foregoing items from (2) through (8).
- (10) Notwithstanding the foregoing items, any person who is deemed to have conflict of interest with the Company for special reasons.

Notes:

1. An executing person means a person who currently belongs to and serves as Executive Director, Officer, Executive Officer and any other similar positions thereto, as well as an employee (collectively, "an executive" under this standard) or executing person who has belonged to the Group in the past 10 years.
2. A major business partner means a supplier of the Company. In such case where a considerable portion of the sales of such a supplier is accounted for by the business with the Company, it is deemed that independence is not secured. Additionally, the sales, etc. of such a supplier generated by trading with it accounts for a considerable portion of the sales, etc. of the Company.
3. A major lender means an institution from which the Company borrows money, with a loan balance that constitutes a considerable portion of the total assets at the fiscal year-end of the Company.
4. A large sum of money means money with an aggregate amount of 10 million yen or more for the immediately

preceding fiscal year.

5. A relationship of interlocking executives refers to a case where the Company's executive is serving concurrently as an external officer of another company, and such an executive of another company is serving as an External Officer of the Company.
6. A relative means a spouse or relative within the second degree of kinship.
7. A significant executive means Director, Officer, Executive Officer, and an executive occupying a position higher than general manager, or an executive with similar authority thereto.