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Securities code: 9946
April 27, 2023

To Shareholders with Voting Rights:

Akihiro Fujimoto
President and Representative Director
MINISTOP Co., Ltd.
1-5-1 Nakase, Mihama-ku, Chiba City,
Chiba Prefecture, Japan

Notice Of The 44th Annual General Meeting Of Shareholders

Dear Shareholders:

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

Notice is hereby given that the 44th Annual General Meeting of Shareholders (the “Meeting”) of MINISTOP Co., Ltd. (the “Company”) will be held as described below.

The 44th Annual General Meeting of Shareholders is being convened in electronic format, and the Notice of Convocation of the 44th Annual General Meeting of Shareholders is posted in electronic format on the following website.

Company website: <https://www.ministop.co.jp/corporate/ir/stock/meeting.html>

In addition to posting matters subject to measures for electronic provision on the website listed above, the Company also posts this information on the website of Tokyo Stock Exchange, Inc. (TSE). Please access the TSE website (TSE Listed Company Information Service) below, enter or search for the issue name (company name) or securities code, and select “search,” and then click “Basic information” and select “Documents for public inspection/PR information.”

TSE website (Listed Company Search):

<https://www2.jpx.co.jp/tseHpFront/JJK010010Action.do?Show=Show> (in Japanese only)

If you will be attending on the day of the meeting, please submit the enclosed Voting Rights Exercise Form at the venue reception desk. You may exercise your voting rights by postal mail or online instead of attending in person, so please review the Reference Documents for the General Meeting of Shareholders that are provided below and exercise your voting rights by 5:00 p.m., Thursday, May 18, 2023 (JST).

- 1. Date and Time:** Friday, May 19, 2023 at 10:00 a.m. (JST) (registration begins at 9:00 a.m.)
- 2. Place:** Multipurpose Hall, 3rd Floor, AEON Tower Annex, 1-5-1 Nakase, Mihama-ku, Chiba City

3. Meeting Agenda:

- Matters to be reported:**
1. The Business Report and report on the Consolidated Financial Statements for the Company's 44th Fiscal Year (from March 1, 2022 to February 28, 2023) and results of audits by the Accounting Auditor and the Audit & Supervisory Board of the Consolidated Financial Statements
 2. Non-consolidated Financial Statements for the Company's 44th Fiscal Year (March 1, 2022 – February 28, 2023)

Proposals to be resolved:

- Proposal 1:** Election of nine (9) Directors
- Proposal 2:** Election of two (2) Auditors
- Proposal 3:** Determination of the amount and details of Compensation of Directors
- Proposal 4:** Granting of non-monetary compensation to Directors (excluding outside Directors)
- Proposal 5:** Granting of non-monetary compensation to Audit & Supervisory Board Members (excluding Part-time Audit & Supervisory Board Members)

- The documents sent to shareholders who have requested the delivery of written documents do not contain the following matters based on the provisions of laws and regulations and Article 15 of the Company's Articles of Incorporation. Accordingly, the said documents are part of the documents audited by the Audit & Supervisory Board Member and the Accounting Auditor in preparing the Audit Report.
 - Notes to the Consolidated Financial Statements and Notes to the Non-Consolidated Financial Statements
- If revisions to the matters subject to measures for electronic provision arise, the revised versions will be posted on the respective websites where they are posted.
- The results of resolutions by the 44th Annual General Meeting of Shareholders will be posted on the Company's online website on Saturday, May 20, 2023 or a later date.

The Company's website: <https://www.ministop.co.jp/>

- The Company has introduced 'online convocation' to enable shareholders to easily view main contents and related information of reference documents for the General Meeting of Shareholders and to exercise voting rights through smartphones and other devices, in order to further deepen communication with shareholders.

Guide to Live Streaming of and Submitting Pre-Meeting Questions to the General Meeting of Shareholders

The General Meeting of Shareholders will be streamed live to allow the meeting to be viewed from home as it takes place. Details are provided below.

Prior to the General Meeting of Shareholders, the Company will accept questions regarding the purpose of this General Meeting of Shareholders in advance.

When filming at the venue on the day of the meeting, efforts will be made to protect the privacy of shareholders in attendance and only the area around the chairperson's seat and officers' seats will be filmed, but there may be unavoidable situations in which shareholders in attendance are captured by the camera. Your understanding is appreciated.

Please use the Engagement Portal, a site for online shareholder meetings to submit your pre-meeting questions.

* This website will be open from the time of receipt of this Notice of Convocation to 5:00 p.m. on Friday, May 19, 2023.

1. Streaming time and date

Friday, May 19, 2023, 10:00 a.m. to the end of the meeting.

* The live streaming screen on the day of the meeting will be accessible from approximately 30 minutes before the start of the meeting.

* If, due to unavoidable circumstances the meeting will be prevented from being live-streamed, the Company will announce this on the Company's website and elsewhere.

2. Period of acceptance for pre-meeting questions

From the time of receipt of this Notice of Convocation to 5:00 p.m. on Monday, May 8, 2023.

3. How to log in to the Engagement Portal, a site for online shareholder meetings.

Please refer to the back of the Voting Rights Exercise Form enclosed with this Notice of Convocation and log in using one of the following methods, depending on the device you are using.

* If you lose the enclosed Voting Rights Exercise Form, we will accept requests for re-issuance through "For inquiries related to the site" on page 9 of the Notice of Convocation. Please be aware, however, that we may not be able to issue a replacement form depending on the timing of when the request is received; for example, if there is less than around one week until the meeting is to be held.

(1) If logging in by scanning a QR code (smartphone, tablet, etc.)

Please scan the QR code printed on the back of the Voting Rights Exercise Form with your smartphone or other device. You will be able to log in without entering your "Login ID" and "Password."

* "QR Code" is a registered trademark of DENSO WAVE Incorporated.

(2) If logging in using an individual login ID and password (computer, etc.)

i. Please use the following web address and enter the login ID and password shown on the back of the Voting Rights Exercise Form.

URL : <https://engagement-portal.tr.mufg.jp/>

ii. Review the terms of use and check the box for "I agree to the terms of use."

iii. Click the "Login" button.

4. Viewing the live streaming of the General Meeting of Shareholders

After logging in to the Engagement Portal, a site for online shareholder meetings, follow the procedures below.

- (1) After logging in, click the “View meeting live” button that will be displayed.
- (2) Confirm the terms of use on viewing the live stream, check the box for “I agree to the terms of use,” and click “View.”

[Reminders about participating online]

- Viewing the live stream via the Internet is not considered attendance at the General Meeting of Shareholders under the Companies Act. Therefore, you will not be able to ask questions, exercise your voting rights, or submit motions, which are permitted for shareholders at the General Meeting of Shareholders, through Internet participation.
- With regard to exercising your voting rights, please be aware of the deadline and send the Voting Rights Exercise Form by mail, vote online, or have a proxy to whom proxy rights have been ascribed by power of attorney or other means attend the meeting in person.
- We kindly request that participation in the General Meeting of Shareholders via the Internet is limited to shareholders only, and proxy participation is not permitted.
- Depending on the device you use (model, performance, etc.) and your Internet connection (line status, connection speed, etc.), there may be problems with the audio or video, so your understanding in advance is appreciated.
- Secondary use of the live-streamed video of the General Meeting of Shareholders, such as public distribution on social media, is strictly prohibited.
- Communication and other charges for viewing the live stream are borne by the shareholder.

5. Pre-meeting questions

After logging in to the Engagement Portal, a site for online shareholder meetings, follow the procedures below.

- (1) After logging in, click the “Pre-meeting questions” button that will be displayed.
- (2) Select the category of your question, enter the question, check the box for “I agree to the terms of use,” and click the "Move to confirmation screen" button.
- (3) After confirming the information entered, click the “Submit” button.

[Reminders about pre-meeting questions]

- Your question may only relate to items relevant to the purpose of this General Meeting of Shareholders.
- Of the questions submitted, those that we believe will be of interest to our shareholders will be answered on the day of this General Meeting of Shareholders.
- Please note that we cannot guarantee to answer all pre-meeting questions. Additionally, please be aware in advance that we may not be able to provide individual responses.
- Communication fees and other costs associated with submitting a question shall be borne by each shareholder.

[Recommended system requirements]

The following are the site's recommended system requirements.

Internet Explorer does not work with the site, so please use one of the following browsers.

	PC		Mobile		
	Windows	Macintosh	iPad	iPhone	Android
OS	Windows 10 and newer	MacOS X 10.13 (High Sierra) and newer	iOS 14.0 and newer	iOS 14.0 and newer	Android 9.0 and newer
Latest Browser*	Google Chrome, Microsoft Edge (Chromium)	Safari, Google Chrome	Safari	Safari	Google Chrome

* Even if the recommended system requirements are met, the site may not function normally depending on the communication environment and device.

[For inquiries related to the site]

Tel: 0120-676-808 (toll-free)

Transfer Agent Department, Mitsubishi UFJ Trust and Banking Corporation

(Weekdays 9:00 a.m. to 5:00 p.m. Not open on weekends or holidays except on the day of the meeting from 9:00 a.m. until the meeting's close.)

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal 1: Election of nine (9) Directors

The terms of office of all nine (9) directors will expire at the close of this Meeting. Accordingly, the Company proposes the election nine (9) Directors.

The candidates for Director are as follows.

■ List of candidates for Director

No.	Name	Gender		Position and responsibilities at Company	Board of Directors' Meeting attendance	Years of service	Nomination and Compensation Committee
1	Akihiro Fujimoto	Male	Reelected	President and Representative Director	19/19 (100%)	6	○
2	Takeshi Miyazaki	Male	Reelected	Representative Director and Senior Managing Director In charge of Strategy and Business Management	13/13 (100%)	1	
3	Masashi Hotta	Male	Reelected	Managing Director In charge of Administration, Overseas, and Workplace	19/19 (100%)	9	
4	Toyoaki Abe	Male	Reelected	Director In charge of sales and development	19/19 (100%)	3	
5	Mitsuharu Nakazawa	Male	Reelected	Director In charge of merchandise and digital	19/19 (100%)	3	
6	Keiji Kamio	Male	Reelected	Director	13/13 (100%)	1	
7	Takahisa Yamakawa	Male	Reelected Outside Independent	Director	19/19 (100%)	8	○
8	Makoto Kometani	Male	Reelected Outside Independent	Director	19/19 (100%)	7	○
9	Shingo Kagawa	Male	Reelected Outside Independent	Director	13/13 (100%)	1	○

- Notes: 1. The number of years of service and the composition of each committee are as of the close of this General Meeting of Shareholders.
2. As Takeshi Miyazaki, Keiji Kamio and Shingo Kagawa were appointed as directors at the 43rd Annual General Meeting of Shareholders held on May 20, 2022, the status of their attendance at the meetings of the Board of Directors after that date is shown.

<Policies and Procedures for Nominating Candidates for Directors>

Nominations of candidates for Directors are proposed by the President and Representative Director in accordance with the following criteria, and after deliberation by the Nomination and Remuneration Committee, are resolved by the Board of Directors as an agenda item for the General Meeting of Shareholders and submitted to this Meeting.

- Internal Directors should have the ability, knowledge, experience, and achievements in their specialized fields of expertise, as well as a sense of balance and decisiveness to comprehend and play an active role in all aspects of the company's operations.
- Outside Directors must have extensive experience and a high level of insight in their respective fields of expertise, must be able to devote sufficient time to the performance of their duties as Directors of the Company, and must have the qualifications to supervise and make proposals to ensure the validity and appropriateness of the Board's decision-making from an independent point of view.

Expertise and Experience of Candidates for Director <Skill Matrix>

The Company's skills matrix is based on the areas of corporate management, legal and risk management, and finance and accounting, with disclosure items tailored to the business and the desired image of a Board of Directors. The disclosure items consist of nine items, including items related to the Company's current initiatives, such as environmental response and digital transformation, etc. Director skills are indicated by ● for all experience or skills that each of them has. The Company recognizes that promoting ESG, digital transformation, and diversity management are important management issues for the Company, and all Directors will work together to address them.

* The table below shows skills and areas of expertise particularly expected for each director and does not indicate all of the skills and areas of expertise possessed by each director.

		Expertise and experience possessed by the Company's Directors								
		General management	Legal and risk management	Financial, accounting and tax	HR, labor relations, Human resources development	Sales office support	Store development	Product development and logistics	IT and information systems	Overseas experience
1	Akihiro Fujimoto	●				●	●	●		●
2	Takeshi Miyazaki	●		●	●	●	●	●		
3	Masashi Hotta	●	●	●	●		●	●		●
4	Toyoaki Abe	●		●	●	●	●			●
5	Mitsuharu Nakazawa	●				●		●	●	●
6	Keiji Kamio	●	●	●	●	●	●	●		
7	Takahisa Yamakawa	●	●							
8	Makoto Kometani	●		●						●
9	Shingo Kagawa	●							●	●

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
1	<p>Akihiro Fujimoto July 19, 1962</p> <p>[Reappointment]</p>	<p>March 1985 Joined the Company</p> <p>March 2001 General Manager of Marketing Office, the Company</p> <p>June 2002 President and Representative Director, MS Kyushu Co., Ltd.</p> <p>February 2005 General Manager of East Japan Sales Division, the Company</p> <p>May 2005 Director</p> <p>March 2008 General Manager of Fast Food Products Division</p> <p>February 2010 General Manager of Merchandise Division</p> <p>May 2011 Managing Director</p> <p>February 2012 In charge of merchandise</p> <p>May 2012 Director, Managing Executive Officer</p> <p>March 2013 In charge of China business</p> <p>April 2013 General Manager, QINGDAO MINISTOP CO., LTD.</p> <p>May 2014 Managing Executive Officer</p> <p>May 2017 President and Representative Director (current position)</p> <p>March 2020 President and Representative Director, in charge of sales and development</p>	12,199
<p>[Reason for nomination as candidate for Director]</p> <p>Mr. Fujimoto has extensive experience as President and Representative Director of MS Kyushu Co., Ltd. and as General Manager of QINGDAO MINISTOP CO., LTD., has served as the Company's President and Representative Director since May 2017 and therefore has broad and extensive knowledge of the Company's business. Accordingly, the Company judges him qualified to be reappointed as a candidate for Director.</p>			
<p>[Special interests]</p> <p>There are no special interests between Mr. Akihiro Fujimoto and the Company.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
2	<p>Takeshi Miyazaki (June 14, 1970)</p> <p>[Reappointment]</p>	<p>April 1993 Joined Jusco Co., Ltd. (currently Aeon Co., Ltd.)</p> <p>September 2001 Secretary Office</p> <p>July 2009 My Basket Division, AEON Retail Co., LTD.</p> <p>January 2012 Head of Sales Department, My Basket CO., LTD.</p> <p>March 2013 Director, Head of Support Administration Department</p> <p>April 2015 Director, Head of Sales and Support Administrative Department</p> <p>January 2016 Director, Head of Human Resource Development Department</p> <p>March 2017 President and Representative Director, A • Colle Co., LTD.</p> <p>April 2018 President and Representative Director, AEON BIG Co., Ltd.</p> <p>September 2019 PT of Discount Business, Aeon Co., Ltd.</p> <p>April 2020 Chief Officer of Finance and Accounting Head of Finance Department</p> <p>March 2022 Chief Officer of Business Management</p> <p>May 2022 Representative Director and Senior Managing Director, Chief Officer of Strategy and Business Management (current position)</p>	—
<p>[Reason for nomination as candidate for Director] Mr. Miyazaki has extensive experience and an ample track record as a business executive at Aeon Group companies, and he also has extensive knowledge of the finance and business management divisions. Accordingly, the Company judges him qualified to be appointed as a candidate for Director.</p>			
<p>[Special interests] There are no special interests between Mr. Takeshi Miyazaki and the Company.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
3	<p>Masashi Hotta October 2, 1965</p> <p>[Reappointment]</p>	<p>April 1989 Joined the Company</p> <p>February 2006 General Manager of Area FC, the Company</p> <p>January 2009 General Manager, QINGDAO MINISTOP CO., LTD.</p> <p>March 2013 General Manager of President's Office, the Company</p> <p>May 2014 In charge of administration, General Manager of President's Office</p> <p>May 2014 Director, Executive Officer</p> <p>September 2014 In charge of merchandise</p> <p>May 2015 Managing Executive Officer</p> <p>September 2017 General Manager of Administration Division</p> <p>May 2019 Managing Director (current position)</p> <p>April 2020 General Manager of Administration Division, in charge of overseas business</p> <p>April 2020 General Manager of Personnel and General Affairs Division, in charge of overseas business</p> <p>February 2022 In charge of administration, General Manager of Overseas/Workplace/MINISOF Business Division</p> <p>October 2022 In charge of Administration, Overseas, and Workplace (current position)</p>	2,400
<p>[Reason for nomination as candidate for Director] Mr. Hotta has extensive experience as the General Manager of QINGDAO MINISTOP CO., LTD. and has broad and extensive knowledge of the Company's business, including the administration division, development division, and merchandise division. Accordingly, the Company judges him qualified to be reappointed as a candidate for Director.</p>			
<p>[Special interests] There are no special interests between Mr. Masashi Hotta and the Company.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
4	<p style="text-align: center;">Toyoaki Abe (February 14, 1973)</p> <p style="text-align: center;">[Reappointment]</p>	<p>April 1995 Joined the Company</p> <p>March 2008 General Manager of Sales Department, MINISTOP DELI Business Division</p> <p>March 2016 Managing Director in charge of administration, MINISTOP Korea Co., Ltd.</p> <p>November 2019 Responsible for Cost/Earnings/Business Restructuring Project, the Company</p> <p>March 2020 General Manager of FC Support Division</p> <p>May 2020 Director (current position)</p> <p>February 2021 In charge of sales and development</p> <p>February 2022 In charge of sales and development, General Manager of Sales and Development Management Division</p> <p>May 2022 In charge of sales and development (current position)</p>	500
<p>[Reason for nomination as candidate for Director] Mr. Abe has experience as Managing Director of MINISTOP Korea Co., Ltd. and extensive knowledge of the Company's business, including the sales division and new businesses. Accordingly, the Company judges him qualified to be reappointed as a candidate for Director.</p>			
<p>[Special interests] There are no special interests between Mr. Toyoaki Abe and the Company.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
5	Mitsuharu Nakazawa February 10, 1972 [Reappointment]	<p>April 1995 Joined the Company</p> <p>February 2009 General Manager of Tokyo Sales Department</p> <p>September 2009 Junior Vice-President, ROBINSONS CONVENIENCE STORES, INC. (the Philippines)</p> <p>March 2016 General Manager of Overseas Business Division, the Company</p> <p>October 2019 General Manager of Merchandise Division</p> <p>May 2020 Director (current position)</p> <p>February 2022 In charge of merchandise and digital, General Manager of Merchandise Management Division</p> <p>May 2022 In charge of merchandise and digital (current position)</p>	2,900
<p>[Reason for nomination as candidate for Director] Mr. Nakazawa has experience as a business executive overseas and extensive knowledge of the Company's business, including the merchandise and sales divisions. Accordingly, the Company judges him qualified to be reappointed as a candidate for Director.</p>			
<p>[Special interests] There are no special interests between Mr. Mitsuharu Nakazawa and the Company.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
6	Keiji Kamio July 11, 1957 [Reappointment]	March 1980 Joined Yaohan Co., Ltd. (currently Maxvalu Tokai Co., Ltd.) February 1998 General Manager of the Sales Coordinator Department September 2001 General Manager of Hachimancho Store March 2003 Dairy Manager of the Product Control Department March 2004 Division Manager of the Store Management Department May 2004 Director May 2008 Executive Director May 2011 Division Manager of the Product Control Department May 2013 President and Representative Director March 2022 Executive Officer, Supermarket Business, Aeon Co., Ltd. (current position) May 2022 Director (current position) May 2022 Chairman, Maxvalu Tokai Co., Ltd. (current position)	-
[Reason for nomination as candidate for Director] Mr. Kamio has extensive experience and an ample track record in the Aeon Group and also has extensive knowledge of the retail industry. Accordingly, the Company judges him qualified to be appointed as a candidate for Director.			
[Special interests] There are no special interests between Mr. Keiji Kamio and the Company.			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
7	<p>Takahisa Yamakawa December 28, 1956</p> <p>[Reappointment] [Candidate for Outside Director] [Independent]</p>	<p>April 1981 Joined the Legislative Bureau of the House of Representatives</p> <p>April 1985 Registered as an attorney-at-law (Tokyo Bar Association)</p> <p>April 1985 Joined Ishihara Law Office</p> <p>March 2001 External Auditor, Bell-Park Co., Ltd. (current position)</p> <p>April 2002 Established Renaiss Law Office (current position)</p> <p>May 2011 Outside Audit & Supervisory Board Member, the Company</p> <p>May 2015 Outside Director, the Company (current position)</p> <p>June 2015 Outside Director, KAWADA TECHNOLOGIES, INC. (current position)</p>	-
<p>[Reason for nomination as candidate for Director] The Company proposes the appointment of Mr. Yamakawa as an Outside Director in order to utilize his specialized knowledge as an attorney and experience as the Company's Outside Audit & Supervisory Board Member in its management system. After being elected, Mr. Yamakawa is expected to leverage his specialized knowledge as an attorney and work to strengthen supervisory function of overall management and supervisory function of conflicts of interest primarily from a legal standpoint.</p>			
<p>[Special interests] There are no special interests between Mr. Takahisa Yamakawa and the Company.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
8	<p>Makoto Kometani (July 3, 1948)</p> <p>[Reappointment] [Candidate for Outside Director] [Independent]</p>	<p>April 1971 Joined the Mitsubishi Bank, Ltd. (currently MUFG Bank, Ltd.)</p> <p>February 1987 Director, General Manager of Head Office, Banco Mitsubishi Brasileiro</p> <p>October 1989 Vice President</p> <p>May 1991 General Manager of Ikegami Branch, the Mitsubishi Bank, Ltd.</p> <p>May 1998 General Manager of Okayama Branch, the Bank of Tokyo-Mitsubishi, Ltd. (currently MUFG Bank, Ltd.)</p> <p>May 2000 Joined SATO Corporation (currently SATO Holdings Corporation) General Manager of General Affairs Department, Administrative Division</p> <p>June 2002 Executive Officer, Deputy General Manager of Corporate Planning Division, General Manager of Accounting Department</p> <p>March 2006 Executive Officer, Deputy General Manager of Corporate Planning Division, General Manager of General Planning Department</p> <p>October 2006 General Manager of Internal Control Office</p> <p>June 2007 Audit & Supervisory Board Member</p> <p>July 2015 Advisor to the President</p> <p>May 2016 Outside Director, the Company (current position)</p> <p>April 2020 Advisor, SATO Holdings Corporation</p>	-
<p>[Reason for nomination as candidate for Director] The Company proposes the appointment of Mr. Kometani as an Outside Director in order to utilize his wide-ranging knowledge in the finance industry and multiple other areas, his ample management experience overseas, and his knowledge as a corporate auditor in its management system. After being elected, Mr. Kometani is expected to leverage his knowledge in the finance industry and corporate management to supervise management planning, financial matters, and other areas from primarily a management standpoint.</p>			
<p>[Special interests] There are no special interests between Mr. Makoto Kometani and the Company.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
9	Shingo Kagawa March 8, 1958 [Reappointment] [Candidate for Outside Director] [Independent]	<p>April 1981 Joined FUJITSU LIMITED</p> <p>April 2010 Group President of Network Service Business Unit</p> <p>April 2012 Corporate Executive Officer, Group President of Network Service Business Unit</p> <p>April 2015 Corporate Executive Officer, Vice President of Integration Services Business</p> <p>April 2016 Corporate Executive Officer, CTO, Head of Digital Services Business</p> <p>April 2018 President and Representative Director, FUJITSU RESEARCH INSTITUTE</p> <p>May 2020 External Director, FURUNO ELECTRIC CO., LTD. (current position)</p> <p>October 2020 President and Representative Director, DigiIT Corporation</p> <p>October 2021 Chairman of the Board, SS Technologies Co., Ltd. (previously DigiIT Corporation)</p> <p>May 2022 Outside Director, the Company (current position)</p> <p>May 2022 Outside Director, H.I.S. Co.,Ltd. (current position)</p>	—
[Reason for nomination as candidate for Director] The Company proposes the appointment of Mr. Kagawa as an Outside Director because he will contribute to strengthening corporate governance by providing advice on the Company's overall management based on his extensive experience and broad insight as a business executive. After being elected, Mr. Kagawa is expected to leverage his broad knowledge in management and provide appropriate advice and supervision related to management from both governance and business promotion standpoints.			
[Special interests] There are no special interests between Mr. Shingo Kagawa and the Company.			

- Notes:
1. The “Career summary, positions, responsibilities, and significant concurrent positions” section for Mr. Takeshi Miyazaki includes positions and responsibilities over the past ten years when he was a business executive at My Basket CO., LTD., A • Colle Co., LTD., and AEON BIG Co., Ltd., which are subsidiaries of Aeon Co., Ltd., the parent company of the Company. The “Career summary, positions, responsibilities, and significant concurrent positions” section for Mr. Keiji Kamio includes positions and responsibilities over the past ten years when he was a business executive at Aeon Co., Ltd., which is the parent company of the Company, and Maxvalu Tokai Co., Ltd., which is a subsidiary of Aeon Co., Ltd., the parent company of the Company.
 2. Mr. Takahisa Yamakawa, Mr. Makoto Kometani, and Mr. Shingo Kagawa are candidates for Outside Director pursuant to Article 2, Paragraph 3, Item 7 of the Regulations for Enforcement of the Companies Act.
 3. Mr. Takahisa Yamakawa will utilize his specialized knowledge as an attorney and experience as an Outside Audit & Supervisory Board Member of the Company in the Company's management system, so the Company proposes his appointment as an Outside Director and judges that he is capable of appropriately executing the duties of an Outside Director.

4. Mr. Takahisa Yamakawa will have served as an Outside Director of the Company for eight years as of the conclusion of this General Meeting of Shareholders. Mr. Yamakawa was also an Outside Audit & Supervisory Board Member of the Company in the past. Mr. Makoto Kometani will have served as an Outside Director of the Company for seven years as of the conclusion of this General Meeting of Shareholders.
Mr. Shingo Kagawa will have served as an Outside Director of the Company for one year as of the conclusion of this General Meeting of Shareholders.
5. The Company has entered into an agreement with Mr. Takahisa Yamakawa, Mr. Makoto Kometani and Mr. Shingo Kagawa, who are currently Outside Directors, for limiting their liability under Article 423, Paragraph 1 of the Companies Act when actions are taken in good faith and without gross negligence to the amount stipulated by laws and regulations. If their election as Directors is approved, the Company intends to again conclude an agreement with each party that limits their liability under Article 423, Paragraph 1 of the Companies Act when actions are taken in good faith and without gross negligence to the amount stipulated by laws and regulations.
6. Mr. Takahisa Yamakawa, Mr. Makoto Kometani, and Mr. Shingo Kagawa are independent officer candidates as stipulated by Tokyo Stock Exchange, Inc. in Article 436-2 of the Securities Listing Regulations.
7. Aeon Co., Ltd., the parent company of the Company, has entered into a directors and officers liability insurance policy (D&O insurance) with an insurance company in accordance with Article 430-3, Paragraph 1 of the Companies Act. The policy covers the cost of damage claims, legal expenses, and other related costs incurred by the insured parties resulting from damage claims made as a result of actions taken by them (or inaction) in their capacity as directors and officers. However, the policy sets a deductible and does not cover damages up to the deductible amount. The parties covered by the insurance are Directors of the Company, and insurance premiums are borne in full by the Company. If this Proposal is approved, all appointed Directors will be included among the parties covered by the policy. The Company intends to renew the policy with the same content the next time it is up for renewal.

Proposal 2: Election of two (2) Auditor

The terms of office of Auditors Satoshi Asakura and Hideki Tokai will expire at the conclusion of this General Meeting of Shareholders. Accordingly, the Company proposes the election of two (2) Auditors.

Furthermore, the Board of Audit & Supervisory Board has given its consent to this Proposal.

The candidates for Auditor are as follows.

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
1	Satoshi Asakura (December 10, 1959) [Reappointment] [Candidate for Outside Audit & Supervisory Board Member]	April 1982 Joined Yaohan Co., Ltd. (currently Maxvalu Tokai Co., Ltd.) March 2004 General Manager of the Sales Coordinator Department August 2004 General Manager, Business Management Division March 2008 General Manager, Business Administration Group, General Manager, Business Promotion Department March 2009 General Manager of Business Management Headquarters, General Manager, Business Promotion Department May 2009 Director April 2014 In charge of Business Management, General Manager, Sales Support Headquarters March 2015 General Manager, Store Development Division May 2019 Outside Audit & Supervisory Board Member, the Company (current position)	—
[Reason for nomination as candidate for Outside Audit & Supervisory Board Member] In order to utilize Mr. Satoshi Asakura's extensive knowledge and experience in the retail industry and management in the Company's auditing system, the Company judges him qualified to be appointed as a candidate for Outside Audit & Supervisory Board Member.			
[Special interests] There are no special interests between Mr. Satoshi Asakura and the Company.			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
2	Hideki Tokai (January 18, 1954) [Reappointment] [Candidate for Outside Audit & Supervisory Board Member] [Independent]	<p>April 1972 Joined the Tokyo Regional Taxation Bureau</p> <p>July 2007 Director, Kesenuma Tax Office</p> <p>July 2008 Chief Inspection Officer, Commissioner's Secretariat of National Tax Agency</p> <p>July 2009 Deputy Inspection Officer, Commissioner's Secretariat of National Tax Agency</p> <p>July 2011 Director, Kashiwa Tax Office</p> <p>July 2012 Deputy Director, Third Investigation Department of Tokyo Regional Taxation Bureau</p> <p>July 2013 Director, Shiba Tax Office</p> <p>August 2014 Registered as certified tax accountant (current position) Certified Tax Accountant, Hideki Tokai Tax Accountant Office (current position)</p> <p>May 2015 Outside Audit & Supervisory Board Member, the Company (current position)</p> <p>June 2018 Outside Director, A&A Material Corporation (current position)</p> <p>June 2019 Audit and Supervisory Committee Member, SHIN NIPPON AIR TECHNOLOGIES CO., LTD.</p> <p>June 2020 Outsider Director, Audit and Supervisory Committee Member, SHIN NIPPON AIR TECHNOLOGIES CO., LTD. (current position)</p>	—
[Reason for nomination as candidate for outside Audit & Supervisory Board Member] The Company requests Mr. Hideki Tokai's appointment as an Outside Audit & Supervisory Board Member so that his extensive experience in tax administration and his expertise as a certified tax accountant may be utilized in the Company's auditing system. Although he has not been engaged in corporate management other than serving as an outside officer in the past, for the reasons stated above, the Company judges that he would be able to appropriately perform his duties as an Outside Audit & Supervisory Board Member.			
[Special interests] There are no special interests between Hideki Tokai and the Company.			

- Notes:
1. The "Career summary, positions, responsibilities, and significant concurrent positions" section for Mr. Satoshi Asakura includes positions and responsibilities over the past ten years when he was a business executive at Maxvalu Tokai Co., Ltd., which is a subsidiary of Aeon Co., Ltd., the parent company of the Company.
 2. Mr. Satoshi Asakura and Mr. Hideki Tokai are candidates for Outside Audit & Supervisory Board Member as stipulated in Article 2, Paragraph 3, Item 8 of the Regulations for Enforcement of the Companies Act.
 3. Mr. Satoshi Asakura will have served as an Audit & Supervisory Board Member of the Company for four years as of the conclusion of this General Meeting of Shareholders.
 4. Mr. Hideki Tokai will have served as an Audit & Supervisory Board Member of the Company for eight years as of the conclusion of this General Meeting of Shareholders.

5. The Company has entered into an agreement with Mr. Hideki Tokai, who is currently an Outside Audit & Supervisory Board Member, for limiting his liability under Article 423, Paragraph 1 of the Companies Act when actions are taken in good faith and without gross negligence to the amount stipulated by laws and regulations. If his election as an Audit & Supervisory Board Member is approved, the Company intends to again conclude an agreement with him that limits his liability under Article 423, Paragraph 1 of the Companies Act when actions are taken in good faith and without gross negligence to the amount stipulated by laws and regulations.
6. Mr. Hideki Tokai is an independent officer candidate as stipulated by Tokyo Stock Exchange, Inc. in Article 436-2 of the Securities Listing Regulations.
7. Aeon Co., Ltd., the parent company of the Company, has entered into a directors and officers liability insurance policy (D&O insurance) with an insurance company in accordance with Article 430-3, Paragraph 1 of the Companies Act. The policy covers the cost of damage claims, legal expenses, and other related costs incurred by the insured parties resulting from damage claims made as a result of actions taken by them (or inaction) in their capacity as directors and officers. However, the policy sets a deductible and does not cover damages up to the deductible amount. The parties covered by the insurance are Audit & Supervisory Board Members of the Company, and insurance premiums are borne in full by the Company. If this Proposal is approved, all appointed Audit & Supervisory Board Members will be included among the parties covered by the policy. The Company intends to renew the policy with the same content the next time it is up for renewal.

Proposal 3: Determination of the amount and details of Compensation of Directors

At the 28th Annual General Meeting of Shareholders held on May 15, 2007, it was resolved that the limit on compensation for the Company's Directors shall be ¥300 million annually (up to ¥270 million in monetary compensation and 166 stock options for ¥30 million in the fair value portion of share compensation-type stock options; does not include employee salaries for Directors serving concurrently as employees). However, the Company has long been considering a new compensation system from the perspective of linking compensation for officers to corporate performance and is in the process of reviewing its entire compensation system for officers.

With respect to compensation of Directors at this time, the Company proposes to change the provision of the maximum monetary valuation for the fair value portion of stock options and would like to request approval to revise the content as follows.

The stock options for which the Company requests approval in this Proposal are intended to improve the linkage between the Company's business performance and share price, and to share with shareholders not only the benefits of an increase in the share price but also the risks associated with a decline in the share price. The stock options are allocated for the purpose of increasing motivation and morale to continuously improve business performance and increase corporate value, and are determined by comprehensively taking into consideration various factors, including the status of the execution of the Directors' duties and their level of contribution to the Company.

We have also established a policy for determining the remuneration of directors at the meeting of the Board of Directors held on December 24, 2021, which will be changed after this Proposal and Proposal 4 are approved (as described on pages 35-36 of the Business Report). In light of the above, we believe that the contents of the Proposal are necessary and reasonable for granting compensation of Directors, etc., and that the contents of the Proposal are appropriate.

If Proposal 1 is approved and passed as originally proposed, the Company will continue to have nine (9) Directors, including three (3) outside Directors.

1. Compensation of Directors, etc.

Of the amount of compensation for Directors, the annual limit of cash compensation shall be ¥300 million (does not include employee salaries for Directors serving concurrently as employees), and the annual amount of share compensation-type stock options shall be limited to 454 options annually and ¥60 million annually, changing the previous limits on the number of stock options granted and the annual amount of stock options. Furthermore, the total amount of compensation for directors shall be limited to ¥300 million annually. With respect to this share compensation-type stock options, share acquisition rights with the following details shall be allocated to Company Directors every year based on a resolution of the Board of Directors, within the number of shares granted and the annual amount as approved by this Meeting.

Details of share acquisition rights

(1) Total number of share acquisition rights to be issued

The maximum number of share acquisition rights to be issued within one year from the date of Annual General Meeting of Shareholders for each fiscal year shall be 454.

(2) Class and number of shares to be issued for share acquisition rights

The number of shares to be issued upon exercise per one (1) share acquisition right shall be 100 shares.

Furthermore, in the event that the Company executes such actions as a stock split, reverse stock split, merger, or corporate split, we shall take such conditions into consideration and adjust the number of shares to be issued within a reasonable range upon such an occasion adjustment to the number of shares to be issued is necessary.

- (3) Issue date and issue price of share acquisition rights
Each share acquisition right shall be issued based on its fair value on the date of issue, which shall be April 30 of each year (or the next business day when such date falls on a Saturday, Sunday, or holiday). However, share acquisition rights shall be issued as compensation for the performance of duties by Directors, and no payment of money shall be required at the time of issuance.
- (4) Amount to be paid upon the exercise of each share acquisition right
The amount to be paid upon exercise of each share acquisition right shall be the amount to be paid per share to be issued or transferred upon exercise of each subscription right (hereinafter, "Exercise Price") multiplied by the number of shares granted.
The exercise price shall be ¥1. However, in the event of an adjustment to the number of shares to be issued upon exercise of one (1) share acquisition right, the Exercise Price shall be the amount obtained by dividing ¥1 by the number of shares after the adjustment.
- (5) Period during which share acquisition rights may be exercised
Fifteen years from the date one month after the date of issuance of each share acquisition right.
- (6) Other conditions for the exercise of share acquisition rights
- i. The person to whom share acquisition rights have been allotted (hereinafter, "holder of share acquisition rights") are required to be a Director or Audit & Supervisory Board Member of the Company at the time of rights exercise.
However, if the rights holder has retired as a Director or Audit & Supervisory Board Member of the Company, rights may be exercised within five years from the retirement date.
 - ii. Regarding share acquisition rights, the full number of rights are to be exercised at once; they cannot be split up and exercised separately.
- (7) Reasons and conditions for cancellation of share acquisition rights
- i. When the period for exercising share acquisition rights elapses without the holder of share acquisition rights exercising their rights, or when five years have elapsed from the date of retirement as stipulated in the proviso of (6) i above, even within the period for exercising subscription rights, the subscription rights shall be cancelled.
 - ii. The Company may acquire and cancel the subscription rights for new shares without compensation in any of the following events: (1) when a serious violation of the law or the Company's internal discipline is committed, (2) when an individual is sentenced to a term of imprisonment or has committed a greater offense, (3) when an individual assumes or agrees to assume the position of officer or employee of a competing company, (4) when an inheritance is initiated for the successor to the rights set forth in (9) below, (5) when a holder of share acquisition rights makes a request to waive all of their share acquisition rights, and (6) when any other reason specified by the Board of Directors applies.
- (8) Prohibition on transfer of share acquisition rights
Share acquisition rights may not be transferred or pledged by the holder of share acquisition rights or the successors to the share acquisition rights as set forth in (9) as follows.

(9) Inheritance of share acquisition rights

In the event of the death of the holder of share acquisition rights, only one of the legal heirs of the holder of share acquisition rights (hereinafter, "Successor") may inherit the share acquisition rights. When an inheritance is initiated with respect to the successor to the rights, the heirs may not inherit the share acquisition rights.

(10) Issuance of share acquisition rights shares

A holder of share acquisition rights and their successors in title shall not make any request for the issuance of share acquisition rights shares.

(11) Other matters

Other matters concerning share acquisition rights shall be decided by a resolution of the Board of Directors.

Proposal 4: Granting of non-monetary compensation to Directors (excluding outside Directors)

The Company believes that promoting a diverse group of Directors is important for the sustainable growth of the Company and that it will continue to be necessary to invite full-time Directors from outside the Company. We would like to request approval for the new establishment of the following as non-monetary compensation for the purpose of facilitating the swift and smooth execution of business operations when Directors are newly appointed. This proposal is intended to facilitate the swift and smooth execution of the Directors' duties as well as for company housing to be provided as general standard company housing.

As stated in Proposal 3, the Company plans to change the policy for determining the compensation and other matters of Directors at the Company, after the resolution of the Proposal 3 and this Proposal, and the Company believes that this Proposal is appropriate and in line with the policy after such change.

Furthermore, the number of Directors (excluding outside Directors) who would be eligible for the grant of this remuneration is one if "Election of nine (9) Directors" is approved as originally proposed.

Details of non-monetary compensation

When a newly appointed Director (excluding outside Directors) does not own their own residential property within commuting distance, company housing will be provided to such Director. The company housing to be provided shall be standard company housing, and the non-monetary compensation shall be the difference between the total amount of rent collected by the Company as company housing and the total amount collected by the Company from the Directors as company housing fees. The total difference shall also not be more than ¥30 million.

Proposal 5: Granting of non-monetary compensation to Audit & Supervisory Board Members (excluding Part-time Audit & Supervisory Board Members)

At the 28th Annual General Meeting of Shareholders held on May 15, 2007, the amount of remuneration, etc. for Audit & Supervisory Board Members of the Company was resolved that the amount of compensation, etc. shall be a maximum of ¥50 million annually. We would like to ask approval to grant non-monetary compensation within the same amount to the Company's Audit & Supervisory Board Members, excluding part-time Audit & Supervisory Board Members.

We believe that it is necessary to continue to invite Audit & Supervisory Board Members from outside the Company who have professional expertise to ensure the sustainable growth of the Company. Furthermore, there are no Audit & Supervisory Board Members who would be eligible for the grant of this remuneration.

Details of non-monetary compensation

For newly appointed Audit & Supervisory Board Members (excluding part-time Audit & Supervisory Board Members), company housing will be provided to such Audit & Supervisory Board Members when they do not own their own residential property within commuting distance. The Company will make the non-monetary compensation equal to the difference between the total rent the Company pays to use as the Company housing and the total amount the Company collects from the Audit & Supervisory Board Members for the Company housing. We also propose that the total amount of such difference shall be no more than ¥5 million.

Business Report for the 44th Term

(March 1, 2022 – February 28, 2023)

1. Current Status of the Corporate Group

1-1 Progress and Results of the Business

For the fiscal year under review, the domestic economy showed signs of recovery as social and economic activities have been picking up pace with the relaxation of behavioral restrictions due to the COVID-19 pandemic and we have seen a rebound in personal consumption. However, the outlook remains uncertain due to the prolonged situation in Ukraine and the instability in the supply chain, which has caused raw material and energy prices to soar, and the rising prices of commodities due to the weak yen and other factors, all of which have had an impact on consumer behavior.

Under such an environment, the Group has focused its management resources in Japan and Vietnam to establish a solid management structure in order to realize its policy of establishing “meal destination stores,” which are stores that serve as destinations for customers to purchase their daily meals. In the current fiscal year, we recorded a gain of ¥23,831 million on the sale of shares in affiliated companies as a result of our withdrawal from the MINISTOP business in Qingdao, China and the Philippines of the previous year, as well as the sale of all shares in our consolidated subsidiary MINISTOP Korea Co., Ltd. of the current fiscal year. In the domestic business, the Group has been promoting the development of merchandise to satisfy the needs of customers in terms of both price and quality and the creation of an efficient store management system, while at the same time reducing capital expenditures and advertising costs, resulting in a return to profitability for the first time in four fiscal years in all profit categories, including operating profit on a consolidated cumulative basis for the second quarter. In the overseas business, the Group achieved our first operating profit since the launch of the business in the fourth quarter by proactively opening new format stores and renovating existing stores to meet customer needs in Vietnam, where market growth continues. In terms of domestic and overseas businesses, operating loss decreased by ¥2,101 million in the fiscal year under review from the previous year thanks to improved business performance.

As a result of the above, consolidated operating results for the fiscal year under review were gross operating revenue of ¥81,286 million (gross operating revenue of ¥183,680 million in the same period of the previous fiscal year), operating loss of ¥1,036 million (operating loss of ¥3,137 million in the same period of the previous fiscal year), ordinary loss of ¥142 million (ordinary loss of ¥2,768 million in the same period of the previous fiscal year), and net income attributable to owners of parent of ¥12,834 million (net loss attributable to owners of parent of ¥3,865 million in the same period of the previous fiscal year).

The Group has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020) and other standards from the beginning of the fiscal year under review. As a result, the way we record revenue is different from the way we recorded it in the previous fiscal year, and therefore, the amount of change from the same period of the previous year and the rate of year-on-year change (%) are not stated in the Explanation of Operating Results section. For more details, please refer to “2. Quarterly Consolidated Financial Statements and Principal Notes (3) Notes to Quarterly Consolidated Financial Statements (Changes in accounting policies).”

The operational results of each business segment are as follows.

(1) Domestic business

Net sales at all stores of MINISTOP alone compared with the same period of the previous fiscal year decreased by 2.0%. Gross profit ratio decreased by 0.2 percentage points from the previous fiscal year to 29.6%, due to the impact of rising raw material prices that have persisted

since the previous fiscal year. Net sales per day per existing store compared with the same period of the previous fiscal year for MINISTOP stores decreased by 0.4%, average per-day/per-store customer numbers fell by 2.2%, while per-day/per-store average customer purchase value increased by 1.8%. Although per-day/per-store sales of convenience store products decreased by 1.4%, per-day/per-store sales of fast food products processed in store increased by 6.3%.

Regarding convenience store products, we expanded our affordable product lineup that encourages shopping to meet customers' growing awareness of the need to protect their lifestyles, developed high value-added products that satisfy customers, and implemented sales promotion plans to motivate customers to purchase. For affordable product offerings, especially in soft drinks and alcoholic beverages, we took advantage of the Aeon Group's economies of scale to expand our lineup of value-priced products that customers can purchase with security every day by utilizing the Aeon Group exclusive products such as TOPVALU Best Price. In sales promotion planning, for sweet breads and deli breads (bread prepared with various ingredients), the "The more you buy, the more you save" campaign, in which the more breads and prepared foods you buy, the more you save, was implemented and received favorable reviews. Sales of soft drinks, sweets, and ramen also increased as a result of the monthly "Buy one, get one free! 1GET Campaign" in which receipt coupons were issued to get one new or regular merchandise free with the purchase of a qualifying merchandise. In the development of high-value-added merchandise such as stuffed bread, the Group renewed its focus on ingredients and cooking methods, and conducted a campaign to increase the quantity of the merchandise, to highlight the value of the product when customers pick them up, which resulted in strong sales.

In the area of in-store processed fast food merchandise, display locations of some hot snack items were changed to special fixtures that make it easier for customers to purchase, and the quantity of popular items on display such as potato fries and chicken was enhanced. The Group is also developing and implementing optimal manufacturing plans in order to offer high value-added products including potato fries and in-store-cooked rice with a product lineup that satisfies customers. By manufacturing products at the right timing and in the most efficient order in the entire store operation, and expanding the lineup of merchandise, the Group was able to increase the existing store daily sales of in-store processed fast food products by 6.3% year-on-year. Sales of in-store handmade *onigiri* rice balls, offered as a high value-added product with the taste of freshly prepared in-store cooked rice and seasonal ingredients, were boosted by expanding the product lineup through renewal of ingredients and improvement of the rice cooking methods, and in-store handmade lunch boxes were expanded to 1,522 stores as of the end of February 2023, as the number of stores selling these products increased while improving operational efficiency. Also, in addition to the ever-popular X Fried Potato, which are re-cooked in store after customers order them in order to provide deliciousness of freshly cooked foods, the "French Fried Potato 1.5x Sale" was well received. Regarding cold sweets and in-store self-serve coffee, we promoted the development of high value-added products that satisfy customers. The "Halo-Halo Fruit Ice with Condensed Milk Strawberry" launched in May, the "Vietnamese Cacao Choco Soft" launched in November, and the "Premium Mandarin Blend" in-store self-serve coffee launched in January were well received and boosted sales.

To respond to the diversification of means for customers to purchase products and to accurately meet their demands, we worked to increase the number of touchpoints with customers by expanding delivery services, e-commerce website, and the supply of products to Aeon Group companies, including reaching out to customers in regions where we have no stores. The number of stores providing delivery services reached 1,188 as of the end of February 2023 by promoting cooperation with multiple delivery service providers. In addition to improving store operational efficiency, we have established a system that enables us to smoothly accept orders from customers. Also, in addition to the establishment of a system at all delivery service providing stores to enable ordering of more than 200 products, including such products as beverages and commodities as well as in-store-processed fast food products, and the development of original products exclusively for delivery, store-day sales of delivery services in the fourth quarter exceeded the plan by more than 15%. Going forward, we will continue to position the delivery service as a new business and grow it along with improving operational

efficiency at our stores and expanding our promotional measures. Our e-commerce website expanded its product lineup to include a variety of gift items such as summer and winter gifts and our original confectionery, as well as frozen food products such as X Fried Potato and Crunchy Chicken. In February, we will also open a store in a domestic e-commerce mall in an effort to further expand our sales channels. In the supply of products to Aeon Group companies, the volume of products supplied increased year on year by continuing to hold special events to sell our original products at event area of supermarkets throughout Japan and to supply a portion of fast food ingredients. We will continue to deepen cooperation with Group companies by holding special events on a regular basis and offering original products throughout the year.

Regarding selling, general and administrative expenses, rent and depreciation expenses decreased due to the liquidation of unprofitable stores. In addition, regarding advertising and promotion expenses, by switching to effective and efficient sales promotions centered on the MINISTOP app, we were able to reduce the expenses while minimizing the impact on sales compared to the previous fiscal year, when we mainly used TV commercials. The MINISTOP application, developed as the core for new promotions, was based on the analysis of purchasing information. Special coupons were distributed corresponding to member demographics, and a free coupon drawing for fast food products processed in the store was conducted. The number of downloads has increased 2.6-fold from the end of the previous fiscal year (end of February 2022) and exceeded 840,000 as of the end of February 2023. Going forward, we will continue to enhance member benefits, expand payment methods to improve customer convenience, and promote linkage with various services. By continuing to increase the number of registered members and by using the app as a foundation for 1-to-1 marketing, we will promote this as a means to increase the number of customers and the number of items purchased, and will also use it as a business-wide interface that leads to new sales channels.

The number of MINISTOP Partnership Agreement stores, which shifted from the conventional royalty-based method to a business profit-sharing method, reached 380 stores as of end of February 2023. We consider that our true partnership lies in sharing of business profits gained through cooperation with franchise stores aimed at responding to changes in the social environment and economic conditions. By the end of February 2023, we held explanatory meetings at 16 locations to deepen mutual understanding with franchise stores about the philosophy and approach of the partnership agreement. We will continue to work together with our franchise stores to promote reforms in the management guidance system at the company headquarters to increase and improve store productivity and sales, and to foster a business community that will prosper together.

Regarding store development, six new stores were opened, and 58 stores were closed. There were 1,907 stores as of the end of the fiscal year under review.

MINISTOP POCKET stores, unmanned convenience stores set up in offices and other facilities, reached 918 locations at the end of February 2023, an increase of 324 locations from the end of the previous fiscal year (end of February 2022). By reflecting the different needs of customers at each location in the product lineup, sales per location per day exceeded the results of the same period of the previous year. With the recovery of human traffic due to the relaxation of behavioral restrictions caused by the COVID-19 pandemic, we will continue to expand the number of locations and promote growth as a business by developing new services that take advantage of the number of locations we have established.

In our environmental and social efforts, we are focusing on reducing power consumption in our stores, which account for 87.6% of the CO₂ emissions calculated within our company's climate change response. This fiscal year, we established a project team and implemented various measures, which resulted in reducing the average power usage per store compared to the previous year. To promote resource circulation and reduce food loss, we are promoting "waste reduction" to reduce food waste through discounted prices on products. Also, bearing in mind the importance of the SDGs in consumer awareness, we have implemented initiatives to use freshly brewed in-store coffee made from Arabica beans produced by the Sustainable Coffee Project promoted by the Aeon Group. In addition, to use 60DAYS Chocolate, which complies with the cacao sustainability program, in our "Vietnamese Cacao Choco Soft" product that was

launched in November and we strongly promoted after switching from “Belgian Choco Soft,” which had been a core product until then.

Network Service Inc. runs a co-operative distribution business for stores in Japan, operating 13 fixed-temperature centers, six ambient centers, and 10 frozen food distribution centers. It has been working to reduce costs and environmental impact by reviewing delivery routes and delivery methods.

As a result of the above, gross operating revenue in the domestic business for the fiscal year under review was ¥74,203 million (gross operating revenue of ¥73,427 million for the same period of the previous fiscal year), and operating loss was ¥831 million (operating loss of ¥1,170 million for the same period of the previous fiscal year).

(2) Overseas business

In the overseas business, although gross operating revenue decreased due to the exclusion of MINISTOP Korea Co., Ltd. from the scope of consolidation from the beginning of the first quarter ended May 31, 2022 and China’s QINGDAO MINISTOP CO., LTD. from the second quarter ended August 31, 2022, operating loss shrunk by ¥1,762 million to improved profitability in the Vietnam business.

MINISTOP VIETNAM COMPANY LIMITED promoted new store openings and remodeling of existing stores to establish a new one-stop convenience store format that allows customers to complete their daily shopping in one location. Net sales for all stores in the chain were 145.6% of the previous year’s level, and the company achieved its first positive operating income since the launch of the business in the fourth quarter. The new format was implemented through 20 new store openings and 14 existing store remodels, bringing the total number of stores as of the end of the fiscal year under review (end of December 2022) to 138. The retail industry in Vietnam has rapidly shifted from traditional markets and individual stores to modern retail formats such as supermarkets and convenience stores, and market growth continues under the government’s policy for living with COVID-19. Amid such an environment, the Vietnam business is developing a system for opening new stores as a directly managed multi-store operation, and is also taking steps to proactively meet the requirements of customers. In addition to strengthening the product assortments of vegetables, fruits, frozen foods, etc. that meet the cooking requirements of consumers, we have expanded our lineup of instant noodles and beverages, household sundries, and other items with a trading area in residential locations. We are also promoting the introduction of digital backlit displays to enhance the appeal of in-store processed fast food products. Through these efforts, the daily sales of new format stores, including new stores, exceeded more than 10% of the overall store performance. In addition, in order to improve customer convenience, we have expanded the number of stores that support delivery services to all stores, and as of end of December 2022, 120 stores started services.

As a result of the above, gross operating revenue in the overseas business for the fiscal year under review was ¥7,083 million (gross operating revenue of ¥110,252 million for the same period of the previous fiscal year), and operating loss was ¥204 million (operating loss of ¥1,967 million for the same period of the previous fiscal year).

1-2 Status of Capital Investment and Funds Procurement

Gross capital investment in the fiscal year under review amounted to ¥2,276 million, of which ¥2,158 million was invested in interior and exterior store facilities for new store openings and renovations, and ¥117 million was paid as guarantee deposits for store leases. Furthermore, the required funds for capital investment, etc. were appropriated mainly from cash on hand.

1-3 Trends in Assets and Profit/Loss

(1) Assets and profit/loss of the corporate group

Item	The 41st fiscal year ended February 29, 2020	The 42nd fiscal year ended February 28, 2021	The 43rd fiscal year ended February 28, 2022	The 44th fiscal year ended February 28, 2023 (Fiscal year under review)
Gross operating revenue (millions of yen)	193,439	180,187	183,680	81,286
Ordinary loss (millions of yen)	-2,112	-4,991	-2,768	-142
Profit/loss attributable to owners of parent (millions of yen)	-5,702	-6,458	-3,865	12,834
Net profit/loss per share (yen)	-196.60	-222.65	-133.27	442.43
Total assets (millions of yen)	116,380	107,866	117,261	79,217
Net assets (millions of yen)	40,097	32,431	28,487	40,610
Net assets per share (yen)	1,350.15	1,112.66	980.41	1,399.78
Number of consolidated subsidiaries	6	6	5	3

- Notes: 1. Profit/loss per share is calculated with the average number of shares outstanding during the fiscal year (number of shares less treasury stock).
2. The Group has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020) and other standards from the fiscal year under review. Therefore, the financial position and results of operations for this fiscal year under review are presented based on the application of these accounting standards.

(2) Assets and profit/loss of the Company

Item	The 41st fiscal year ended February 29, 2020	The 42nd fiscal year ended February 28, 2021	The 43rd fiscal year ended February 28, 2022	The 44th fiscal year ended February 28, 2023 (Fiscal year under review)
Net sales (including franchise stores) (millions of yen)	314,002	290,917	292,962	286,996
Gross operating revenue (millions of yen)	71,742	66,269	64,347	62,665
Ordinary loss (millions of yen)	-1,393	-3,053	-484	-76
Profit/loss (millions of yen)	-5,369	-5,570	-3,184	9,845
Net profit/loss per share (yen)	-185.09	-192.03	-109.78	339.39
Total assets (millions of yen)	92,514	84,117	93,535	77,366
Net assets (millions of yen)	41,792	35,267	31,505	40,680
Net assets per share (yen)	1,440.50	1,215.60	1,085.91	1,402.21

- Notes: 1. Profit/loss per share is calculated with the average number of shares outstanding during the fiscal year (number of shares less treasury stock).
2. The Group has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020) and other standards from the fiscal year under review. Therefore, the financial position and results of operations for this fiscal year under review are presented based on the application of these accounting standards.

1-4 Efforts in Environmental and Social Contribution Activities

In terms of the environment, for the decarbonization of society and the formation of a recycling-oriented society, the Company set environmental goals of “cutting CO2 and other emissions by stores by 50% from fiscal 2013 levels by 2030,” “reducing food waste generated by stores by 50% from fiscal 2015 levels by 2025,” and “halving the use of single use plastics from fiscal 2018 levels by 2030.” We are systematically pursuing initiatives to achieve these targets.

As an example, in food loss reduction, we are implementing “waste reduction” by discounting prices on products before their expiration date and selling them, in 1,477 stores to reduce food waste. As part of our efforts to reduce plastic waste, we are working to reduce the use of plastic bags and free cutlery. The rate of customers refusing plastic bags was 77.9%. As part of our efforts to reduce the use of cutlery, we will begin experimenting with spoons for soft serve ice cream at two directly managed stores in Chiba Prefecture in May 2022, with the aim of introducing them at all stores this fiscal year.

In terms of social activities, the Company sponsors a “Circle of Flowers” program that donates flower seedlings to elementary schools, funded by in-store fundraising and the donation of part of the proceeds from soft-serve ice cream sales. This year, we donated 300 flower seedlings to each of 300 elementary schools across Japan.

1-5 Efforts Toward the Promotion of Health and Productivity Management

The Company has made a Health and Productivity Management declaration with the aims of incorporating employee health into management strategy, protecting the health of employees and their families, and bringing smiles to the community. Under this declaration, “Through the promotion of health and productivity management, MINISTOP will support the health of employees and their families and realize a society full of beaming smiles,” the Company is making efforts toward health and productivity management.

As a challenge for the Company to enable employees to maintain physical and mental wellness, it will engage in initiatives with a focus on encouraging exercise, smoking bans, provision of further testing after medical check-ups, increasing the rate of implementation of specified health guidance, and mental health.

Item	Target year	Target
Rate of implementation of specified health guidance	FY2023	Rate of implementation of specified health guidance: 100%
Percentage of smokers	FY2025	Cut percentage of smokers by 25% from FY2020 levels
Percentage of highly stressed individuals	FY2025	Reduce number of highly stressed individuals identified in stress checks to 10%

To create a safe and secure environment for employees, the Company has implemented bans on smoking during work hours and on store premises. Going forward, we will promote joint programs (collaborative health) with the Aeon Health Insurance Association and, to help employees quit smoking, provide outpatient quit-smoking support in which they receive online consultations with specialist doctors.

1-6 Issues to be Addressed

The Company will pursue medium-term management strategies that involve redesigning our business operations for digital shifts and Asia shifts, alongside enhancing the competitiveness of our individual stores and driving strategic growth.

In the domestic business, in addition to increasing profitability per MINISTOP store, which is the Company's core business, the Company aims to achieve renewed growth by securing new revenue sources in the digital business, such as delivery services and e-commerce sites. To improve the competitiveness of the individual store model, the Company will pursue enhanced product value and expand its product lineup for both convenience store products and in-store processed fast food products. We will create new shopping experiences by offering an assortment of products that satisfy customers at our stores and by integrating our real stores with our delivery service and e-commerce site by utilizing OMO. We will also continue to expand the number of locations for our new Workplace Business to proactively capture demand in offices, and expand new services that take advantage of the number of locations to improve profitability and grow as a business. OMO (Online Merges with Offline): Integration of actual stores and online spaces such as delivery services and e-commerce sites (online and offline integration) based on the MINISTOP app.

In the overseas business, we will focus on the Vietnam business, where market growth continues, and aim to expand it through directly managed multi-store operation. We will expand store openings with new one-stop format stores that meet customer needs, and provide a rich lifestyle through stores that become lifestyle bases. Also, we will enhance business synergies by returning the know-how and technology generated by our local projects ahead of the domestic operations to the MINISTOP business in Japan.

(1) Completion of structural reforms

To improve the competitiveness of the individual store model, we will promote the establishment of a New Combo Store model and achieve an improvement of daily sales. We will also make efforts to improve the management efficiency of franchise stores by reforming our management guidance system as well as further pursuing the "MINISTOP Partnership Agreement," which will build new relationships with franchise stores. To pursue structural reforms and growth strategies, we will pursue a reform of our company headquarters' organization and management system to achieve business re-growth.

(2) Promotion of Growth Strategies

We will grow our delivery and e-commerce sites as businesses and create a new shopping experience through the fusion of real stores and online based on the MINISTOP app. In the workplace business, we will expand our business partners, promote the expansion of the number of locations, and enhance services such as the development of signage advertisements to improve profitability. We will steadily invest in our Vietnam business and continue to promote its growth as a directly managed multi-store operation.

(3) Promotion of Sustainability Management

Under our mission of 'We realize a society full of beaming smiles with "delicious" and "convenience"' and under the Sustainability Basic Policy, we will also promote environmental and social contribution activities and health management to improve employee health and productivity.

Furthermore, with the aim of identifying and sharing the significance of the Company's existence in society and playing a part in solving social issues through our business activities in cooperation with various stakeholders, we will promote disclosure on environmental, economic, and social aspects, beginning with the disclosure of non-financial information in accordance with the revision of the "Cabinet Office Ordinance on Disclosure of Corporate Information, etc."

1-7 Principal Business (as of February 28, 2023)

- (1) The Company and MINISTOP VIETNAM COMPANY LIMITED are involved in the convenience store business through franchise chain stores and directly managed stores. VINH KHANH CONSULTANCY CORPORATION develops the convenience store business in Vietnam through investment in MINISTOP VIETNAM COMPANY LIMITED as the holding company.
- (2) Network Service Inc. operates 13 fixed-temperature centers, six ambient centers and 10 frozen food distribution centers, running a cooperative distribution business for stores in Japan.

1-8 Parent Company and Significant Subsidiaries (as of February 28, 2023)

(1) Relationship with parent company

Aeon Co., Ltd., the parent company of the Company, holds 14,130 thousand shares of the Company's stock (ownership stake of 48.1%), and the Aeon Group as a whole holds 15,672 thousand shares (53.4% stake).

The Company conducts transactions with its parent company, including fund deposit and investment.

Items related to transactions with the parent company and other relevant entities are as follows.

(2) Items related to transactions with the parent company

- i. Items considered in conducting such transactions to ensure the Company's interests are not harmed
The Company receives interest income from the parent company based on surplus fund deposit and investment, and in conducting such transactions, fair and appropriate decisions are made based on a reasonable judgment that considers the necessity of the transaction and whether the terms and conditions substantially differ from those of normal transactions with third parties in order to protect minority shareholders.
- ii. Decisions of the Board of Directors on whether or not such transactions harm the Company's interests and the reasons thereof
The Company makes decisions at meetings of the Board of Directors attended by Outside Directors and Outside Audit & Supervisory Board Members after multipronged deliberations while receiving appropriate opinions on the Company's management. Regarding business operations, the Company recognizes that it is necessary to maintain a collaborative relationship to a certain extent, but management policies and business plans are created independently by the Company, and the Company engages in management and business activities while ensuring its independence as a listed company.
- iii. Opinion concerning transactions with the parent company in the event that the decision of the Board of Directors differs from the opinion of Outside Directors
No applicable items.

(3) Significant subsidiaries

Company	Paid-in capital	Voting rights	Principal business
Network Service Inc.	10 million yen	100.0%	Automobile transportation business
VINH KHANH CONSULTANCY CORPORATION	389 million dong	51.0%	Holding company
MINISTOP VIETNAM COMPANY LIMITED	947,864 million dong	100.0%	Convenience store business

Note: Ratio of voting rights includes indirect ownership.

(4) Special wholly owned subsidiaries

No applicable items.

1-9 Principal Business Offices and Stores (as of February 28, 2023)

(1) Principal business offices

Head Office: Mihama Ward, Chiba City
 Principal business offices: Makuhari Office (Mihama-ku, Chiba City),
 Tohoku Regional Office (Miyagino-ku, Sendai City),
 Tokai Regional Office (Nakamura-ku, Nagoya City),
 Kinki Regional Office (Kita-ku, Osaka City),
 Kyushu Regional Office (Hakata-ku, Fukuoka City)

Stores

Region	Number of stores	
Aomori	26	(1)
Iwate	10	(2)
Miyagi	105	(6)
Fukushima	74	(11)
Ibaraki	99	(13)
Tochigi	27	(0)
Gunma	44	(4)
Saitama	130	(10)
Chiba	167	(19)
Tokyo	254	(27)
Kanagawa	117	(17)
Fukui	7	(0)
Gifu	83	(4)
Shizuoka	124	(20)
Aichi	196	(28)
Mie	83	(7)
Shiga	5	(0)
Kyoto	34	(0)
Osaka	81	(1)
Hyogo	41	(2)
Nara	10	(0)
Tokushima	18	(2)
Kagawa	32	(11)
Ehime	7	(2)
Fukuoka	117	(8)
Saga	12	(1)
Oita	4	(2)
Total	1,907	(198)

Notes: 1. Figures in parentheses in the “Number of stores” column are the number of directly managed stores included in the total.
 2. The above store numbers include 14 cisca stores, six MINISOF stores.

(2) Number of consolidated subsidiaries

Company	Country	Number of stores	
MINISTOP VIETNAM COMPANY LIMITED	Socialist Republic of Vietnam	137	(124)

Notes: 1. Figures in parentheses in the “Number of stores” column are the number of directly managed stores included in the total.
2. The number of stores for the above consolidated subsidiaries are as of February 28, 2023.
3. Network Service Inc. and VINH KHANH CONSULTANCY CORPORATION do not have stores.

1-10 Employees

(1) Corporate group (as of February 28, 2023)

Number of employees	Change from the end of the previous fiscal year
1,167	Down by 478

Note: In addition to the above employees, there were 3,402 temporary employees (contract employees, part-time employees) (however, this figure is converted based on an eight-hour workday).

(2) Company (as of February 28, 2023)

Category	Number of employees	Change from previous fiscal year-end	Average age	Average years of service
Male	490	Down by 38	46 yrs and 1 mon old	18 yrs and 2 mons
Female	117	Down by 11	38 yrs and 5 mons old	12 yrs and 9 mons
Total/Average	607	Down by 49	44 yrs and 8 mons old	17 yrs and 2 mons

Note: In addition to the above employees, there were 1,767 temporary employees (contract employees, part-time employees) (however, this figure is converted based on an eight-hour work day).

2. Share Information (as of February 28, 2023)

2-1	Total number of shares authorized to be issued	88,000,000
2-2	Total number of shares outstanding (including treasury shares)	29,372,774
2-3	Number of shareholders	55,502
2-4	Major shareholders (top ten)	

Shareholder	Shares held (Thousand shares)	Ownership stake (%)
Aeon Co., Ltd.	14,130	48.70
The Master Trust Bank of Japan, Ltd. (trust account)	1,304	4.49
Cox Co., Ltd.	687	2.36
AEON Financial Service Co., Ltd.	403	1.39
MAXVALU NISHINIHON Co., Ltd.	392	1.35
MINISTOP Cooperative	334	1.15
UBS AG LONDON A/C IPB SEGREGATED CLIENT ACCOUNT	331	1.14
GOLDMAN SACHS INTERNATIONAL	279	0.96
The Chiba Bank, Ltd.	195	0.67
Mitsubishi UFJ Trust and Banking Corporation	144	0.49

- Notes:
1. Although the Company holds 363,578 shares of treasury stock, it has been excluded from the above list of major shareholders.
 2. Shares held are rounded down to the thousand.
 3. Ownership stakes are calculated excluding 363,578 shares of treasury stock and are rounded down to the second decimal place.

3. Share Acquisition Rights

Share acquisition rights granted as compensation for execution of duties by the Company's Directors at the end of the fiscal year under review (as of February 28, 2023)

Item (Issue date)	Exercise period	No. of share acquisition rights	No. of shares to be issued	No. of rights holders	Issue price	Execution price
9th allotment of share acquisition rights (May 2, 2016)	June 3, 2016 to June 2, 2031	17	1,700	1	1,444 yen per share	1 yen per share
10th allotment of share acquisition rights (May 1, 2017)	June 2, 2017 to June 1, 2032	8	800	1	1,839 yen per share	1 yen per share

Conditions for exercise of share acquisition rights (same for each allotment)

- Holders of share acquisition rights are required to be a Director or Audit & Supervisory Board Member of the Company at the time of rights exercise. However, if the rights holder has retired as a Director or Audit & Supervisory Board Member of the Company, rights may be exercised within five years from the retirement date.
- Regarding share acquisition rights, the full number of rights are to be exercised at once; they cannot be split up and exercised separately.
- Other conditions are in accordance with stock option rules and regulations and items stipulated by the resolution of the Board of Directors within the scope approved by the 28th Annual General Meeting of Shareholders of the Company held on May 15, 2007.

4. Company Officers

4-1 Directors and Audit & Supervisory Board Members (as of February 28, 2023)

Name	Position	Responsibilities and significant concurrent positions
Akihiro Fujimoto	President and Representative Director	Member of Nomination and Compensation Committee
Takeshi Miyazaki	Representative Director and Senior Managing Director	In charge of Strategy & Business Management Division
Masashi Hotta	Managing Director	In charge of Administration/Overseas/Workplace
Toyoaki Abe	Director	In charge of sales and development
Mitsuharu Nakazawa	Director	In charge of merchandise and digital
Keiji Kamio	Director	Executive Officer, Supermarket Business, Aeon Co., Ltd., Chairman, Maxvalu Tokai Co., Ltd.
Takahisa Yamakawa	Director	Member of Nomination and Compensation Committee, Attorney, Renaiss Law Office, External Auditor, Bell-Park Co., Ltd., Outside Director, KAWADA TECHNOLOGIES, INC.
Makoto Kometani	Director	Member of Nomination and Compensation Committee
Shingo Kagawa	Director	Member of Nomination and Compensation Committee, Outside Director, H.I.S. Co., Ltd. External Director, FURUNO ELECTRIC CO., LTD.
Satoshi Asakura	Full-Time Audit & Supervisory Board Member	
Hideki Tokai	Audit & Supervisory Board Member	Certified Tax Accountant, Hideki Tokai Tax Accountant Office Outside Director, A&A Material Corporation, Outside Director, Audit and Supervisory Committee Member, Shin Nippon Air Technologies Co., Ltd.
Shigeru Kajita	Audit & Supervisory Board Member	Full-time Audit & Supervisory Board Member, ORIGIN TOSHU Co., Ltd.
Naomi Watanabe	Audit & Supervisory Board Member	General Manager of Legal Affairs Department, AEON Co., Ltd.

Notes: 1. Changes in Directors and Audit & Supervisory Board Members during the fiscal year under review are as follows.

On May 20, 2022, Mr. Hiroshi Kusayanagi resigned as a Director due to expiration of his term of office.

On May 20, 2022, Mr. Takeshi Miyazaki, Mr. Keiji Kamio, and Mr. Shingo Kagawa were newly appointed as Directors.–

On May 20, 2022, Mr. Ryoji Tachibana and Mr. Makoto Mitsushige resigned as Audit & Supervisory Board Members due to expiration of their term of office.

On May 20, 2022, Mr. Shigeru Kajita and Ms. Naomi Watanabe were newly appointed as Audit & Supervisory Board Members.

2. Directors Takahisa Yamakawa, Makoto Kometani, and Shingo Kagawa are Outside Directors under Article 2, Item 15 of the Companies Act.
3. Audit & Supervisory Board Members Satoshi Asakura, Hideki Tokai, and Shigeru Kajita are Outside Audit & Supervisory Board Members under Article 2, Item 16 of the Companies Act.
4. Directors Takahisa Yamakawa, Makoto Kometani, and Shingo Kagawa and Audit & Supervisory Board Member Hideki Tokai are independent officers under Article 436-2 of the Securities Listing Regulations stipulated by Tokyo Stock Exchange, Inc.
5. AEON Co., Ltd. is the parent company of Company and AEON RETAIL Co., Ltd. is a subsidiary of Aeon Co., Ltd.
6. ORIGIN TOSHU Co., Ltd. is a subsidiary of the Company's affiliated company, AEON RETAIL Co., Ltd.
7. There are no special interest relationships between the Company and Renaiss Law Office, Bell-Park Co., Ltd., KAWADA TECHNOLOGIES, INC., H.I.S. Co., Ltd., FURUNO ELECTRIC CO., LTD., Hideki Tokai Tax Accountant Office, A&A Material Corporation, Shin Nippon Air Technologies Co., Ltd., or ORIGIN TOSHU Co., Ltd.
8. Audit & Supervisory Board Member Hideki Tokai is a certified as a tax accountant and has considerable knowledge of finance and accounting.
9. The Company instituted an executive officer system on March 23, 2012 and abolished it in 2019, but it reinstated the system on February 21, 2022 to build a sustainable organizational structure with clear management and executive roles. Executive officers are indicated in the following paragraph.

(as of February 28, 2023)

Name	Position	Responsibilities
Jun Mochizuki	Executive Officer	General Manager of FC Sales Division
Tadateru Iida	Executive Officer	General Manager of Direct Store Management and CRE Division
Yosuke Hamaguchi	Executive Officer	General Manager of SPA and Merchandising Division
Kotaro Bando	Executive Officer	General Manager of Merchandise Management Division
Toshihiro Suga	Executive Officer	General Manager of Digital Promotion Division
Tetsuya Kanamori	Executive Officer	General Manager of Overseas/Workplace Business Division
Kyosuke Hiramatsu	Executive Officer	General Manager of Strategy Division
Sadayuki Kurimoto	Executive Officer	General Manager of Personnel and General Affairs Division

4-2 Summary of Agreement on Limitation of Liability

In accordance with Article 427, Paragraph 1 of the Companies Act, the Company has entered into an agreement with Outside Directors Takahisa Yamakawa, Makoto Kometani, and Shingo Kagawa as well as Audit & Supervisory Board Member Hideki Tokai that limits their liability under Article 423, Paragraph 1 of the Companies Act. This agreement covers their liability when actions are taken in good faith and without gross negligence up to the amount stipulated under Article 425, Paragraph 1 of the Companies Act.

4-3 Summary of Directors and Officers Liability Insurance Policy

(1) Scope of insured parties

Directors, Audit & Supervisory Board Members and other officers of the Company

(2) Summary of insurance policy

Aeon Co., Ltd., the parent company of the Company, has entered into a directors and officers liability insurance policy (D&O insurance) with an insurance company in accordance with Article 430-3, Paragraph 1 of the Companies Act. The policy covers the cost of damage claims, legal expenses, and other related costs incurred by the insured parties resulting from damage claims made as a result of actions taken by them (or inaction) in their capacity as directors and officers.

However, the policy does not cover damage claims made resulted from the willful misconduct or gross negligence of the insured parties. In addition, the policy sets a deductible and does not cover damages up to the deductible amount. Insurance premiums are borne in full by the Company.

4-4 Total Compensation for the Fiscal Year Under Review

(Millions of yen, unless otherwise specified)

Category	No. of recipients (persons)	Amounts for each type of compensation, etc.			Total	Notes
		Base compensation	Performance linked compensation, etc.	Non-monetary compensation, etc.		
Director	9	89	31	–	121	
(of which, Outside Directors)	(3)	(13)	(–)	(–)	(13)	
Audit & Supervisory Board Member	4	19	–	–	19	All outside Audit & Supervisory Board Members
Total	13	108	31	–	140	

- Notes:
1. For the fiscal year under review, there are nine Directors (three of whom are Outside Directors) and four Audit & Supervisory Board Members. The number of officers receiving compensation includes one Director and one Audit & Supervisory Board Member who retired as of the close of the 43rd Annual General Meeting of Shareholders held on May 20, 2022.
 2. Director Keiji Kamio and Audit & Supervisory Board Members Makoto Mitsushige and Naomi Watanabe are not included in the above because they receive no compensation.
 3. Results pertaining to performance indicators considered in calculating performance-linked compensation amounts are as stated in “1-3 Trends in Assets and Profit/Loss.”

4-5 Compensation for Directors and Audit & Supervisory Board Members

At the 28th Annual General Meeting of Shareholders held on May 15, 2007, the Company resolved to establish the amount of compensation for Directors and Audit & Supervisory Board Members.

- Directors

¥300 million annually (up to ¥270 million in monetary compensation, including officer bonuses, and ¥30 million in the fair value portion of share compensation-type stock options; does not include employee salaries for Directors serving concurrently as employees)

- Audit & Supervisory Board Members

¥50 million annually

The Company has established policies on determining compensation for individual Directors, at the meeting held on May 21, 2021, approved the policies as indicated below.

In addition, the Board of Directors has verified that the methods used to determine compensation and the details determined are consistent with these policies and so have judged that compensation for individual Directors for the fiscal year under review is in accordance with the policies.

The Board of Directors, at the meeting held on December 24, 2021, resolved to establish a Nomination and Compensation Committee, a discretionary advisory body. As an advisory body to the Board of Directors, the committee is made up of the President and Representative Director and independent Outside Directors. It responds to questions from the Board of Directors, deliberates on matters related to decisions and changes to policies for determining the details of compensation for individual Directors, and reports to the Board of Directors.

The policies for determining the details of compensation for individual Directors are described below.

(1) Basic policy

Regarding compensation for the Company's Directors (excluding Outside Directors), in order to promote a form of management that is cognizant of the need to sustainably increase corporate value, the Company shall pay performance-linked compensation at a fixed time after the Annual General Meeting of Shareholders upon consideration of the level of contribution, performance, and other factors for each fiscal year, while keeping base compensation the core component of the compensation package. It shall also utilize share compensation-type stock options (non-monetary compensation) to further incentivize higher performance and shall grant the options at a fixed time after the regular meeting of the Board of Directors in May. Outside Directors shall receive base compensation only, because they have the essential responsibility within corporate governance of supervising management.

(2) Policy on deciding the amount of base compensation for individual Directors

Base compensation shall be paid monthly based on the Directors' duties and whether the position is full-time or part-time.

(3) Policy on determining the amount of performance-linked compensation for individual Directors

Performance-linked compensation shall be monetary compensation that uses consolidated ordinary profit as the main indicator and is funded by totaling fixed percentages of the respective amounts. It is to be allocated based on the performance and evaluation of the division for which the Director is responsible and paid at a fixed time each year. The reason for selecting these performance indicators was also based on the viewpoint that they most appropriately represent normal business performance and the degree of contribution they make.

(4) Policy related to determining the percentages of base compensation and performance-linked compensation in the compensation package for individual Directors

The percentages of each type of compensation paid to the Company's Directors (excluding Outside Directors) consider the responsibilities of each Director and the function of incentivizing further improvement to the Company's performance while referring to compensation levels and other factors of other companies. In the case of standard performance, compensation shall generally be allocated according to the following percentages: around 53-63% base compensation, around 24-26% performance-linked compensation, and around 11-21% share compensation-type stock options. However, performance-linked compensation changes each term depending on contributions, performance, and other factors, and share compensation-type stock options are affected by the stock price, so the percentages indicated above for each type of compensation may change.

(5) Matters related to determining the details of compensation for individual Directors

Regarding the amounts of compensation for individual Directors of the Company, President and Representative Director Akihiro Fujimoto has been delegated authority for the specific details as resolved by the Board of Directors. This authority applies to the amount of base compensation for each Director and amount of performance-linked compensation based on the responsibilities of each Director (excluding Outside Directors).

This authority has been delegated to President and Representative Director Akihiro Fujimoto because it was judged that he is the most knowledgeable of the environment surrounding the Company, management conditions faced by the Company, and other such factors, and so he is able to determine compensation amounts for Directors from a comprehensive perspective, and because it contributes to flexible decisions on compensation amounts.

In addition, to ensure President and Representative Director Akihiro Fujimoto exercises this authority appropriately, the Board of Directors shall consult with the Nomination and Compensation Committee on the validity of methods used to apply the policies for determining the details of compensation for individual Directors and receives its opinion. Having been delegated the abovementioned authority, President and Representative Director Akihiro Fujimoto must make decisions based on the details of the committee's opinion.

- (Note)
1. Regarding the policy for determining the details of compensation, etc., the Company plans to make the changes described below upon resolution at this General Meeting of Shareholders.
 2. For Company Directors (excluding Outside Directors), separate from base compensation, performance-linked compensation, and share compensation-type stock options (non-monetary compensation), the Company will charge company housing expenses and rent company housing to those Directors who do not own their own residential property within commuting distance at the time of assuming office. The difference between the rent of the company housing and the company housing fee will be treated as non-monetary compensation of the Director.
 3. Regarding share-based compensation-type stock options, the limit on the number of stock options granted and the limit on the annual amount of stock options granted will be changed to 454 stock options per year, with a limit of ¥60 million annually. Furthermore, the total amount of compensation of Directors shall be limited to ¥300 million annually, and share acquisition rights shall be allocated to Directors annually based on a resolution of the Board of Directors, within the limits of the number of shares granted and the annual amount.
 4. For Company Audit & Supervisory Board Members (excluding part-time Audit & Supervisory Board Members), in addition to monetary compensation, the Company will charge a company housing fee and rent company housing to them when they do not own their own residential property within commuting distance of the Company at the time of assuming office. The difference between the rent of the company housing and the company housing fee will be treated as non-monetary compensation of the Audit & Supervisory Board Member.

4-6 Main Activities of Outside Officers

(1) Director

- i. Relationship between the Company and companies where officers serve concurrently in significant positions:

Director Takahisa Yamakawa is an attorney at Renaiss Law Office, an outside auditor at Bell-Park Co., Ltd. and an outside director at KAWADA TECHNOLOGIES, INC. There are no special interest relationships between the Company and Renaiss Law Office, Bell-Park Co., Ltd., or KAWADA TECHNOLOGIES, INC.

Director Shingo Kagawa is an outside director of H.I.S. Co.,Ltd. and an external director of FURUNO ELECTRIC CO., LTD. There are no special interest relationships between the Company and H.I.S. Co.,Ltd., or FURUNO ELECTRIC CO., LTD.

- ii. Main activities in the fiscal year under review

Category	Name	Main activities (including a summary of duties related to expected roles)
Director	Takahisa Yamakawa	Mr. Yamakawa attended all 19 meetings of the Board of Directors held in the fiscal year under review. He makes necessary and appropriate statements during deliberations on proposals and other matters from the standpoint of an independent Outside Director based on his specialized knowledge as an attorney and broad-ranging insight.
Director	Makoto Kometani	Mr. Kometani attended all 19 meetings of the Board of Directors held in the fiscal year under review. He makes necessary and appropriate statements during deliberations on proposals and other matters from the standpoint of an independent Outside Director based on his broad-ranging knowledge of the finance industry and many other areas, his ample management experience overseas, and his knowledge as a corporate auditor.
Director	Shingo Kagawa	Mr. Kagawa attended all 13 meetings of the Board of Directors since assuming office as an Outside Director. He makes necessary and appropriate statements during deliberations on proposals and other matters from the standpoint of an independent Outside Director based on his ample experience and broad-ranging insight as a management executive.

- iii. Amount of compensation received as an officer of the parent company or its subsidiary (excluding the Company):

No applicable items.

(2) Audit & Supervisory Board Member

- i. Relationship between the Company and companies where officers serve concurrently in significant positions:

Audit & Supervisory Board Member Hideki Tokai is a certified tax accountant at Hideki Tokai Tax Accountant Office, an Outside Director at A&A Material Corporation, and an Outside Director, Audit and Supervisory Committee Member at Shin Nippon Air Technologies Co., Ltd. There are no special interest relationships between the Company and Hideki Tokai Tax Accountant Office, A&A Material Corporation, and Shin Nippon Air Technologies Co., Ltd.

Audit & Supervisory Board Member Shigeru Kajita is a full-time Audit & Supervisory Board Member of ORIGIN TOSHU Co., Ltd. There are no special interest relationships between the Company and ORIGIN TOSHU Co., Ltd.

- ii. Main activities in the fiscal year under review

Category	Name	Main activities
Full-Time Audit & Supervisory Board Member	Satoshi Asakura	Mr. Asakura attended all 19 meetings of the Board of Directors and all 18 meetings of the Audit & Supervisory Board held in the fiscal year under review. He supervises the Company's management and makes appropriate statements for its sound management based on his wide-ranging knowledge and experience related to the retail industry and management.
Audit & Supervisory Board Member	Hideki Tokai	Mr. Tokai attended 17 of the 19 meetings of the Board of Directors and 16 of the 18 meetings of the Audit & Supervisory Board held in the fiscal year under review. He makes necessary and appropriate statements during deliberations on proposals and other matters from the standpoint of an independent Outside Audit & Supervisory Board Member based on his ample experience in tax administration and specialized knowledge as a tax attorney.
Audit & Supervisory Board Member	Shigeru Kajita	Mr. Kajita attended all 13 meetings of the Board of Directors and all 13 meetings of the Audit & Supervisory Board since assuming office as an Outside Audit & Supervisory Board Member. He makes necessary and appropriate statements during deliberations on proposals and other matters from the standpoint of an independent Outside Audit & Supervisory Board Member based on his ample experience and track record at the Aeon Group companies.

- iii. Amount of compensation received as an officer of the parent company or its subsidiary (excluding the Company) The total amount of compensation received by Outside Audit & Supervisory Board Members as officers of the parent company of the Company or a subsidiary of the parent company (excluding the Company) during their time in office in the fiscal year under review was ¥11.2 million.

5. Accounting Auditor

5-1 Accounting Auditor's Name

Deloitte Touche Tohmatsu LLC

5-2 Accounting Auditor's Compensation for the Fiscal Year Under Review

- (1) Compensation for auditing services set forth in Article 2, Paragraph 1 of the Certified Public Accountants Act: 58 million yen
- (2) Cash and other financial profits payable by the Company or its subsidiaries to the Accounting Auditor: 58 million yen

Notes: 1. The Audit & Supervisory Board gives consent to compensation of the Accounting Auditor under Article 399, Paragraph 1 of the Companies Act after having confirmed and examined the Accounting Auditor's audit plan, audit, and basis of calculations for compensation estimates in accordance with the Guidelines for Coordination with Accounting Auditors published by the Japan Audit & Supervisory Board Members Association.

2. The audit agreement between the Company and the Accounting Auditor does not distinguish between audits under the Companies Act and audits under the Financial Instruments and Exchange Act with respect to the amount of audit compensation and there is no practical way to divide the two, so the amount of compensation for the fiscal year under review is the total amount of these.

3. Among the Company's subsidiaries, VINH KHANH CONSULTANCY CORPORATION and MINISTOP VIETNAM COMPANY LIMITED are audited by the member firms of Deloitte Touche Tohmatsu Limited, which belong to the same network as our Company's Accounting Auditor.

5-3 Policy on Determination of Dismissal or Non-reappointment of the Accounting Auditor

When there is a hindrance in the execution of duties by the Accounting Auditor, or when it is otherwise judged to be necessary, the Audit & Supervisory Board will decide on a proposal related to the dismissal or non-reappointment of the Accounting Auditor, and the Board of Directors will submit the proposal to the General Meeting of Shareholders based on this determination.

In addition, when it is deemed that the Accounting Auditor falls under any of the items in Article 340, Paragraph 1 of the Companies Act, the Audit & Supervisory Board will dismiss the Accounting Auditor based on the consent of all Audit & Supervisory Board Members. In this case, an Audit & Supervisory Board Member selected by the Audit & Supervisory Board reports the fact that the Accounting Auditor was dismissed and the reasons for the dismissal at the first General Meeting of Shareholders to be held after the dismissal.

6. Company Systems and Policies

6-1 Systems to Ensure the Appropriateness of Business Activities

Systems for ensuring the execution of duties by Directors conforms with laws, regulations, and the Articles of Incorporation and other systems for ensuring the appropriateness of business activities are stipulated in the Basic Policy for Construction of Internal Control Systems.

Based on amendments to the Companies Act and Regulations for Enforcement of the Companies Act and on social conditions in recent years, as well as to ensure management practices based on Aeon's Basic Philosophy, the Company revised this policy on August 19, 2022 and April 12, 2023, respectively, by resolution of the Board of Directors held on those dates and reinforced regulations and other matters related to auditing systems and corporate group internal controls. Implementation of the policy will be monitored by the Board of Directors, and the Company will review the policy as appropriate in line with changes in social or other conditions and make further improvements and enhancements.

Basic Policy for Construction of Internal Control Systems

- (1) Systems for ensuring execution of duties by Directors and employees conform with laws, regulations, and the Articles of Incorporation
 - i. To ensure that execution of duties by Directors and employees conform with laws, regulations, and the Articles of Incorporation and that this social responsibility is fulfilled, the Company will make all Directors and employees fully aware of the AEON Basic Philosophy and Compliance Policy.
 - ii. The Board of Directors will decide on policies and plans for development of internal control systems, including systems for compliance with laws and regulations, etc. (hereinafter, "compliance") and receive periodic reports on the status of their operation.
 - iii. The Audit & Supervisory Board will audit the execution of duties by Directors, including development and implementation of internal control systems, from an independent standpoint.
 - iv. The Company will stipulate basic rules on internal control and, based on the rules, establish the Internal Control System Committee as well as the Compliance Committee and the Regular Crisis Management Committee as organizations under it, establish the Personal Information Security Management Subcommittee and Fair Trade Promotion Subcommittee under the Compliance Committee, and through their coordination promote the development and implementation of internal control systems, including compliance systems.
 - v. The President and Representative Director shall be the chairperson of the Internal Control System Committee, and an officer in charge of internal controls shall be placed in charge of the overall internal control system. In addition, the officer in charge of internal controls will concurrently serve as the officer in charge of compliance and risk management.
 - vi. The Company will increase the compliance-related knowledge of Directors and employees and foster an awareness of respecting compliance through training related to compliance for Directors and employees and the creation of manuals, etc.
 - vii. We have established an internal reporting system for all employees of the Aeon Group, and we are working to strengthen the effectiveness of internal controls by setting up appropriate systems for internal reporting and will make efforts to raise awareness among employees through in-house education, etc.
 - viii. The Board of Directors will stipulate a basic policy on blocking all relations with anti-social forces, develop internal systems, and build a corporate culture for responding organizationally at the Group level to improper demands from anti-social forces.

- ix. The Internal Audit Division will develop an annual audit plan based on the “Internal Audit Rules” and conduct internal audits. Any issues in the internal control system identified through internal audits will be reported to the President and Representative Director, who will instruct the relevant department to formulate and implement remedial measures. The results of internal audits and remedial measures will be reported to the Board of Directors and the Audit & Supervisory Board.
- (2) Systems related to the retention and management of information related to execution of duties by Directors
 - i. The Company will record, retain, and manage information related to decision-making by the Board of Directors, Management Committee, and other important committees, information related to important approval items, information related to finances, information related to risk and compliance, and other information related to the execution of duties by Directors and will develop systems that enable necessary related parties to access it.
 - ii. The Company will establish the Personal Information Security Management Subcommittee and the position of Personal Information Management Officer and will establish rules related to the security management of personal information so as to thoroughly conduct security management for personal information throughout the Group.
 - (3) Rules and other systems related to management of loss risk
 - i. The Company appoints the President and Representative Director as the Chief Risk Officer and will identify risks that have a material impact on the Group’s management and develop mechanisms for evaluating them, as well as establish rules related to risk management and build systems for prevention in advance.
 - ii. We have established “Information Security Management Standards” with the aim of protecting and managing information assets from various organizational, personnel, physical, and technical aspects, including the Group, in an effort to define the responsibility structure for information security, and to maintain and improve the security level of information and information systems handled by the Company.
 - iii. The Company will establish a “Regular Crisis Management Committee” to prepare a system in advance for situations that may have or have a material impact on management and to handle emergencies promptly.
 - iv. The Regular Risk Management Committee will create manuals, etc. for responding to risks that have a material impact on management and build risk management systems.
 - (4) Systems for ensuring Directors execute their duties efficiently
 - i. The Company will establish a medium-term business plan and clarify targets to be achieved by the Company, and it will clarify performance targets for each Director and make clear the evaluation methods used for them. Regarding the amount of remuneration of Directors, the Company will introduce performance-linked remuneration. Furthermore, the Board of Directors will consult with the Nomination and Compensation Committee, which will report to the Board of Directors to ensure that the remuneration is appropriately exercised.
 - ii. The Board of Directors will meet at least once per month and appropriately conduct decision-making on important matters related to the Group overall, including subsidiaries, and supervision of the execution of duties by Directors.
 - iii. In order to supplement the Board of Directors and rapidly and appropriately address management issues, the Management Committee, made up primarily of Directors and executives responsible for each division, will meet around twice per month, and systems will be built for ensuring swift decision-making and flexible management.

- (5) Systems for ensuring the appropriateness of the business activities of the corporate group consisting of the Company, its parent company, and subsidiaries
- i. Systems related to transactions with the parent company, subsidiaries, and Aeon Group companies
When a Director engages in transactions that may cause a substantial conflict of interest or competition with the Company for themselves or for a third party such as a parent company, subsidiary, or other Aeon Group company, the director shall obtain the approval of the Board of Directors before carrying out such transactions. The fairness of the procedures will be ensured by adopting resolutions after excluding any special interested parties.
 - ii. Systems related to transactions with Aeon Group companies
In the case in engaging in transactions with various Aeon Group companies, we will conduct the transactions under appropriate conditions based on market prices and report the annual transaction results, such as the growth rate, with the relevant parties once a year to the Board of Directors who will scrutinize the rationality and fairness of the transactions.
 - iii. Systems related to reporting to the Company of matters concerning the performance of duties by Directors, etc. and employees of subsidiaries
Based on the domestic affiliated company management rules and overseas affiliated company management rules, we will request our subsidiaries to provide regular reports on their business activities to our Board of Directors or Management Committee.
 - iv. Rules and other systems related to management of loss risk by subsidiaries
The Regular Crisis Management Committee will appropriately evaluate risks for the Group overall, including subsidiaries, and build systems for managing them based on rules, manuals, and other materials related to risk management.
 - v. Systems for ensuring Directors of subsidiaries and other relevant entities execute their duties efficiently
The Company will stipulate priority management targets, budget allocations and other related matters for the Group overall and build systems for appropriately and efficiently conducting Group management, and based on affiliated company management rules it will conduct necessary management based on conditions while respecting the autonomy of subsidiaries, including designating departments and managers responsible for subsidiaries and engaging in prior deliberations on important matters.
 - vi. Systems for ensuring execution of duties by Directors, etc. and employees of subsidiaries conform with laws, regulations, and the Articles of Incorporation.
The Company will make all Directors, etc. and employees of subsidiaries fully aware of the Aeon Basic Philosophy and Compliance Policy, and the Compliance Committee will develop systems necessary for compliance management of the Group overall and build compliance systems for the Group overall, including subsidiaries.
 - vii. Audit systems related to the overall operations of the Company and its subsidiaries
The Internal Audit Division will conduct audits of the Company and its subsidiaries to ensure that their operations are conducted appropriately, based on the Internal Audit Rules. If any defects or other issues are found in the internal control system, the Internal Audit Division will promptly report them to the Internal Control System Committee. The internal control system will be revised under the direction of the Internal Control System Committee and the Company will formulate measures to prevent recurrence.
- (6) Systems for ensuring the appropriateness of financial reporting
- The Company will identify and analyze the risk of significant misstatements related to financial reporting by the Company and the Group, and to reduce the risk it will establish rules related to financial reporting, clarify operating procedures, and conduct evaluations every year on their design and operation.

- (7) Matters related to employees in the case in which Audit & Supervisory Board Members have requested employees to assist them in their duties

In the case in which Audit & Supervisory Board Members have requested that employees be designated to assist them in their duties, the Company will assign appropriate personnel as “audit staff” who are independent of operating divisions.

- (8) Matters related to the independence from Directors of employees to assist in the duties of Audit & Supervisory Board Members

Personnel transfers, performance evaluations, and disciplinary actions involving “audit staff” shall require the prior consent of the Audit & Supervisory Board.

- (9) Matters related to ensuring the effectiveness of instructions given to employees to assist in the duties of Audit & Supervisory Board Members

“Audit staff” shall not serve concurrently in other departments and shall abide by the instructions and orders of Audit & Supervisory Board Members.

- (10) Systems related to reporting to Audit & Supervisory Board Members

i. Systems for reporting by Directors and employees to Audit & Supervisory Board Members
Directors and employees will promptly and appropriately report to Audit & Supervisory Board Members when a situation occurs, or could occur, that has a material impact on the Group’s management, when a legal violation or improper act by a Director or employee is discovered, when reporting on matters related to business execution is required by Audit & Supervisory Board Members, and when any other matter arises that the Audit & Supervisory Board determines should be reported. In addition, Directors that supervise divisions will report as appropriate on the risk management systems of the divisions they are responsible for upon discussions with the Audit & Supervisory Board.

ii. Systems for reporting to the Company’s Audit & Supervisory Board Members by Directors, etc. and employees of subsidiaries and others receiving reports from them
Directors, etc. and employees of subsidiaries and others receiving reports from them will promptly and appropriately report to the Company’s Audit & Supervisory Board Members when a situation occurs, or could occur, that has a material impact on the Group’s management, when a legal violation or improper act by a Director, other officer, or employee of that subsidiary is discovered, when reporting on matters related to business execution at that subsidiary is required by the Company’s Audit & Supervisory Board Members, and when any other matter arises that the Audit & Supervisory Board determines should be reported.

- (11) Systems for ensuring personnel who reported to Audit & Supervisory Board Members do not receive unfair treatment for having made such a report

The Company prohibits unfair treatment of personnel who reported to Audit & Supervisory Board Members because they made such a report, and it makes all Group employees fully aware of this prohibition.

- (12) Matters related to procedures for prepayment or reimbursement of expenses incurred in connection with execution of duties by Audit & Supervisory Board Members and to other policies on the treatment of expenses and obligations occurring in connection with such execution of duties

In order to pay expenses and other costs occurring in connection with execution of duties by Audit & Supervisory Board Members, the Company will establish a budget of a fixed amount each fiscal year. When a request is made for prepayment or reimbursement of expenses occurring in connection with Audit & Supervisory Board Members executing their duties, deliberations are made in the responsible department and the expense or obligation is promptly

processed, except in cases in which it is deemed to be unnecessary to the execution of duties by the Audit & Supervisory Board Member involved.

- (13) Other systems for ensuring audits by Audit & Supervisory Board Members are conducted effectively
 - i. The Company will work for a fuller understanding by Directors and employees of audits by Audit & Supervisory Board Members and to establish an environment for such audits.
 - ii. The Company will work for coordination and understanding between executive divisions and audit divisions, for example by holding regular discussion meetings between Audit & Supervisory Board Members and the Representative Director.
 - iii. Audit & Supervisory Board Members receive regular reports on the annual audit plan and audit results from the Internal Audit Division and may request investigations as necessary. The Audit & Supervisory Board Members will effectively utilize the audit results of the Internal Audit Division's audit relating to the internal control system.
 - iv. The Company will include the Full-Time Audit & Supervisory Board Member as a member in meetings of the Management Committee, which are held around twice per month, and establish a system to enable him/her to review documents and meeting minutes.

6-2 Summary of Operation of Systems to Ensure the Appropriateness of Business Activities

Based on the Basic Policy for Construction of Internal Control Systems, the Company designs and operates systems for ensuring that execution of duties by Directors conforms with laws, regulations, and the Articles of Incorporation and other systems for ensuring the appropriateness of business activities.

A summary of their operation in the fiscal year under review is as follows.

- (1) The Board of Directors met 19 times and appropriately made decisions on important business execution and supervised the execution of duties by Directors. The Management Committee, which supplements the Board of Directors, also met 48 times and worked to ensure swift business execution and to share information.
- (2) The Internal Control System Committee met 12 times and designed internal control systems, confirmed their operation, shared information in issues related to internal control systems, and made improvements, etc.
- (3) The Compliance Committee, which is under the Internal Control System Committee, met four times and shared information on compliance and responded to issues, etc.
- (4) The Regular Crisis Management Committee, which is under the Internal Control System Committee, met four times and shared information on risk incidents, responded to issues, and continuously monitored the status of risk measures for priority management, among other activities.
- (5) The Management Audit Office, the auditing division, conducted internal audits based on an internal audit plan and made timely reports to the Board of Directors, Management Committee, and Internal Control System Committee on the design and operation of internal control systems and audit findings, etc.
- (6) Audit & Supervisory Board Members appropriately conducted audits of the execution of duties by Directors and employees, and the Audit & Supervisory Board met 18 times, receiving reports on important matters related to auditing and conducting deliberations. In addition, efforts were made to ensure coordination between executive and audit divisions, which included information exchange with Directors.
- (7) The Full-Time Audit & Supervisory Board Member attended meetings of the Board of Directors, Management Committee, Internal Control System Committee, and Compliance Committee, etc., grasping operations of related business activities and providing opinions and citing issues as necessary.

6-3 Policy related to decisions on dividends of surplus, etc.

The Company places emphasis on enhancing returns to shareholders while strengthening its financial position and management structure. We will use retained earnings to invest in renovating existing stores, information systems, and new businesses to expand our operations and improve our business performance. We will also continue our dividend policy, taking into account consolidated business performance, while establishing a sustainable corporate structure.

Under this policy, we have decided to set the year-end dividend for this fiscal year at 10.00 yen per share, which, together with the interim dividend of 10.00 yen per share already paid, will bring the annual dividend to 20.00 yen per share. Please note that the payment date (effective date) for the year-end dividend will be on Friday, April 28th, 2023.

Consolidated Financial Statements

Consolidated Balance Sheet

(As of February 28, 2023)

(Millions of yen)

Description	Amount	Description	Amount
(Assets)		(Liabilities)	
Current assets	52,694	Current liabilities	32,071
Cash and deposits	6,427	Accounts payable - trade	13,461
Accounts receivable - due from franchised stores	7,823	Accounts payable - due to franchised stores	174
Merchandise	1,433	Short-term borrowings	330
Short-term loans receivable	0	Current portion of long-term borrowings	169
Accounts receivable - other	9,329	Accounts payable - other	3,849
Deposits paid to subsidiaries and associates	24,000	Income taxes payable	689
Other	3,749	Deposits received	10,869
Allowance for doubtful accounts	(68)	Provision for bonuses	193
Non-current assets	26,523	Provision for directors achievement rewards	31
Property, plant and equipment	10,135	Provision for loss on store closings	488
Buildings and structures	6,055	Provision for loss on business withdrawal	34
Machinery, equipment and vehicles	1,338	Other	1,778
Furniture and fixtures	1,897	Non-current liabilities	6,535
Land	428	Lease obligations	185
Leased assets	361	Long-term guarantee deposits	3,923
Construction in progress	53	Deferred tax liabilities	166
Intangible assets	3,595	Retirement benefit liability	97
Software	3,457	Asset retirement obligations	1,833
Other	138	Other	329
Investments and other assets	12,792	Total liabilities	38,607
Investment securities	78	(Net assets)	
Long-term loans receivable	1	Shareholders' equity	40,799
Long-term prepaid expenses	566	Share capital	7,491
Guarantee deposits	11,939	Capital surplus	6,032
Deferred tax assets	5	Retained earnings	27,917
Other	346	Treasury shares	(642)
Allowance for doubtful accounts	(146)	Accumulated other comprehensive income	(192)
		Valuation difference on available-for-sale securities	24
		Foreign currency translation adjustment	(151)
		Remeasurements of defined benefit plans	(65)
		Share acquisition rights	3
		Total net assets	40,610
Total assets	79,217	Total liabilities and net assets	79,217

Note: Figures presented in the financial statements are rounded down to the nearest million yen.

Consolidated Statement of Income

(March 1, 2022 – February 28, 2023)

(Millions of yen)

Description	Amount	
Gross operating revenue		
Income from franchised stores	25,880	
Net sales	37,451	
Revenue from transportation charges	13,483	
Other operating revenue	4,471	81,286
Operating costs		
Cost of sales	28,753	
Cost of transportation	12,118	40,871
Operating gross profit		40,414
Selling, general and administrative expenses		41,450
Operating loss		(1,036)
Non-operating income		
Interest and dividend income	463	
Penalty income	135	
Compensation income	190	
Other	135	923
Non-operating expenses		
Interest expenses	23	
Other	7	30
Ordinary loss		(142)
Extraordinary income		
Gain on sale of non-current assets	52	
Gain on sales of subsidiaries and affiliates' shares	23,831	
Other	68	23,952
Extraordinary losses		
Impairment losses	1,124	
Loss on store closings	440	
Provision for loss on store closings	488	
Other	67	2,120
Profit before income taxes		21,688
Income taxes-current	4,241	
Income taxes-deferred	4,611	8,853
Profit		12,835
Profit attributable to non-controlling interests		1
Profit attributable to owners of parent		12,834

Note: Figures presented in the financial statements are rounded down to the nearest million yen.

Consolidated Statement of Changes in Equity

(March 1, 2022 – February 28, 2023)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	7,491	5,744	15,757	(642)	28,351
Cumulative effect of a change in accounting policy			(94)		(94)
Balance at beginning of current period reflecting change in accounting policy	7,491	5,744	15,662	(642)	28,256
Changes during the fiscal year					
Dividends of surplus			(580)		(580)
Profit attributable to owners of parent			12,834		12,834
Purchase of treasury shares				(0)	(0)
Appropriation of treasury shares			(0)	0	0
Changes in parent company's interest in transactions with non-controlling interests		(0)			(0)
Tax effect adjustment related to changes in equity in prior periods		289			289
Net changes during the fiscal year in items other than shareholders' equity					
Total changes during the fiscal year	–	288	12,254	(0)	12,542
Balance at end of period	7,491	6,032	27,917	(642)	40,799

	Accumulated other comprehensive income				Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	19	202	(131)	89	3	42	28,487
Cumulative effect of a change in accounting policy							(94)
Balance at beginning of current period reflecting change in accounting policy	19	202	(131)	89	3	42	28,393
Changes during the fiscal year							
Dividends of surplus							(580)
Profit attributable to owners of parent							12,834
Purchase of treasury shares							(0)
Appropriation of treasury shares							0
Changes in parent company's interest in transactions with non-controlling interests						0	–
Tax effect adjustment related to changes in equity in prior periods							289
Net changes during the fiscal year in items other than shareholders' equity	4	(353)	66	(282)	–	(43)	(326)
Total changes during the fiscal year	4	(353)	66	(282)	–	(42)	12,217
Balance at end of period	24	(151)	(65)	(192)	3	–	40,610

Note: Figures presented in the financial statements are rounded down to the nearest million yen.

Non-consolidated Financial Statements

Non-consolidated Balance Sheet

(As of February 28, 2023)

(Millions of yen)

Description	Amount	Description	Amount
(Assets)		(Liabilities)	
Current assets	51,268	Current liabilities	30,256
Cash and deposits	5,380	Accounts payable - trade	12,516
Accounts receivable - due from franchised stores	7,823	Accounts payable - due to franchised stores	174
Merchandise	968	Accounts payable - other	3,805
Supplies	3	Income taxes payable	629
Prepaid expenses	1,739	Accrued consumption taxes	223
Accounts receivable - other	9,101	Accrued expenses	377
Deposits paid to subsidiaries and associates	24,000	Deposits received	10,748
Current portion of guarantee deposits	976	Unearned revenue	77
Other	1,344	Provision for bonuses	172
Allowance for doubtful accounts	(68)	Provision for directors achievement rewards	31
Non-current assets	26,097	Provision for loss on store closings	488
Property, plant and equipment	9,949	Provision for loss on business withdrawal	34
Buildings	4,566	Other	976
Structures	1,391	Non-current liabilities	6,429
Machinery and equipment	1,338	Lease obligations	185
Furniture and fixtures	1,821	Long-term guarantee deposits	3,883
Land	428	Deferred tax liabilities	166
Leased assets	361	Long-term unearned revenue	126
Construction in progress	41	Provision for retirement benefit	31
Intangible assets	3,569	Asset retirement obligations	1,833
Software	3,430	Other	202
Other	138	Total liabilities	36,686
Investments and other assets	12,579	(Net assets)	
Investment securities	78	Shareholders' equity	40,652
Subsidiaries and affiliates' shares	2	Share capital	7,491
Long-term loans receivable	1	Capital surplus	7,645
Long-term prepaid expenses	502	Legal capital surplus	7,645
Guarantee deposits	11,795	Retained earnings	26,157
Other	345	Legal retained earnings	1,872
Allowance for doubtful accounts	(146)	Other retained earnings	24,284
		General reserve	10,000
		Retained earnings brought forward	14,284
		Treasury shares	(642)
		Valuation and translation adjustments	24
		Valuation difference on available-for-sale securities	24
		Share acquisition rights	3
		Total net assets	40,680
Total assets	77,366	Total liabilities and net assets	77,366

Note: Figures presented in the financial statements are rounded down to the nearest million yen.

Non-consolidated Statement of Income

(March 1, 2022 – February 28, 2023)

(Millions of yen)

Description	Amount	
Operating revenue		
Income from franchised stores (Franchise store net sales, the source of income from franchise stores, is ¥260,028 million. The total combined with directly managed store net sales is ¥286,996 million.)	25,814	
Other operating revenue	6,223	32,038
Net sales		30,627
Gross operating revenue		62,665
Cost of sales		23,792
Gross profit		6,834
Operating gross profit		38,872
Selling, general and administrative expenses		39,915
Operating loss		(1,042)
Non-operating income		
Interest and dividend income	512	
Foreign exchange gains	33	
Other	439	985
Non-operating expenses		
Interest expenses	15	
Other	3	19
Ordinary loss		(76)
Extraordinary income		
Gain on sale of non-current assets	52	
Gain on sales of subsidiaries and affiliates' shares	19,709	
Other	13	19,775
Extraordinary losses		
Impairment losses	1,116	
Loss on store closings	435	
Loss on withdrawal from business	34	
Provision for loss on store closings	488	
Other	67	2,142
Profit before income taxes		17,556
Income taxes-current	3,877	
Income taxes-deferred	3,833	7,711
Profit		9,845

Note: Figures presented in the financial statements are rounded down to the nearest million yen.

Non-consolidated Statement of Changes in Equity

(March 1, 2022 – February 28, 2023)

(Millions of yen)

	Shareholders' equity							
	Share capital	Capital surplus		Legal retained earnings	Retained earnings			Total retained earnings
		Legal capital surplus	Total capital surplus		General reserve	Retained earnings brought forward	Total other retained earnings	
Balance at beginning of period	7,491	7,645	7,645	1,872	10,000	5,114	15,114	16,987
Cumulative effect of a change in accounting policy						(94)	(94)	(94)
Balance at beginning of current period reflecting change in accounting policy	7,491	7,645	7,645	1,872	10,000	5,019	15,019	16,892
Changes during period								
Dividends of surplus						(580)	(580)	(580)
Profit						9,845	9,845	9,845
Purchase of treasury shares								
Appropriation of treasury shares						(0)	(0)	(0)
Net changes in items other than shareholders' equity								
Total changes during period	–	–	–	–	–	9,265	9,265	9,265
Balance at end of period	7,491	7,645	7,645	1,872	10,000	14,284	24,284	26,157

	Shareholders' equity		Valuation and translation adjustments		Share acquisition rights	Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments		
Balance at beginning of period	(642)	31,482	19	19	3	31,505
Cumulative effect of a change in accounting policy		(94)				(94)
Balance at beginning of current period reflecting change in accounting policy	(642)	31,387	19	19	3	31,410
Changes during period						
Dividends of surplus		(580)				(580)
Profit		9,845				9,845
Purchase of treasury shares	(0)	(0)				(0)
Appropriation of treasury shares	0	0				0
Net changes in items other than shareholders' equity			4	4	–	4
Total changes during period	(0)	9,265	4	4	–	9,269
Balance at end of period	(642)	40,652	24	24	3	40,680

Note: Figures presented in the financial statements are rounded down to the nearest million yen.

Audit Reports

Accounting Auditor's Audit Report on the Consolidated Financial Statements

Independent Auditor's Audit Report

April 10, 2023

To the Board of Directors
MINISTOP Co., Ltd.

Deloitte Touche Tohmatsu LLC
Tokyo Office
Designated Limited Liability Partner:
Tetsuya Ishii, CPA
Engagement Partner:
Takuya Inoue, CPA

Audit Opinion

Pursuant to Article 444, Paragraph 4 of the Companies Act, we have audited the consolidated financial statements of MINISTOP Co., Ltd. (the "Company") for its consolidated financial year from March 1, 2022 to February 28, 2023, which are, specifically, the Consolidated Balance Sheet, Consolidated Statement of Income, Consolidated Statement of Changes in Equity, Notes to Consolidated Financial Statements.

In our opinion, the Consolidated Financial Statements referred to above present fairly, in all material respects, the financial position and results of operations for the period covered by the relevant Consolidated Financial Statements of the corporate group consisting of MINISTOP Co., Ltd. and its consolidated subsidiaries in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We performed our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under the standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company and its consolidated subsidiaries in accordance with the provisions related to professional ethics in Japan, and we have fulfilled our other ethical responsibilities as auditors. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Statements

The other statements are the Business Report and its supplementary schedules. Management is responsible for the preparation and disclosure of other statements. Also, Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for overseeing execution of duties by Directors relating to the design and operation of the other statements reporting process.

Our audit opinion on the Consolidated Financial Statements does not include other statements, and we express no opinion on other statements.

Our responsibility in the audit of the Consolidated Financial Statements is to read through the other statements and, in the course of reading through the other statements, to consider whether there are material differences between the other statements and the Consolidated Financial Statements or knowledge we have acquired in the course of our audit. We also pay attention to whether there are any other indications of material errors in the other statements.

Based on the work we have performed, when we judge that the other statements contain material errors, we are required to report that fact.

We have no other matters to report with respect to the other statements.

Responsibilities of Management, Audit & Supervisory Board Members and the Audit & Supervisory Board for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the Consolidated Financial Statements in accordance with accounting principles generally accepted in Japan, and for the design and operation of internal controls that management determines are necessary to enable the preparation and fair presentation of the Consolidated Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Financial Statements, management is responsible for assessing whether or not it is appropriate to prepare the Consolidated Financial Statements based on the assumption of a going concern, and in accordance with accounting principles generally accepted in Japan, for disclosing, as necessary, matters related to going concern.

Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for overseeing execution of duties by Directors relating to the design and operation of the financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our responsibilities are to obtain reasonable assurance about whether or not the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, based on the audit performed by us and to express our opinion on the Consolidated Financial Statements in the audit report from an independent point of view. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users of these Consolidated Financial Statements.

In accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit process, and conduct the following.

- We identify and assess the risks of material misstatement, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Selection and application of audit procedures is at the discretion of the auditor. In addition, we obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- The purpose of an audit of the Consolidated Financial Statements is not to express an opinion on the effectiveness of the entity's internal control; however, in making risk assessments, the auditor considers internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- We evaluate the appropriateness of accounting policies used by management and their method of application, as well as the reasonableness of accounting estimates made by management and the validity of related notes.
- We make a conclusion on the appropriateness of the Consolidated Financial Statements being prepared by management based on the assumption of a going concern, and based on the audit evidence obtained, on whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty regarding going concern exists, we are required to draw attention in our audit report to the related notes in the Consolidated Financial Statements or, if such notes are inadequate, to express a qualified opinion with exceptions on the Consolidated Financial Statements. Our conclusions are based on the audit evidence obtained up to the date of the audit report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- We evaluate whether the presentation of the Consolidated Financial Statements and Notes thereto are in accordance with accounting principles generally accepted in Japan, as well as the overall presentation, structure, and content of the Consolidated Financial Statements, including the related Notes thereto, and whether the Consolidated Financial Statements represent the underlying transactions and accounting events in a manner that achieves fair presentation.
- We obtain sufficient and appropriate audit evidence regarding the financial information of the Company and its consolidated subsidiaries to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the Consolidated Financial Statements. We are solely responsible for our audit opinion.

We communicate with the Audit & Supervisory Board Members and the Audit & Supervisory Board regarding the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit process, and other matters required by auditing standards.

We also provide the Audit & Supervisory Board Members and the Audit & Supervisory Board with a statement that we have complied with the provisions related to professional ethics in Japan concerning independence, and communicate with them matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards in order to eliminate or reduce obstruction factors.

Interest Relationship

Our firm and its engagement partners do not have any interest in the Company and its consolidated subsidiaries that is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Accounting Auditor's Audit Report on the Non-consolidated Financial Statements

Independent Auditor's Audit Report

April 10, 2023

To the Board of Directors
MINISTOP Co., Ltd.

Deloitte Touche Tohmatsu LLC
Tokyo Office
Designated Limited Liability Partner
Engagement Partner:
Tetsuya Ishii, CPA
Designated Limited Liability Partner
Engagement Partner:
Takuya Inoue, CPA

Audit Opinion

Pursuant to Article 436, Paragraph 2, Item 1 of the Companies Act, we have audited the Non-consolidated Financial Statements of MINISTOP Co., Ltd. (the "Company") for the 44th fiscal year from March 1, 2022 to February 28, 2023, which are, specifically, the Non-consolidated Balance Sheet, Non-consolidated Statement of Income, Non-consolidated Statement of Changes in Equity, Notes to the Non-consolidated Financial Statements, and their supplementary schedules (hereinafter, "Non-consolidated Financial Statements and Schedules").

In our opinion, the Non-consolidated Financial Statements and Schedules referred to above present fairly, in all material respects, the status of assets and income for the period covered by the Non-consolidated Financial Statements and Schedules in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We performed our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under the standards are further described in the Auditor's Responsibilities for the Audit of the Non-consolidated Financial Statements and Schedules section of our report. We are independent of the Company in accordance with the provisions related to professional ethics in Japan, and we have fulfilled our other ethical responsibilities as auditors. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Statements

The other statements are the Business Report and supplementary schedules. Management is responsible for the preparation and disclosure of the other statements. Audit & Supervisory Board Members and the Audit & Supervisory Board are also responsible for overseeing execution of duties by Directors relating to the design and operation of the reporting process for the other statements.

Our audit opinion on the non-consolidated financial statements does not include any other statements, and we express no opinion on other statements.

Our responsibilities in auditing the non-financial statements are to read the other statements carefully and, in the process of reading it, to consider whether there are any material differences between the other statements and the non-consolidated financial statements or our knowledge of them as a result of our audit. We also to pay attention to whether there is any indication of material errors in the other statements other than such material differences.

Based on the work we have performed, we are required to report that fact when we judge that there are material errors in the other statements.

We have no matters to report with respect to the other statements.

Responsibilities of Management, Audit & Supervisory Board Members and the Audit & Supervisory Board for the Non-consolidated Financial Statements and Schedules

Management is responsible for the preparation and fair presentation of the Non-consolidated Financial Statements and Schedules in accordance with accounting principles generally accepted in Japan, and for the design and operation of internal controls that management determines are necessary to enable the preparation and fair presentation of the Non-consolidated Financial Statements and Schedules that are free from material misstatement, whether due to fraud or error.

In preparing the Non-consolidated Financial Statements and Schedules, management is responsible for assessing whether or not it is appropriate to prepare the non-consolidated financial statements and Schedules based on the assumption of a going concern, and in accordance with accounting principles generally accepted in Japan, for disclosing, as necessary, matters related to going concern.

Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for overseeing execution of duties by Directors relating to the design and operation of the reporting process.

Auditor's Responsibilities for the Audit of the Non-consolidated Financial Statements and Schedules

Our responsibilities are to obtain reasonable assurance about whether or not the Non-consolidated Financial Statements and Schedules as a whole are free from material misstatement, whether due to fraud or error, based on the audit performed by us and to express our opinion on the Non-consolidated Financial Statements and Schedules in the audit report from an independent point of view. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users of these Non-consolidated Financial Statements and Schedules.

In accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit process, and conduct the following.

- We identify and assess the risks of material misstatement, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Selection and application of audit procedures is at the discretion of the auditor. In addition, we obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- The purpose of an audit of the Non-consolidated Financial Statements is not to express an opinion on the effectiveness of the entity's internal control; however, in making risk assessments, the auditor considers internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- We evaluate the appropriateness of accounting policies used by management and their method of application, as well as the reasonableness of accounting estimates made by management and the validity of related notes.
- We make a conclusion on the appropriateness of the Non-consolidated Financial Statements and Schedules being prepared by management based on the assumption of a going concern, and based on the audit evidence obtained, on whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty regarding going concern exists, we are required to draw attention in our audit report to the related notes in the Non-consolidated Financial Statements and Schedules or, if such notes are inadequate, to express a qualified opinion with exceptions on the Non-consolidated Financial Statements and Schedules. Our conclusions are based on the audit evidence obtained up to the date of the audit report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- We evaluate whether the presentation of the Non-consolidated Financial Statements and Schedules and Notes thereto are in accordance with accounting principles generally accepted in Japan, as well as the overall presentation, structure, and content of the Non-consolidated Financial Statements and Schedules, including the related Notes thereto, and whether the Non-consolidated Financial Statements and Schedules represent the underlying transactions and accounting events in a manner that achieves fair presentation.

We communicate with the Audit & Supervisory Board Members and the Audit & Supervisory Board regarding the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit process, and other matters required by auditing standards.

We also provide the Audit & Supervisory Board Members and the Audit & Supervisory Board with a statement that we have complied with the provisions related to professional ethics in Japan concerning independence, and communicate with them matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards in order to eliminate or reduce obstruction factors.

Interest Relationship

Our firm and its engagement partners do not have any interest in the Company that is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Accounting Auditor's Audit Report on the Non-consolidated Financial Statements

Audit Report

The Audit & Supervisory Board prepared this audit report representing the unanimous opinion of Audit & Supervisory Board Members following deliberations based on audit reports prepared by each Audit & Supervisory Member on the performance of duties by Directors in the 44th fiscal year from March 1, 2022 to February 28, 2023, and hereby submits it.

1. Audit Methods of Audit & Supervisory Board Members and the Audit & Supervisory Board and Their Description

- (1) The Audit & Supervisory Board stipulated audit policies, the division of responsibilities, and other matters and received reports on the implementation and findings of audits from individual Audit & Supervisory Board Members. It also received reports from Directors, other relevant personnel, and the Accounting Auditor on their performance of duties and requested explanations as necessary.
- (2) Audit & Supervisory Board Members conducted audits with the following methods while working to communicate with Directors, the Management Audit Office, employees and other relevant personnel, and to gather information and maintain an audit environment in accordance with audit policies, the division of responsibilities, and other matters in conformance with standards for audits by Audit & Supervisory Board Members established by the Audit & Supervisory Board.
 - i. Audit & Supervisory Board Members attended meetings of the Board of Directors and other important committees, received reports from Directors, employees and other relevant personnel on their performance of duties, requested explanations as necessary, reviewed important approval documents and other items, and examined business activities and assets at the head office and major offices. In addition, with regard to subsidiaries, Audit & Supervisory Board Members strove to communicate and exchange information with the Directors and Audit & Supervisory Board Members of subsidiaries and received reports from subsidiaries as necessary.
 - ii. Audit & Supervisory Board Members regularly received reports from Directors, employees, and other relevant personnel, requested explanations as necessary, and expressed their opinion on systems indicated in the Business Report for ensuring that Directors execute duties in conformance with laws, regulations, and the Articles of Incorporation, on the details of resolutions made by the Board of Directors on the design of other systems stipulated in Article 100, Paragraph 1 and Paragraph 3 of the Regulations for Enforcement of the Companies Act that are necessary for ensuring the appropriateness of business activities of the corporate group consisting of the Company and its subsidiaries, and the construction and operation of systems designed and operated based on those resolutions (internal control systems).
 - iii. Audit & Supervisory Board Members reviewed and discussed, based on deliberations by the Board of Directors and other committees, the particulars indicated in the Business Report to be given due consideration under Item (v) (a) of Article 118 of the Regulations for Enforcement of the Companies Act and on judgments and reasons under Item (v) (b) of the same article of the ordinance.
 - iv. Audit & Supervisory Board Members monitored and verified whether the Accounting Auditor maintained its independence and conducted audits appropriately, received reports from the Accounting Auditor on the performance of its duties, and requested explanations as necessary. In addition, Audit & Supervisory Board Members were informed by the Accounting Auditor that "systems for ensuring that the performance of the duties of financial auditor is being carried out correctly" (matters stipulated in the items of Article 131 of the Regulations on Corporate Accounting) are being developed in accordance with the Quality Control Standards for Audits (Business Accounting Council, November 16, 2021) and other standards and requested explanations as necessary.

Based on the aforesaid methods, Audit & Supervisory Board Members examined the Business Reports and its supplementary schedules, the Non-consolidated Financial Statements (Non-consolidated Balance Sheet, Non-consolidated Statement of Income, Non-consolidated Statement of Changes in Equity, and Notes to the Non-consolidated Financial Statements) and their supplementary schedules, and the Consolidated Financial Statements (Consolidated Balance Sheet, Consolidated Statement of Income, Consolidated Statement of Changes in Equity, and Notes to the Consolidated Financial Statements).

2. Results of Audit

- (1) Results of Audit of Business Report and Other Relevant Documents
 - i. We acknowledge that the Business Report and its supplementary schedules accurately present the status of the Company in accordance with laws, regulations, and the Articles of Incorporation.
 - ii. We acknowledge there is no misconduct or material fact in violation of the law, regulations, or the Articles of Incorporation related to the execution of duties by Directors.
 - iii. We acknowledge that the resolutions of the Board of Directors related to internal control systems are appropriate. We also did not find any matter bearing mention related to statements in the Business Report or the execution of duties by Directors in connection with internal control systems.
 - iv. We did not find any matters bearing mention related to items to be considered to prevent the interests of the Company from being harmed in transactions with the parent company and other entities indicated in the Business Report or related to the Board of Directors' judgements and reasons on whether or not such transactions harm the Company's interests.
- (2) Results of Audit of Non-consolidated Financial Statements and Supplementary Schedules We acknowledge that the audit methods and findings of the Accounting Auditor, Deloitte Touche Tohmatsu LLC, are appropriate.
- (3) Results of Audit of Consolidated Financial Statements We acknowledge that the audit methods and findings of the Accounting Auditor, Deloitte Touche Tohmatsu LLC, are appropriate.

April 12, 2023

Audit & Supervisory Board, MINISTOP Co., Ltd.

Full-Time Audit & Supervisory Board Member (Outside Audit & Supervisory Board Member)	Satoshi Asakura	Seal
Outside Audit & Supervisory Board Member	Hideki Tokai	Seal
Outside Audit & Supervisory Board Member	Shigeru Kajita	Seal
Audit & Supervisory Board Member	Naomi Watanabe	Seal