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Securities identification code: 7451  
June 2, 2020

To our shareholders:

Toru Moriyama  
Representative Director  
**Mitsubishi Shokuhin Co., Ltd.**  
1-1, Koishikawa 1-chome, Bunkyo-ku, Tokyo, Japan

## **NOTICE OF 2020 ORDINARY GENERAL MEETING OF SHAREHOLDERS**

We are pleased to announce the Ordinary General Meeting of Shareholders of Mitsubishi Shokuhin Co., Ltd. (the “Company”) for the fiscal year ended March 31, 2020, which will be held as described below.

If you are unable to attend the meeting in person, you may exercise your voting rights by postal mail or by the Internet, etc. Please exercise your voting rights after reviewing the attached Reference Documents for the General Meeting of Shareholders, by 5:30 p.m., Friday, June 19, 2020 (Japan Standard Time).

**1. Date and Time:** Monday, June 22, 2020 at 10:00 a.m. (Japan Standard Time)  
(Reception begins at 9:00 a.m.)

**2. Venue:** Bunkyo Garden Gatetower, 11th Floor, Meeting Room of the Company  
1-1, Koishikawa 1-chome, Bunkyo-ku, Tokyo, Japan  
(The venue is changed from the last meeting)

### **3. Purposes:**

#### **Items to be reported:**

1. Business Report and Consolidated Financial Statements for the fiscal year ended March 31, 2020 (from April 1, 2019 to March 31, 2020), as well as the results of audit of the Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Board
2. Non-Consolidated Financial Statements for the fiscal year ended March 31, 2020 (from April 1, 2019 to March 31, 2020)

#### **Items to be resolved:**

- Proposal 1:** Appropriation of surplus
- Proposal 2:** Partial amendments to the Articles of Incorporation
- Proposal 3:** Election of nine (9) Directors

## Reference Documents for the General Meeting of Shareholders

### Proposals and Reference Matters

#### Proposal 1: Appropriation of surplus

Based on the dividend policy to “Continue to offer a stable dividend of no less than 50 yen annually,” as set forth in “Management Policy 2020,” and considering the Company’s business results and financial condition, the Company proposes year-end dividends as follows.

The Company will seek to improve financial performance by utilizing internal reserves as funds for future business expansion.

#### 1. Matters related to year-end dividends

##### (1) Type of dividend property

Cash

##### (2) Allocation of dividend property and total amount thereof

25 yen per common share of the Company

Total amount of dividends: 1,428,431,250 yen

##### (3) Effective date of distribution of dividends of surplus

June 23, 2020

#### 2. Matters related to other appropriation of surplus

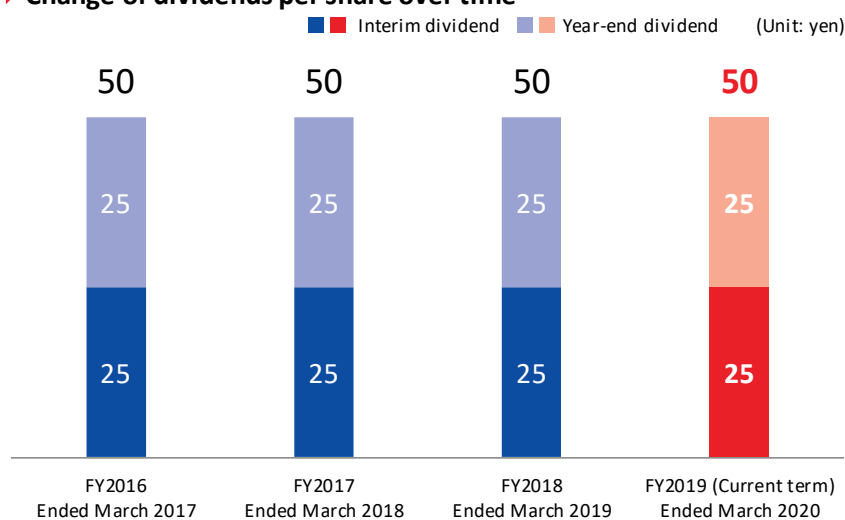
##### (1) Item of surplus to be increased and amount of increase thereof

General reserve: 8,600,000,000 yen

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

Retained earnings brought forward: 8,600,000,000 yen

#### ► Change of dividends per share over time



## Proposal 2: Partial amendments to the Articles of Incorporation

### 1. Reasons for the proposal

#### (1) Overhaul of Directors With Special Titles

The Company introduced the Executive Officer System in 2006 by which the Executive Officers execute business operations while the Board of Directors determines critical matters on management and supervises the execution of the business operations in order to ensure the soundness and efficiency of management. As the Company recognizes the firm establishment of the system, it proposes deletion of regulations in the Articles of Incorporation concerning Director, President and Chief Executive Officer in order to clarify that the President and Chief Executive Officer, who is the highest person in charge of execution of business, is Executive Officer. The Company also proposes deletion of regulations concerning Vice Chairman of the Board of Directors that are currently not yet prescribed.

#### (2) Abolition of Senior Audit & Supervisory Board Member System

The Company appoints Senior Audit & Supervisory Board Members among full-time Audit & Supervisory Board Members to ensure communications and coordination concerning audit operations between Audit & Supervisory Board Members. The Company proposes to abolish the post of Senior Audit & Supervisory Board Member due to changes in the environment and accordingly amend the existing Articles of Incorporation.

### 2. Details of changes

The following changes are proposed.

(Underlines indicate the changes.)

Existing articles	Proposed changes
(Convener and Chairmanship of General Meeting of Shareholders) Article 15. 1. Unless otherwise provided for by laws and regulations, General Meetings of Shareholders are called by, and chaired by <u>Director, President and Chief Executive Officer</u> by the resolution of the Board of Directors. In the case where <u>Director, President and Chief Executive Officer</u> is unable to perform this duty, one of the Directors shall call and chair the meeting following the order of precedence predetermined by the Board of Directors. 2. The chairman maintains the order of the General Meeting of Shareholders and organizes the proceedings. (Representative Directors and <u>Directors With Special Titles</u> ) Article 22. 1. The Board of Directors shall appoint Representative Director by its resolution. 2. Representative Directors shall represent the Company and execute the business operations of the Company by the resolution of the Board of Directors. 3. The Board of Directors may appoint Chairman of the Board of Directors, <u>Vice Chairman of the Board of Directors, and Director, President and Chief Executive Officer</u> by its resolution.	(Convener and Chairmanship of General Meeting of Shareholders) Article 15. 1. Unless otherwise provided for by laws and regulations, General Meetings of Shareholders are called by, and chaired by <u>Representative Director</u> by the resolution of the Board of Directors. In the case where <u>there are more than one Representative Director or Representative Director</u> is unable to perform this duty, one of the Directors shall call and chair the meeting following the order of precedence predetermined by the Board of Directors. 2. (Unchanged) (Representative Directors and <u>Chairman of the Board of Directors</u> ) Article 22. 1. (Unchanged) 2. (Unchanged) 3. The Board of Directors may appoint Chairman of the Board of Directors by its resolution.

Existing articles	Proposed changes
<p>(Full-Time Audit &amp; Supervisory Board Member <u>and Senior Audit &amp; Supervisory Board Member</u>)</p> <p>Article 32.</p> <p>The Audit &amp; Supervisory Board shall select full-time Audit &amp; Supervisory Board Members from Audit &amp; Supervisory Board Members. <u>The Audit &amp; Supervisory Board shall select Senior Audit &amp; Supervisory Board Members from full-time Audit &amp; Supervisory Board Members.</u></p>	<p>(Full-Time Audit &amp; Supervisory Board Member)</p> <p>Article 32.</p> <p>The Audit &amp; Supervisory Board shall select full-time Audit &amp; Supervisory Board Members from Audit &amp; Supervisory Board Members.</p>

### Proposal 3: Election of nine (9) Directors

The terms of office of all ten (10) current Directors will expire at the conclusion of this meeting.

The Company proposes to decrease the number of Directors from ten (10) to nine (9) while increasing the number of Outside Directors from two (2) to three (3) in order to increase the proportion of Outside Directors within the Board of Directors and further reinforce corporate governance.

Therefore, the Company requests the election of nine (9) Directors in accordance with the Company's policy for selecting candidates for Director. The candidates for Director are as follows:

Candidate No.	Name	Current position and responsibilities	Reelection / New election	Years in position
1	Toru Moriyama (65)	President and Chief Executive Officer	Reelection	4
2	Toshiki Furuya (62)	In charge of SCM, (concurrently) Chief Operating Officer, Confectionery Business Division	Reelection	5
3	Koichi Enomoto (58)	Chief Operating Officer, Corporate Staff Section, Corporate Administration, Legal & Human Resources, (concurrently) Chief Compliance Officer, (concurrently) Division COO, Corporate Planning Division	Reelection	4
4	Kazuaki Yamana (51)	Chief Financial Officer, Chief Operating Officer, Corporate Staff Section	Reelection	1
5	Yasuo Yamamoto (61)	In charge of Trade, (concurrently) Chief Health Officer	New election	-
6	Koji Tamura (55)	Division COO, Logistics & Food Distribution Division, Mitsubishi Corporation	New election	-
7	Tamaki Kakizaki (59)	Professor, School of Law, Meiji University	Reelection Outside Independent	4
8	Nobuyuki Teshima (58)	Professor, School of Commerce, Senshu University	Reelection Outside Independent	4
9	Masahiro Yoshikawa (64)	—	New election Outside Independent	-

Candidate No.	Name (Date of birth)	Career summary, position and responsibilities at the Company	Number of the Company's shares owned
1	<p>Toru Moriyama (August 9, 1954)</p> <p>Reelection</p> <p>Board of Directors Meeting Attendance in FY2019 14/14 Meetings</p>	<p>Apr. 1977      Joined Mitsubishi Corporation</p> <p>Apr. 2001      Unit Manager, Marine Products Unit, Foods (Products) Division, Mitsubishi Corporation</p> <p>Apr. 2004      General Manager, Living Essentials Group of Chubu Branch, Mitsubishi Corporation</p> <p>Sept. 2005      Executive Officer, Lawson, Inc.</p> <p>May 2006      Director, Senior Executive Vice President, Lawson, Inc.</p> <p>Apr. 2008      Senior Vice President, Mitsubishi Corporation</p> <p>Apr. 2009      Senior Vice President, Senior Assistant to Group CEO, Living Essentials Group (Next Generation Business Development Charge), Mitsubishi Corporation</p> <p>Apr. 2010      Executive Vice President, Group COO, Living Essentials Group, Mitsubishi Corporation</p> <p>Apr. 2011      Executive Vice President, Group CEO, Living Essentials Group, Mitsubishi Corporation</p> <p>June 2011      Outside Director, the Company</p> <p>Mar. 2013      Resigned from being Outside Director, the Company</p> <p>Apr. 2013      Executive Vice President, Regional CEO, Asia &amp; Oceania, Mitsubishi Corporation</p> <p>Apr. 2016      President and Chief Executive Officer, the Company</p> <p>June 2016      Representative Director, President and Chief Executive Officer, the Company (present position)</p> <p>Significant concurrent positions outside the Company No significant concurrent positions outside the Company.</p>	7,100 shares
<p>Reasons for nomination as candidate for Director</p> <p>Toru Moriyama has a wealth of managing experience as Executive Vice President and Group CEO of Living Essentials Group in our parent company Mitsubishi Corporation, and insight regarding general administration of trading companies as well as global business administration. He has served as President and Chief Executive Officer of the Company since FY2016 and has insight about general administration, business administration and operational management in the food distribution industry. Therefore, the Company has again selected Toru Moriyama as a candidate for Director.</p>			
<p>Special interest between the candidate and the Company</p> <p>There is no special interest between Toru Moriyama and the Company.</p>			

Candidate No.	Name (Date of birth)	Career summary, position and responsibilities at the Company		Number of the Company's shares owned
2	Toshiki Furuya (September 16, 1957)  Reelection  Board of Directors Meeting Attendance in FY2019 14/14 Meetings	Apr. 1981	Joined Mitsubishi Corporation	3,500 shares
		Apr. 2006	Unit Manager, Confectionery & Pet Foods Unit, Foods (Products) Division, Mitsubishi Corporation	
		Apr. 2008	Unit Manager, Processed Foods B Unit, Foods (Products) Division, Mitsubishi Corporation	
		Apr. 2013	Deputy Division COO, Foods (Products), Retail & Healthcare Division, Mitsubishi Corporation	
		Apr. 2014	Executive Officer, Chief Operating Officer, Confectionery Business Division, the Company	
		Apr. 2015	Managing Executive Officer, Chief Operating Officer, Confectionery Business Division, the Company	
		June 2015	Director, (concurrently) Managing Executive Officer, Chief Operating Officer, Confectionery Business Division, the Company	
		Apr. 2019	Director, (concurrently) Managing Executive Officer, in charge of SCM, (concurrently) Chief Operating Officer, Confectionery Business Division, the Company (present position)	
		Significant concurrent positions outside the Company No significant concurrent positions outside the Company.		
	Reasons for nomination as candidate for Director Having been primarily engaged in food-related operations and having worked as Deputy Division COO of the Foods (Products), Retail & Healthcare Division at our parent company Mitsubishi Corporation, Toshiki Furuya possesses an abundance of business experience as well as insight for management. He currently works as Managing Executive Officer, in charge of SCM, and concurrently COO of the Confectionery Business Division of the Company, and he has insight regarding general administration and operational management in the food distribution industry. Therefore, the Company has again selected Toshiki Furuya as a candidate for Director.			
Special interest between the candidate and the Company There is no special interest between Toshiki Furuya and the Company.				

Candidate No.	Name (Date of birth)	Career summary, position and responsibilities at the Company		Number of the Company's shares owned
3	Koichi Enomoto (December 18, 1961)  Reelection  Board of Directors Meeting Attendance in FY2019 14/14 Meetings	Apr. 1984	Joined Mitsubishi Corporation	0 shares
		Apr. 2012	General Manager, Corporate Planning Department, the Company	
		Apr. 2013	Division COO, Corporate Planning Division, the Company	
		Apr. 2014	Executive Officer, Division COO, Corporate Planning Division, the Company	
		Apr. 2016	Managing Executive Officer, Chief Operating Officer, Corporate Staff Section, Corporate Administration, Legal & Human Resources, (concurrently) Chief Compliance Officer, (concurrently) Division COO, Corporate Planning Division, the Company	
		June 2016	Director, (concurrently) Managing Executive Officer, Chief Operating Officer, Corporate Staff Section, Corporate Administration, Legal & Human Resources, (concurrently) Chief Compliance Officer, (concurrently) Division COO, Corporate Planning Division, the Company (present position)	
		Significant concurrent positions outside the Company No significant concurrent positions outside the Company.		
Reasons for nomination as candidate for Director Having been primarily engaged in policy planning and execution in the Living Essentials area at our parent company Mitsubishi Corporation, Koichi Enomoto possesses an abundance of business experience as well as insight for management. He currently works as Managing Executive Officer, COO of Corporate Staff Section and Corporate Administration (Legal & Human Resources), Chief Compliance Officer and Division COO of the Corporate Planning Division of the Company. Because of his insight regarding general administration and operational management in the food distribution industry, the Company has again selected Koichi Enomoto as a candidate for Director.				
Special interest between the candidate and the Company There is no special interest between Koichi Enomoto and the Company.				



Candidate No.	Name (Date of birth)	Career summary, position and responsibilities at the Company		Number of the Company's shares owned
4	Kazuaki Yamana (September 2, 1968)  Reelection  Board of Directors Meeting Attendance in FY2019 11/11 Meetings	Apr. 1991	Joined Mitsubishi Corporation	0 shares
		Jan. 2010	General Manager, Strategic Planning Office, Mitsubishi Corporation Financial & Management Services (Japan) Ltd.	
		May 2012	General Manager, Corporate Management Office, Corporate Strategy & Planning Department, Mitsubishi Corporation	
		Apr. 2016	General Manager for Human Resources, Assistant to Corporate Functional Officer, Mitsubishi Corporation	
		Apr. 2019	Managing Executive Officer, Chief Financial Officer, Corporate Staff Section, the Company	
		June 2019	Director, (concurrently) Managing Executive Officer, Chief Financial Officer, Corporate Staff Section, the Company (present position)	
		Significant concurrent positions outside the Company No significant concurrent positions outside the Company.		
Reasons for nomination as candidate for Director Having been primarily engaged in administrative work such as tax matter and accounting as well as planning and execution of policies of trading companies at our parent company Mitsubishi Corporation, Kazuaki Yamana possesses an abundance of business experience as well as insight for management. He currently works as Managing Executive Officer and Chief Financial Officer (CFO) of the Company's Corporate Staff Section, and he has insight regarding general administration and operational management of food distribution industry. Therefore, the Company has again selected Kazuaki Yamana as a candidate for Director.				
Special interest between the candidate and the Company There is no special interest between Kazuaki Yamana and the Company.				

Candidate No.	Name (Date of birth)	Career summary, position and responsibilities at the Company		Number of the Company's shares owned
5	Yasuo Yamamoto (August 22, 1958)  New election  Board of Directors Meeting Attendance in FY2019 -	Apr. 1981	Joined Mitsubishi Corporation	2,200 shares
		Apr. 2001	General Manager, Marketing Business Office, Consumer Business Division, Mitsubishi Corporation	
		Apr. 2007	Senior Vice President, Deputy General Manager, Sales Division, Meidi-ya Corporation	
		June 2009	Director, (concurrently) Managing Senior Vice President, Deputy General Manager, Sales Division, (concurrently) General Manager, National Distribution Department, Meidi-ya Corporation	
		Oct. 2011	Senior Assistant to Chief Operating Officer, Processed Foods Business Division, the Company	
		Apr. 2013	Division COO, EC Division, the Company	
		June 2013	Executive Officer, General Manager, Kansai Branch, the Company	
		Apr. 2017	Managing Executive Officer, General Manager, Kansai Branch, the Company	
		Apr. 2018	Managing Executive Officer, Chief Operating Officer, Processed Foods Business Division, the Company	
		Apr. 2020	Managing Executive Officer, in charge of Trade, (concurrently) Chief Health Officer, the Company (present position)	
Significant concurrent positions outside the Company				
No significant concurrent positions outside the Company.				
Reasons for nomination as candidate for Director Having been engaged in the food-related operations, primarily in processed foods, at our parent company Mitsubishi Corporation, Yasuo Yamamoto possesses an abundance of business experience as well as insight for management. He currently works as Managing Executive Officer, in charge of Trade and Chief Health Officer of the Company, and he has insight regarding general administration and operational management in the food distribution industry. Therefore, the Company has newly selected Yasuo Yamamoto as a candidate for Director.				
Special interest between the candidate and the Company There is no special interest between Yasuo Yamamoto and the Company.				

Candidate No.	Name (Date of birth)	Career summary, position and responsibilities at the Company		Number of the Company's shares owned
6	Koji Tamura (January 4, 1965)  New election  Board of Directors Meeting Attendance in FY2019 -	Apr. 1988	Joined Mitsubishi Corporation	0 shares
		July 2009	General Manager, Strategic Planning Office, Logistics Service Division, Mitsubishi Corporation	
		June 2013	General Manager, Corporate Planning, Industrial Finance, Logistics & Development Group CEO Office, (concurrently) Group CIO, Mitsubishi Corporation	
		Apr. 2015	CEO & President, Mitsubishi Corporation LT, Inc.	
		Apr. 2018	Division COO, Logistics Division, Mitsubishi Corporation	
		Apr. 2020	Division COO, Logistics & Food Distribution Division, Mitsubishi Corporation (present position)	
		Significant concurrent positions outside the Company Division COO, Logistics & Food Distribution Division, Mitsubishi Corporation Director, Mitsubishi Corporation LT, Inc. Director, Mitsubishi Ore Transport Co., Ltd.		
Reasons for nomination as candidate for Director Having worked as Division COO of the Logistics & Food Distribution Division at our parent company Mitsubishi Corporation, Koji Tamura possesses an abundance of business experience in regard to distribution in general as well as insight for management. The Company believes him capable of appropriately supervising from a practical and wide perspective including the functional enhancement of food distribution regarding management and operations. Therefore, the Company has newly selected Koji Tamura as a candidate for Director.				
Special interest between the candidate and the Company There is no special interest between Koji Tamura and the Company.				

Candidate No.	Name (Date of birth)	Career summary, position and responsibilities at the Company		Number of the Company's shares owned
7	Tamaki Kakizaki (January 16, 1961)  Reelection Outside Independent  Board of Directors Meeting Attendance in FY2019 14/14 Meetings	Apr. 2002	Assistant Professor, Faculty of Management, Atomi University	1,800 shares
		Apr. 2008	Associate Professor, Legal work post graduate course, Professional Graduate School, Toyo University	
		Apr. 2009	Professor, Graduate School of Law, Toyo University	
		Apr. 2012	Professor, Graduate School of International Social Science, Yokohama National University	
		Apr. 2014	Professor, School of Law, Meiji University (present position)	
		June 2016	Outside Director, the Company (present position)	
		Significant concurrent positions outside the Company Professor, School of Law, Meiji University Outside Director, Eisai Co., Ltd. Outside Auditor, Japan Airport Terminal Co., Ltd.		
Reasons for nomination as candidate for Outside Director As a university professor whose field of research is the Commercial Code, and Financial Instruments and Exchange Act, Tamaki Kakizaki has expert insight on internal controls, etc. She appropriately supervises from an objective and expert perspective regarding management and operations at the Company. Therefore, the Company has again selected Tamaki Kakizaki as a candidate for Outside Director.				
Special interest between the candidate and the Company There is no special interest between Tamaki Kakizaki and the Company.				

Candidate No.	Name (Date of birth)	Career summary, position and responsibilities at the Company		Number of the Company's shares owned
8	Nobuyuki Teshima (November 3, 1961)  Reelection Outside Independent  Board of Directors Meeting Attendance in FY2019 14/14 Meetings	Apr. 1985	Joined The Bank of Tokyo Ltd.	0 shares
		May 1993	MBA, Massachusetts Institute of Technology	
		Feb. 1997	Senior Researcher, NEC Research Institute	
		Apr. 2001	Full-time Lecturer, School of Commerce, Senshu University	
		Apr. 2003	Associate Professor, School of Commerce, Senshu University	
		Apr. 2009	Professor, School of Commerce, Senshu University (present position)	
		June 2016	Outside Director, the Company (present position)	
		Significant concurrent positions outside the Company Professor, School of Commerce, Senshu University		
	Reasons for nomination as candidate for Outside Director As a university professor whose field of research is the stock market, corporate finance, and corporate governance, Nobuyuki Teshima has expert insight. He also has business experience in corporations and utilizes his experience to appropriately supervise from an objective and expert perspective regarding management and operations. Therefore, the Company has again selected Nobuyuki Teshima as a candidate for Outside Director.			
	Special interest between the candidate and the Company There is no special interest between Nobuyuki Teshima and the Company.			

Candidate No.	Name (Date of birth)	Career summary, position and responsibilities at the Company	Number of the Company's shares owned
9	Masahiro Yoshikawa (March 12, 1956)  New election Outside Independent  Board of Directors Meeting Attendance in FY2019 -	Apr. 1980      Joined Mitsubishi Rayon Co., Ltd. Apr. 2003      Director, Acrylic Fiber Plant, Mitsubishi Rayon Co., Ltd. Apr. 2005      Director, Corporate Planning Division, Mitsubishi Rayon Co., Ltd. Apr. 2007      General Manager, Acrylic Fiber Division, Mitsubishi Rayon Co., Ltd. Apr. 2010      Executive Officer, General Manager, Corporate Research Laboratories, Mitsubishi Rayon Co., Ltd. Apr. 2013      Managing Executive Officer, Officer in charge of Research & Development, Mitsubishi Rayon Co., Ltd. Apr. 2014      Member of the Board, (concurrently) Officer in charge of Research & Development, Mitsubishi Rayon Co., Ltd. Apr. 2015      Member of the Board, (concurrently) Managing Executive Officer, Officer in charge of Specialty Chemicals, Resins & Plastics Bloc, Officer in charge of Research & Development, Mitsubishi Rayon Co., Ltd. Apr. 2017      Managing Executive Officer, Chief Operating Officer, High Performance Chemicals Business Domain, Mitsubishi Chemical Corporation Apr. 2019      Advisor, Mitsubishi Chemical Corporation Mar. 2020      Resigned from being Advisor, Mitsubishi Chemical Corporation  Significant concurrent positions outside the Company No significant concurrent positions outside the Company.	0 shares
Reasons for nomination as candidate for Outside Director Masahiro Yoshikawa served as Member of the Board (Officer in charge of Research & Development) after working in the fiber production division, management strategy division, etc. in Mitsubishi Rayon Co., Ltd. (current Mitsubishi Chemical Corporation). He has therefore a wealth of experience and knowledge in corporate management in addition to experience in various business operations. He can utilize his experience to appropriately supervise from an objective and wide perspective regarding management and operations. Therefore, the Company has newly selected Masahiro Yoshikawa as a candidate for Outside Director.			
Special interest between the candidate and the Company There is no special interest between Masahiro Yoshikawa and the Company.			

- (Notes) 1. The Company has entered into limited liability agreements with Tamaki Kakizaki and Nobuyuki Teshima in accordance with Article 427, paragraph (1) of the Companies Act. In the case that their reelection is approved, the Company intends to keep those agreements with both in force. If the election of Masahiro Yoshikawa is approved, the Company plans to enter into the same limited liability agreement with him.
- The details of the limited liability agreements are as follows:
- Concerning the liability per Article 423, paragraph (1) of the Companies Act
- 1) If they are performing their duties in good faith and are not grossly negligent
  - 2) The amount of damages paid to the Company shall be limited to the minimum liability set forth in Article 425, paragraph (1) of the Companies Act.
2. Tamaki Kakizaki is expected to retire as Outside Director of Eisai, Co., Ltd., on June 19, 2020.
  3. Tamaki Kakizaki, Nobuyuki Teshima and Masahiro Yoshikawa are candidates for Independent Directors pursuant to the regulations of Tokyo Stock Exchange, Inc.

**(Reference) Policy and procedure for the selection of candidates for Director**

The Company conducts wide and diversified operations in the food distribution industry. In order to achieve appropriate decision-making and management supervision, we have selected internal as well as external people who possess an abundance of experience, high-level insight and expertise.

Regarding the specifics of the policy for selection of candidates for Directors, Directors (internal) are selected from Executive Officers responsible for each business field and administrative department of the Company, in addition to the President, who is the highest person in charge of execution of business. Outside Directors are selected from among people who possess objective and expert perspectives based on abundant experience. As a rule, there may be no more than a total of twelve (12) Directors.

The Company has selected the appropriate candidates in line with the Policy for selection of Directors, who shall, upon resolution by the Board of Directors, be brought before the General Meeting of Shareholders.

**[Criteria for Independence of Outside Directors and Outside Audit & Supervisory Board Members]**

In addition to the requirements as established by Tokyo Stock Exchange, Inc., the independence of Outside Directors and Outside Audit & Supervisory Board Members is determined based on the following (1) through (6) items regarding the relevant person's current and past three (3) fiscal years:

- (1) A major shareholder of the Company (direct or indirect possessor of at least 10% of voting rights) or Executive thereof (\*1)
  - (2) An Executive of a trading partner which exceeds the criteria set forth by the Company (\*2)
  - (3) A person who has received monetary payment or other property benefits exceeding 10 million yen per one (1) fiscal year from the Company for their professional services as a consultant, attorney, or certified public accountant, etc., excluding Director's or Audit & Supervisory Board Member's remuneration.
  - (4) An employee or senior partner of an accounting auditor of the Company
  - (5) A person who belongs to an organization that has received donations which exceeds a given amount from the Company (\*3)
  - (6) An Outside Director or Outside Audit & Supervisory Board Member of the Company whose term of office exceeds eight (8) years
- \*1 "Executive" refers to an Executive Director, an Executive Officer, or an Operating Officer or other employee.  
\*2 "Trading partner which exceeds the criteria set forth by the Company" refers to a trading partner whose transactions with the Company exceed 2% of the Company's consolidated net sales.  
\*3 "Donation which exceeds a given amount" refers to donations exceeding 10 million yen per fiscal year.

Even in the case that any of items (1) through (6) above apply to an Outside Director or Outside Audit & Supervisory Board Member, the reason that the person concerned is deemed sufficiently independent will be explained and disclosed at the time of election as an Outside Director or Outside Audit & Supervisory Board Member.