

This document is an unofficial English translation of a part of the Japanese original text of the Notice of the 103rd Annual General Meeting of Shareholders of H₂O RETAILING CORPORATION. The Company provides this translation for reference and convenience purposes only and without any warranty as to its accuracy or otherwise. In the event of any discrepancy between this English translation and the Japanese original, the latter shall prevail.

(Securities Code 8242)
May 31, 2022

Naoya Araki
President and Representative Director
H₂O RETAILING CORPORATION
8-7 Kakuda-cho, Kita-ku, Osaka

Dear shareholders:

Notice of the 103rd Annual General Meeting of Shareholders

You are cordially invited to attend the 103rd Annual General Meeting of Shareholders, the details of which are given below.

Please exercise your voting rights by mail or via the Internet or similar means. You are kindly requested to read the "Information regarding Exercising Voting Rights" (pp. 3-4) and exercise your voting rights by 6:00 p.m. on Tuesday, June 21, 2022.

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| Basic Philosophy of the H ₂ O Retailing Group | To remain indispensable to the local communities through our activities of providing a model of lifestyle to local residents |
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Details

1. **Date and Time:** Wednesday, June 22, 2022, 9:00 a.m.

2. **Venue:** Main Hall, Umeda Arts Theater
19-1 Chayamachi, Kita-ku, Osaka

3. **Agenda of the Meeting:**

Matters to be Reported

1. Reports on the Business Report, Consolidated Financial Statements, and Financial Statements for the 103rd fiscal term (from April 1, 2021 to March 31, 2022)
2. Report on the audit results of the Consolidated Financial Statements by the Accounting Auditor and the Audit and Supervisory Committee

Matters to be Resolved

Proposal No. 1: Partial Amendments to the Articles of Incorporation

Proposal No. 2: Election of Four (4) Directors (excluding Directors who are Audit and Supervisory Committee Members)

Proposal No. 3: Election of Five (5) Directors who are Audit and Supervisory Committee Members

4. **Notes Regarding How to Exercise Voting Rights:**

Please refer to the "Information regarding Exercising Voting Rights" (pp. 3-4).

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- ◎ When attending the meeting, please submit the enclosed voting card to a receptionist at the venue of the meeting.
 - ◎ "Matters concerning the Company's stock options, etc." and "Systems to ensure business appropriateness" in the business report, "Notes to consolidated financial statements" and "Consolidated statements of changes in net assets", in the consolidated financial statements and "Non-consolidated statements of changes in net assets" and "Notes to financial statements" in the financial statements are posted on the Company's website (<https://www.h2o-retailing.co.jp/ja/ir/stock/meeting.html> In Japanese only) based on the provisions of laws and regulations and Article 16 of the Company's articles of incorporation. Therefore, such information is not included in the documents attached to this convocation notice. The business report, the consolidated financial statements and the financial statements which are audited by the Audit and Supervisory Committee and the accounting auditor include the documents mentioned in those attached to this convocation notice and the matters stated in the Company's website as above.
 - ◎ If necessity arises to amend the reference document for the shareholders meeting, the business report, the consolidated financial statements, or the financial statements by the day prior to the shareholders meeting, any matters amended will be posted on the following website (<https://www.h2o-retailing.co.jp/ja/ir/stock/meeting.html> In Japanese only).
 - ◎ **We already ended the practice of handing out gifts to attendees of the Annual General Meeting of Shareholders. Thank you for your understanding.**

Information regarding Exercising Voting Rights

You can exercise your voting rights by any of the following means.

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| <p>▶ Exercising voting rights by attending the Annual General Meeting of Shareholders Please submit the enclosed Voting Card to a receptionist at the venue of the Meeting. Please bring this convocation notice with you.</p> |
| <p>▶ Exercising voting rights by mail Please return the enclosed Voting Card (with approval or disapproval indicated for each proposal) to reach us before the exercise time limit. Any vote without approval or disapproval indicated for a particular proposal will be counted as a vote for approval of the pertinent proposal.</p> <p>Exercise time limit: 6:00 p.m. on Tuesday, June 21, 2022</p> |
| <p>▶ Exercising voting rights via the Internet or similar means Please access the voting website which is designated by the Company either by entering the URL (https://evote.tr.mufig.jp/) or by scanning the QR code on the Voting Card with your smartphone and exercise your voting rights before the exercise time limit. If you have any questions, etc., please contact the Help Desk.</p> <p>Exercise time limit: 6:00 p.m. on Tuesday, June 21, 2022</p> |

■ Handling of multiple votes cast by the same shareholder

- (1) If a voting right is exercised both by mail and via the Internet or similar means, the vote cast via the Internet will be considered to be the valid vote.
- (2) If a voting right is exercised via the Internet twice or more, the last vote cast will be considered to be the valid vote. If a voting right is exercised via a personal computer and/or smartphone, the last vote cast will be considered to be the valid vote.

■ Information regarding the Electronic Voting Platform

For nominee shareholders (including their standing proxies), such as trust banks or custodian banks, the Electronic Voting Platform is also available if they sign up in advance. The platform is operated by ICJ, Inc., a joint venture company established by Tokyo Stock Exchange, Inc. and other companies.

- ◎ **If you are able to attend the annual general meeting of shareholders, it is not necessary to follow the procedures to exercise voting rights by mail or via the Internet or similar means. If you attend the meeting after exercising your voting rights in advance by mail or via the Internet, the voting rights exercised by attending the meeting shall supersede the previous vote.**
- ◎ **If you choose to exercise your voting rights by proxy, the proxy will be requested to submit a letter of proxy and a Voting Card to a receptionist at the venue of the Meeting. Only a shareholder who has voting rights at the meeting can serve as a proxy.**

■ Exercising voting rights via the Internet or similar means

Scanning the QR code with your smartphone

- (1) Scan the QR code.
Use your smartphone to scan the login QR code found at the bottom right of the enclosed Voting Card.

- (2) Choose the method you wish to use to exercise your voting rights.
A screen asking you to choose how you wish to vote on proposals will be displayed. Choose your desired method.
- (3) Vote on each proposal.
Follow the instructions on the screen to vote on each proposal to complete the process.

You may only scan the QR code to exercise your voting rights once. If you attempt to log in again, you will need to enter the login ID and temporary password printed on the right-hand side of the Voting Card in order to do so.

Entering your login ID and temporary password

- (1) Access the voting website.
<https://evote.tr.mufg.jp/>
- (2) Enter the login ID and temporary password found on the Voting Card.
- (3) After entering a new password and then reentering the same password to confirm, follow the instructions on the screen to vote for each proposal to complete the process.

- * Costs arising from accessing the voting website (e.g., Internet connection fees) will be borne by shareholders who access the website.
- * The voting website will not be available for use from 2:00 a.m. until 5:00 a.m. daily.

For inquiries about the system etc., please contact:

Securities Business Division (Help Desk), Mitsubishi UFJ Trust and Banking Corporation
Tel. (toll-free): 0120-173-027 (available from 9:00 a.m. to 9:00 p.m.)

Reference Document for the Shareholders Meeting

Proposals and reference matters

Matters related to Director nomination and compensation

In nominating the Company's Directors and deciding Directors' compensation and other matters, the Company has established a Nominating and Compensation Advisory Committee. Proposals concerning the nomination of Director candidates and the compensation for Directors are examined and recommended to the Board of Directors by the committee and then decided by the board, in view of the basic principles of corporate governance stipulated by the Company.

The Audit and Supervisory Committee has confirmed the administration method of the Nominating and Compensation Advisory Committee and pertinent matters and found nothing to point out in particular.

In accordance with the basic principles of corporate governance, the nomination standards for Director candidates—the "concept of diversity and balance of the Board of Directors" and "standards of independence of outside directors"—have been defined as described below.

(For your reference)

"Concept of diversity and balance of the Board of Directors"

Internal director candidates will be nominated among the personnel of the Company's Group who have appropriate capabilities, experience, and knowledge of planning and execution of the Group's management strategies, financing and accounting, and compliance matters and are regarded as appropriate human resources to sustainably increase the corporate value of the Group and those who are representatives of main subsidiaries, while outside director candidates will be nominated among persons experienced in the corporate management in any industry, attorneys at law, and persons who have expertise useful for the Company Group's business, etc., so that the Board of Directors will maintain an appropriate size to keep its diversity and balance as well as to enable rapid decision-making. At least one Director who is an Audit and Supervisory Committee member will be nominated among persons who have profound experience and extensive knowledge concerning financing and accounting.

"Standards of independence of outside directors"

The Company's outside directors will be determined to be independent, unless they fall under any of the following items:

1. Any person who conducts transactions with the Company and its subsidiaries (hereinafter the "Company Group") as main clients (see Note 1), its executive director, executive officer or equivalent, manager or any other employee (hereinafter the "Executive Person");
2. Any person who is a main client of the Company Group (see Note 2) or its Executive Person;
3. Any professional, including an attorney at law, certified public accountant, tax accountant, or consultant, who receives money or other property benefits in excess of a certain amount (see Note 3), in addition to the remuneration as director or corporate auditor given by the Company Group;
4. Any person who belongs to the audit corporation which is an accounting auditor of the Company Group and actually performs the audit work;
5. The Company's main shareholder (the person holding 10% or more of the voting rights, including indirect holding) or its Executive Person;
6. Any Executive Person of a company of which the Company Group is a main shareholder;
7. In the case where the Company Group's executive director, director who is a full-time Audit and Supervisory Committee member or full-time corporate auditor concurrently works as outside director or outside corporate auditor of other company, any Executive Person of the Company;
8. Any Executive Person of the Hankyu Hanshin Toho Group (including the Company Group);
9. Any person who is granted donation by the Company Group in excess of a certain amount

- (see Note 4), or in the case where any organization, including corporation and association, is granted such donation, its Executive Person;
10. Any person who has fallen under any of the above items, 1 through 9, during the past five years (in the case of the Company Group's Executive Person in above item 8, during the past 10 years);
 11. Any person whose spouse or relative within the second degree falls under any of the above items, 1 through 10, (excluding items 3 and 4, limited to the Important Person (see Note 5)); and
 12. Any person for whom it is found that there are specific reasons to cause a conflict of interest between the person and the Company.

Note 1: "Any person who conducts transactions with the Company Group as main clients" means the Company Group's client who provides products or services to the Company Group and the amount of the client's transactions with the Company Group in the latest business year exceeds 100 million yen or 2% of the client's consolidated annual sales, whichever is larger.

Note 2: "Any person as a main client of the Company Group" means: (1) a client to whom the Company Group provides products or services and the amount of the Company Group's transactions with the client in the latest business year exceeds 2% of the Company's consolidated annual sales; or (2) a client to whom the Company Group owes debts and who loans more than 2% of the Company Group's consolidated total assets to the Company Group as of the end of the latest business year.

Note 3: "Certain amount" means: (1) in the case where an individual personally provides the Company Group with professional services and receives consideration (excluding remuneration as director or corporate auditor) from the Company Group in the latest business year, 10 million yen a year; or (2) in the case where the individual belongs to the organization, including corporation and association, which provides the Company Group with services and receives consideration from the Company Group in the latest business year, 2% of the organization's annual total revenues.

Note 4: "Certain amount" means 10 million yen a year in the latest business year.

Note 5: The "Important Person" means an executive person who is a director, executive officer of a company with nominating committee, executive officer or general manager or higher-ranking position, or an executive person who has the authority equivalent to that of the foregoing persons.

Nominating and Compensation Advisory Committee

To ensure fairness and transparency in nominating the Company's Directors and deciding Directors' compensation, the Company has established a Nominating and Compensation Advisory Committee as a voluntary advisory committee for the Board of Directors. The Nominating and Compensation Advisory Committee consists of a plural number of independent outside directors, and the President. The composition of the members of the Committee after the General Meeting of Shareholders will continue to be as follows:

| | | |
|-------------------|------------------|---|
| Committee Members | Chair | Naoshi Ban (Director, Audit and Supervisory Committee Member, independent outside) |
| | Committee member | Kenjiro Nakano (Director, Audit and Supervisory Committee Member, independent outside) |
| | Committee member | Naoya Araki (President and Representative Director) |

Proposal No. 1: Partial Amendments to the Articles of Incorporation

1. Reasons for the proposal

This proposal is made in order to add and revise business purposes to accommodate the diversification of businesses of the Group. In addition, with the amended provisions stipulated in the proviso of Article 1 of the supplementary provisions of the “Act Partially Amending the Companies Act” (Act No. 70 of 2019) to be enforced on September 1, 2022, the Company shall prepare for the introduction of the system for electronic provision of materials for general meetings of shareholders. Accordingly, it is proposed to amend the Articles of Incorporation of the Company as follows:

- (1) The proposed Article 16, Paragraph 1 provides that information contained in the reference documents and other materials for the general meeting of shareholders shall be provided electronically.
- (2) The purpose of the proposed Article 16, Paragraph 2 is to establish a provision to limit the scope of matters to be included in the paper copy to be sent to shareholders who have requested it.
- (3) The provisions related to the internet disclosure and deemed provision of the reference documents for the general meeting of shareholders, etc. (Article 16 of the current Articles of Incorporation) will become unnecessary and will therefore be deleted.
- (4) In line with the above establishment and deletion of the provisions, supplementary provisions related to the effective date, etc. shall be established.

2. Details of proposed changes

The proposed changes are described below, along with the corresponding text of the existing Articles of Incorporation.

(Proposed changes are underlined.)

| Existing Articles of Incorporation | Proposed changes |
|--|--|
| Chapter 1. General | Chapter 1. General |
| Article 1 (Omitted) | Article 1 (Unchanged) |
| Article 2 Purpose The Company is established in order to conduct the following businesses: | Article 2 Purpose The Company is established in order to conduct the following businesses: |
| (1) To control and manage the business activities of companies that conduct the following businesses as well as overseas companies that conduct equivalent businesses through ownership of shares or equity: | (1) To control and manage the business activities of companies that conduct the following businesses as well as overseas companies that conduct equivalent businesses through ownership of shares or equity: |
| 1. to 14. (Omitted) | 1. to 14. (Unchanged) |
| 15. Investigation, planning, engineering and consulting business of urban planning, regional development, commercial/public facility <u>development, and security planning of commercial facilities;</u> | 15. Investigation, planning and engineering of urban planning, regional development, commercial/public facility <u>development and maintenance and operation, and consulting business related thereto;</u> |
| 16. to 20. (Omitted) | 16. to 20. (Unchanged) |
| 21. <u>Software</u> planning, development, a design and sales business of <u>information processing system;</u> | 21. <u>Information system leasing</u> , planning, development design, and sales business; |
| 22. (Omitted) | 22. (Unchanged) |
| 23. Licensing, transfer and intermediary | 23. <u>Maintenance and management,</u> |

| Existing Articles of Incorporation | Proposed changes |
|---|--|
| <p>business of intangible property rights such as industrial property right and copyright;</p> | <p>licensing, transfer, and intermediary business of intangible property rights such as industrial property right and copyright;</p> |
| <p>24. to 29. (Omitted) (Newly established) (Newly established)</p> | <p>24. to 29. (Unchanged) 30. <u>Childcare service;</u> 31. <u>Issuance of prepaid payment instruments, provision of electronic payment system, recruitment of merchants, and agency business;</u></p> |
| <p>30. <u>Any other businesses incidental or related to those listed in the above items;</u></p> <p>(2) <u>Information system leasing and information processing service business;</u></p> <p>(3) <u>Maintenance and management, licensing, transfer, and intermediary business of intangible property rights such as industrial property right and copyright;</u></p> <p>(4) <u>Management, leasing and brokerage business of real estate;</u></p> <p>(5) <u>Childcare service;</u></p> <p>(6) <u>Any other businesses incidental or related to those listed in the above items and any other businesses in order to achieve the purpose outlined in the preceding paragraph</u></p> | <p>32. Any other businesses incidental or related to those listed in the above items;</p> <p>(Deleted)</p> <p>(Deleted)</p> <p>(Deleted)</p> <p>(Deleted)</p> <p>(2) <u>Any other businesses of the above items or any other businesses incidental or related to those listed in the above items</u></p> |
| <p>Article 3 to Article 15 (Omitted)</p> | <p>Article 3 to Article 15 (Unchanged)</p> |
| <p><u>Article 16 Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, Etc.</u></p> | <p>(Deleted)</p> |
| <p><u>The Company may, when convening a general meeting of shareholders, deem that it has provided information to shareholders pertaining to matters to be described or indicated in the reference documents for the general meeting of shareholders, business report, non-consolidated financial statements, and consolidated financial statements, by disclosing such information through the Internet in accordance with the provisions provided in the Ordinance of the Ministry of Justice.</u></p> | <p>(Deleted)</p> |
| <p>(Newly established)</p> | <p><u>Article 16 Measures for Electronic Provision, Etc.</u></p> <p>1. <u>The Company shall, when convening a general meeting of shareholders, provide information contained in the reference</u></p> |

| Existing Articles of Incorporation | Proposed changes |
|--|--|
| <p>Article 17 to Article 41 (Omitted)</p> | <p><u>documents for the general meeting of shareholders, etc. electronically.</u></p> <p>2. <u>Among the matters to be provided electronically, the Company may choose not to include all or part of the matters stipulated in the Ordinance of the Ministry of Justice in the paper copy to be sent to shareholders who have requested it by the record date for voting rights.</u></p> |
| <p>Article 17 to Article 41 (Unchanged)</p> <p style="text-align: center;">Supplementary Provisions</p> <p>Transitional measures for corporate auditor's exemption from liability, etc.</p> <p>The Company may, pursuant to Article 426, Paragraph 1 the Companies Act, exempt auditors (including former Corporate Auditors) from liability for damages in respect of acts committed before the proposed changes to the Articles of Incorporation were resolved at the 97th Annual General Meeting of Shareholders held in June 2016. Contracts that limit the liability of damages in accordance with the provisions of Article 427, Paragraph 1 of the Companies Act shall be governed by Paragraphs 1 and 2 of Article 37 of the Articles of Incorporation as they were before the resolution at the above Annual General Meeting of Shareholders.</p> <p style="text-align: center;">(Newly established)</p> | <p>Article 17 to Article 41 (Unchanged)</p> <p style="text-align: center;">Supplementary Provisions</p> <p><u>Article 1</u> Transitional measures for corporate auditor's exemption from liability, etc.</p> <p>The Company may, pursuant to Article 426, Paragraph 1 the Companies Act, exempt auditors (including former Corporate Auditors) from liability for damages in respect of acts committed before the proposed changes to the Articles of Incorporation were resolved at the 97th Annual General Meeting of Shareholders held in June 2016. Contracts that limit the liability of damages in accordance with the provisions of Article 427, Paragraph 1 of the Companies Act shall be governed by Paragraphs 1 and 2 of Article 37 of the Articles of Incorporation as they were before at the above Annual General Meeting of Shareholders.</p> <p><u>Article 2</u> <u>Effective date of newly established electronic provision measures, etc. and transitional measures, etc. thereof</u></p> |
| | <p>1. <u>The deletion of Article 16 (Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, Etc.) of the current Articles of Incorporation and the proposed Article 16 (Measures for Electronic Provision, Etc.) shall come into effect on September 1, 2022.</u></p> |

| Existing Articles of Incorporation | Proposed changes |
|------------------------------------|--|
| | <p data-bbox="834 192 1393 539">2. <u>Notwithstanding the provisions of the preceding paragraph, Article 16 of the current Articles of Incorporation (Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, Etc.) shall remain in force with respect to a general meeting of shareholders to be held by the end of February 2023.</u></p> <p data-bbox="834 562 1393 788">3. <u>Article 2 of the Supplementary Provisions shall be deleted on March 1, 2023 or the lapse of three months from the date of the general meeting of shareholders set forth in the preceding paragraph, whichever is later.</u></p> |

Additional explanation on Proposal No. 1: Partial Amendments to the Articles of Incorporation
 Electronic provision system shall come into effect on September 1, 2022. With this, from the next general meeting of shareholders (after March 2023), reference documents for the general meeting of shareholders will be posted on the Company's website, and only a simple convocation notice (to notify of the posting of documents on the Company's website and URL, etc. for access) will be sent out by mail to shareholders. Shareholders who would like to receive a written copy of reference documents for the next general meeting of shareholders may apply for requesting a copy of written documents.
 For the procedure of "requesting a copy of written documents", please contact a securities company you have an account with or Mitsubishi UFJ Trust Banking Corporation, a shareholder registry administrator of the Company.

Proposal No. 2: Election of Four (4) Directors (excluding Directors who are Audit and Supervisory Committee Members)

The terms of office of all five (5) Directors (excluding Directors who are Audit and Supervisory Committee Members; hereinafter the same in this proposal) will expire at the conclusion of this Annual General Meeting of Shareholders. It is hereby proposed that four (4) Directors will be elected.

The Director candidates are given below.

| Candidate No. | Name | Present position in the Company |
|---------------|---------------------|--|
| 1 | Naoya Araki | President and Representative Director <input type="checkbox"/> Subject to re-election |
| 2 | Katsuhiro Hayashi | Representative Director and Executive Vice President <input type="checkbox"/> Subject to re-election |
| 3 | Toshihiko Yamaguchi | Representative Director <input type="checkbox"/> Subject to re-election |
| 4 | Kazuo Sumi | Director <input type="checkbox"/> Subject to re-election |

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| Candidate No. | 1 | |
| Naoya Araki | | (Date of birth: May 14, 1957) |
| Subject to re-election | Number of company shares held by the candidate: | 14,800 |
| Brief history of positions and duties | | |
| April 1981 | Joined Hankyu Department Stores, Inc. | |
| April 2003 | General Manager, Suburban Store Development Office, Hankyu Department Stores, Inc. | |
| April 2004 | Executive Officer, Hankyu Department Stores, Inc. | |
| October 2008 | Executive Officer, Hankyu Hanshin Department Stores, Inc. | |
| June 2010 | Director and Executive Officer, Hankyu Hanshin Department Stores, Inc. | |
| March 2012 | President and Representative Director, Hankyu Hanshin Department Stores, Inc. | |
| June 2012 | Representative Director, H ₂ O RETAILING CORPORATION | |
| April 2020 | President and Representative Director, H ₂ O RETAILING CORPORATION (present position) | |
| April 2020 | Chairman and Representative Director, Hankyu Hanshin Department Stores, Inc. (present position) | |
| Status of concurrent important positions held | | |
| Chairman and Representative Director, Hankyu Hanshin Department Stores, Inc. | | |
| Reason for nomination as Director candidate | | |
| <p>After joining Hankyu Department Stores, Inc., Mr. Naoya Araki was mainly involved in developing new stores of Hankyu Hanshin Department Stores, Inc. the core of the Company Group, including the Hakata Hankyu and Nishinomiya Hankyu stores. During his appointment as President of Hankyu Hanshin Department Stores, Inc. (from March 2012 to March 2020), he contributed significantly to the construction of its business foundation by significantly improving the profitability of the department store business, including that of the Hankyu Umeda Main Store. Since April 2020, amid the drastic changes in the business environment due to the COVID-19 pandemic, he formulated a new group vision as the President of H₂O RETAILING CORPORATION and the Chairman of Hankyu Hanshin Department Stores, Inc. We have determined that he is appropriate for the sustainable improvement of the Company Group's corporate value based on his abundant experience, record of accomplishment, and insight, in addition to his exertion of strong leadership in the Group's management strategy as President of H₂O RETAILING CORPORATION. Therefore, he continues to be nominated as a Director candidate.</p> | | |

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| Candidate No. | 2 | |
| Katsuhiko Hayashi | | (Date of birth: January 20, 1958) |
| Subject to re-election | Number of company shares held by the candidate: | 19,700 |
| Brief history of positions and duties | | |
| April 1982 | Joined Hankyu Department Stores, Inc. | |
| April 2002 | General Manager, Public Relations Office, Hankyu Department Stores, Inc. | |
| April 2005 | General Manager, Compliance Office, Hankyu Department Stores, Inc. | |
| June 2009 | Director and Executive Officer, H ₂ O RETAILING CORPORATION | |
| June 2009 | Executive Officer, Hankyu Hanshin Department Stores, Inc. | |
| April 2012 | Director and Executive Officer, Hankyu Hanshin Department Stores, Inc. | |
| April 2014 | Director and Managing Executive Officer, H ₂ O RETAILING CORPORATION | |
| April 2014 | Director and Managing Executive Officer, Hankyu Hanshin Department Stores, Inc. | |
| April 2015 | Representative Director and Senior Managing Executive Officer, H ₂ O RETAILING CORPORATION | |
| April 2015 | In charge of the Human Resources Office (present position), the General Affairs Office, and the Public Relations Office, H ₂ O RETAILING CORPORATION | |
| April 2015 | Representative Director and Senior Managing Executive Officer, Hankyu Hanshin Department Stores, Inc. | |
| April 2017 | Representative Director and Executive Vice President, H ₂ O RETAILING CORPORATION (present position) | |
| November 2019 | President and Representative Director, H ₂ O Foods Group Co., Ltd. (present position) | |
| April 2020 | In charge of Food Business, H ₂ O RETAILING CORPORATION (present position) | |
| December 2021 | President and Representative Director, Kansai Food Market Ltd. (present position) | |
| Status of concurrent important positions held | | |
| President and Representative Director, Kansai Food Market Ltd. | | |
| President and Representative Director, H ₂ O Foods Group Co., Ltd. | | |
| Reason for nomination as Director candidate | | |
| <p>Mr. Katsuhiko Hayashi has achieved excellent results in business administration, including those related to human resources, general affairs, public relations, and has good capabilities and knowledge concerning planning and implementation of compliance matters. Since 2019, he has been responsible for the Company Group's food business and serving as President of H₂O Foods Group Co., Ltd., which takes charge of the food business, leading the structural reform of the food business group-wide. In December 2021, he was also appointed to President and Representative Director of Kansai Food Market Ltd., a holding company of 3 supermarkets. We have determined that he is appropriate for the sustainable improvement of the Group's corporate value based on his abundant experience, record of accomplishment, and insight. Therefore, he continues to be nominated as a Director candidate.</p> | | |

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| Candidate No. | 3 | |
| Toshihiko Yamaguchi | | (Date of birth: August 21, 1963) |
| Subject to re-election | Number of company shares held by the candidate: | 7,700 |
| Brief history of positions and duties | | |
| April 1986 | Joined Hankyu Department Stores, Inc. | |
| April 2009 | Store Manager, Kawanishi Hankyu Department Store of Hankyu Hanshin Department Stores, Inc. | |
| April 2011 | Sales Service Executive Manager, Yurakucho Hankyu Department Store of Hankyu Hanshin Department Stores, Inc. | |
| August 2011 | Sales Service Executive Manager, Hankyu Men's Tokyo of Hankyu Hanshin Department Stores, Inc. | |
| April 2012 | Store Manager, Hankyu Men's Tokyo of Hankyu Hanshin Department Stores, Inc. | |
| April 2014 | Executive Officer, Hankyu Hanshin Department Stores, Inc. | |
| April 2018 | Director and Executive Officer, Hankyu Hanshin Department Stores, Inc. | |
| April 2020 | President and Representative Director, Hankyu Hanshin Department Stores, Inc. (present position) | |
| June 2020 | Representative Director, in charge of the department store business, H ₂ O RETAILING CORPORATION (present position) | |
| Status of concurrent important positions held | | |
| President and Representative Director, Hankyu Hanshin Department Stores, Inc. | | |
| Reason for nomination as Director candidate | | |
| <p>After joining Hankyu Department Stores, Inc., Mr. Toshihiko Yamaguchi was in charge of a wide range of fields, including the management of main stores, store planning, marketing, and sales for Hankyu Hanshin Department Stores, Inc., the core of the Company Group. Since April 2020, as President of Hankyu Hanshin Department Stores, Inc., amid the drastic changes in the business environment due to the COVID-19 pandemic, he has been leading the creation of new value for department stores. Furthermore, he has been promoting Online Merges with Offline (OMO) strategies. We have determined that he is appropriate for the sustainable improvement of the Group's corporate value based on his abundant experience, record of accomplishment, and insight. Therefore, he continues to be nominated as a Director candidate.</p> | | |

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| Candidate No. | 4 | |
| Kazuo Sumi | | (Date of birth: April 19, 1949) |
| Subject to re-election | Number of company shares held by the candidate: | 32,100 |
| Brief history of positions and duties | | |
| April 1973 | Joined Hankyu Corporation (currently Hankyu Hanshin Holdings, Inc.) | |
| June 2000 | Director, Hankyu Corporation | |
| June 2002 | Managing Director, Hankyu Corporation | |
| June 2003 | President and Representative Director, Hankyu Corporation | |
| October 2007 | Director, H ₂ O RETAILING CORPORATION (present position) | |
| June 2017 | Chairman and Representative Director, Group CEO, Hankyu Hanshin Holdings, Inc. (present position) | |
| Status of concurrent important positions held | | |
| Chairman and Representative Director, Group CEO, Hankyu Hanshin Holdings, Inc. Chairman and Representative Director, Hankyu Corporation Outside Director, ASICS Corporation | | |
| Reason for nomination as Director candidate | | |
| Mr. Kazuo Sumi has profound experience and record of accomplishment as Chairman and Group CEO of Hankyu Hanshin Holdings, Inc. At Board of Directors meetings, he proactively delivers various opinions, recommendations, etc., from the perspective of management and the perspective of management strategy of the Hankyu Hanshin Toho Group. Therefore, we have determined that he is appropriate for the sustainable improvement of the Group's corporate value and continue to nominate him as a Director candidate. | | |

Notes:

1. Mr. Kazuo Sumi (a Director candidate) holds a concurrent position as Chairman and Representative Director of Hankyu Corporation. The Company has real estate lease contracts with Hankyu Corporation.
2. The Company has no special interest with other candidates.
3. The Company has a liability insurance contract for all of its directors (including directors who are Audit and Supervisory Committee Members). The purpose of this insurance is to compensate for the legal damages and dispute costs incurred by the insured due to claims for damages being made to the insured. If director candidates are elected and take office, they will be insured under the insurance policy. The outline of the contents of the insurance contract is also described in the business report (4. (1) Note 6. *Outline of the Contents of the Liability Insurance Contract for Directors, etc.*). The insurance contract was renewed on May 1, 2022, with the same content.
4. On October 1, 2007, our trade name changed from Hankyu Department Stores, Inc. to H₂O RETAILING CORPORATION in line with the transition to a holding company structure (based on the management integration with The Hanshin Department Store, Ltd.). At the same time, a company split was conducted to have the Department Store Business succeeded to a newly established company (Hankyu Department Stores, Inc.).
On October 1, 2008, Hankyu Department Stores, Inc. acquired The Hanshin Department Store, Ltd. through an absorption-type merger, and the trade name changed to Hankyu Hanshin Department Stores, Inc.

Proposal No. 3: Election of Five (5) Directors who are Audit and Supervisory Committee Members

The terms of office of all five (5) Directors who are Audit and Supervisory Committee Members will expire at the conclusion of this Annual General Meeting of Shareholders. The Company therefore proposes to elect five (5) Directors who are Audit and Supervisory Committee Members. The Audit and Supervisory Committee has approved this proposal. The candidates for Directors who are Audit and Supervisory Committee Members are as follows:

| Candidate No. | Name | Present position in the Company |
|---------------|--------------------|---|
| 1 | Toshimitsu Konishi | Director Standing Audit and Supervisory Committee Member Subject to re-election |
| 2 | Naoshi Ban | Outside Director Audit and Supervisory Committee Member Subject to re-election Outside Director Independent Officer |
| 3 | Kenjiro Nakano | Outside Director Audit and Supervisory Committee Member Subject to re-election Outside Director Independent Officer |
| 4 | Mayumi Ishihara | Outside Director Audit and Supervisory Committee Member Subject to re-election Outside Director Independent Officer |
| 5 | Nobuko Sekiguchi | Outside Director Audit and Supervisory Committee Member Subject to re-election Outside Director Independent Officer |

Note: Candidates marked with Independent Officer satisfy the conditions of the standards of independence of outside directors stated above, and the Company has designated and reported them as an independent officer specified by the Tokyo Stock Exchange.

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| Candidate No. | 1 | |
| Toshimitsu Konishi | | (Date of birth: April 17, 1944) |
| Subject to re-election | Number of company shares held by the candidate: | 30,600 |
| Brief history of positions and duties | | |
| April 1967 | Joined Hankyu Department Stores, Inc. | |
| September 1988 | Accounting Manager, Hankyu Department Stores, Inc. | |
| June 2000 | Director, Hankyu Department Stores, Inc. | |
| April 2002 | President and Representative Director, Hankyu Food Industry Co., Ltd. | |
| June 2002 | Advisor, Hankyu Department Stores, Inc. | |
| June 2004 | Full-time Auditor, Hankyu Department Stores, Inc. | |
| October 2007 | Standing Auditor, H ₂ O RETAILING CORPORATION | |
| October 2008 | Auditor, Hankyu Hanshin Department Stores, Inc. (present position) | |
| June 2016 | Director, Standing Audit and Supervisory Committee Member, H ₂ O RETAILING CORPORATION (present position) | |
| December 2021 | Director who is Audit and Supervisory Committee Member, Kansai Food Market Ltd. (present position) | |
| Status of concurrent important positions held | | |
| Auditor, Hankyu Hanshin Department Stores, Inc. | | |
| Director who is Audit and Supervisory Committee Member, Kansai Food Market Ltd. | | |
| Reason for nomination as Director candidate | | |
| Mr. Toshimitsu Konishi has been involved in the finance and accounting business of the Company for about 30 years and has considerable knowledge of finance and accounting. We have determined that he is appropriate for the sustainable improvement of the Group's corporate value based on his abundant experience, track record, and insight. Therefore, he continues to be nominated as Director candidate who is Audit and Supervisory Committee member. | | |

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| Candidate No. | 2 | | Outside Director | Independent Officer |
| Naoshi Ban | | (Date of birth: September 30, 1946) | | |
| Subject to re-election | Number of company shares held by the candidate: | 14,800 | | |
| Brief history of positions and duties | | | | |
| April 1969 | Joined Mitsubishi Logistics Corporation | | | |
| June 2000 | Director, Mitsubishi Logistics Corporation | | | |
| June 2001 | Managing Director, Mitsubishi Logistics Corporation | | | |
| June 2003 | President and Representative Director, Mitsubishi Logistics Corporation | | | |
| June 2008 | Chairman and Representative Director, Mitsubishi Logistics Corporation | | | |
| June 2010 | Chairman of the Board, Mitsubishi Logistics Corporation | | | |
| April 2013 | Advisor and Director, Mitsubishi Logistics Corporation | | | |
| June 2013 | Advisor, Mitsubishi Logistics Corporation | | | |
| June 2015 | Director, H ₂ O RETAILING CORPORATION | | | |
| June 2016 | Director, Audit and Supervisory Committee Member, H ₂ O RETAILING CORPORATION (present position) | | | |
| April 2018 | Special Advisor, Mitsubishi Logistics Corporation | | | |
| Reason for nomination as Director candidate | | | | |
| Mr. Naoshi Ban served as the President and Chairman of Mitsubishi Logistics Corporation. As Director (outside director) and Audit and Supervisory Committee Member, he proactively delivers his opinions and suggestions at the Board of Directors' meetings and other opportunities from a perspective based on a wealth of experience and wide-ranging insights in corporate management. We have determined that his experience will contribute to the enhancement of the corporate value of the Group in the supervision and audit of the Group's management, and he continues to be nominated as Director (outside director) candidate who will also serve as Audit and Supervisory Committee member. He satisfies the conditions of the standards of independence of outside directors. Accordingly, the Company has designated and reported him as an independent officer specified by the Tokyo Stock Exchange. | | | | |

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| Candidate No. | 3 | Outside Director | Independent Officer |
| Kenjiro Nakano | | (Date of birth: August 13, 1947) | |
| Subject to re-election | | Number of company shares held by the candidate: | 5,600 |
| Brief history of positions and duties | | | |
| April 1971 | Joined the Sumitomo Bank, Limited. | | |
| April 1998 | Director, the Sumitomo Bank, Limited | | |
| June 2002 | Managing Executive Director, the Sumitomo Mitsui Banking Corporation | | |
| June 2004 | Managing Director and Managing Executive Officer, the Sumitomo Mitsui Banking Corporation | | |
| June 2005 | Senior Managing Director and Senior Managing Executive Officer, the Sumitomo Mitsui Banking Corporation | | |
| April 2006 | Representative Director and Deputy President, the Sumitomo Mitsui Banking Corporation | | |
| April 2008 | Deputy Chairman and Representative Director, the Sumitomo Mitsui Banking Corporation | | |
| June 2010 | President and Representative Director, Keihanshin Real Estate Co., Ltd. (presently Keihanshin Building Co., Ltd. | | |
| June 2013 | Outside Director of Maruichi Steel Tube Ltd. (present position) | | |
| June 2016 | Chairman and Director, Keihanshin Building Co., Ltd. (present position) | | |
| June 2016 | Director, Audit and Supervisory Committee Member, H ₂ O RETAILING CORPORATION (present position) | | |
| Status of concurrent important positions held | | | |
| Chairman and Director, Keihanshin Building Co., Ltd. (To be retired on June 21, 2022) | | | |
| Outside Director of Maruichi Steel Tube Ltd. | | | |
| Reason for nomination as Director candidate | | | |
| <p>As Director (outside director) and Audit and Supervisory Committee Member, Mr. Kenjiro Nakano proactively delivers his opinions and suggestions at the Board of Directors' meetings and other opportunities from a perspective based on a wealth of experience and wide-ranging insights in financial institution management. We have determined that his experience will contribute to the enhancement of the corporate value of the Group in the supervision and audit of the Group's management, and he continues to be nominated as a Director (outside director) candidate who will also serve as Audit and Supervisory Committee member. Sumitomo Mitsui Banking Corporation, which Mr. Kenjiro Nakano had previously assumed the post of director, is currently the main bank of the Company. It has passed ten years since he left his post of Board Director of Sumitomo Mitsui Banking Corporation in June 2010, and he has not been an advisor to the Sumitomo Mitsui Banking Corporation during that time. He satisfies the conditions of the standards of independence of outside directors. Accordingly, the Company has designated and reported him as an independent officer specified by the Tokyo Stock Exchange.</p> | | | |

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| Candidate No. | 4 | Outside Director | Independent Officer |
| Mayumi Ishihara | | (Date of birth: May 3, 1963) | |
| Subject to re-election | | Number of company shares held by the candidate: 500 | |
| Brief history of positions and duties | | | |
| April 1997 | Registered as a lawyer with Osaka Bar Association | | |
| April 1997 | Joined Oh-Ebashi LPC & Partners | | |
| June 2013 | Outside Auditor, Morishita Jintan Co., Ltd. | | |
| February 2016 | Outside Director, Morito Co., Ltd. (present position) | | |
| April 2016 | Outside Director (Audit and Supervisory Committee Member), OS Co., Ltd. (present position) | | |
| June 2016 | Director, Audit and Supervisory Committee Member, H ₂ O RETAILING CORPORATION (present position) | | |
| June 2018 | Outside Director (Audit and Supervisory Committee Member), Morishita Jintan Co., Ltd. (present position) | | |
| Status of concurrent important positions held | | | |
| Outside Director (Audit and Supervisory Committee Member), Morishita Jintan Co., Ltd. | | | |
| Outside Director, Morito Co., Ltd. | | | |
| Outside Director (Audit and Supervisory Committee Member), OS Co., Ltd. | | | |
| Reason for nomination as Director candidate | | | |
| <p>Ms. Mayumi Ishihara has no experience in corporate management other than as an outside director in the past. However, as Director (outside director) and Audit and Supervisory Committee Member, she proactively delivers her opinions and suggestions at the Board of Directors' meetings and other opportunities from a perspective based on a wealth of experience and wide-ranging insights as a lawyer. We have determined that her experience will contribute to the enhancement of the corporate value of the Group in the supervision and audit of the Group's management. Therefore, Ms. Mayumi Ishihara continues to be nominated as a Director (outside director) candidate who will also serve as Audit and Supervisory Committee Member. She satisfies the conditions of the standards of independence of outside directors. Accordingly, the Company has designated and reported her as an independent officer specified by the Tokyo Stock Exchange.</p> | | | |

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| Candidate No. | 5 | Outside Director | Independent Officer |
| Nobuko Sekiguchi | | (Date of birth: July 3, 1968) | |
| Subject to re-election | | Number of company shares held by the candidate: 100 | |
| Brief history of positions and duties | | | |
| November 2005 | Joined Capcom Co., Ltd. | | |
| October 2007 | Accounting Manager, Capcom Co., Ltd. | | |
| April 2011 | Corporate Officer in Management of Corporate Planning, Capcom Co., Ltd. | | |
| April 2016 | Managing Corporate Officer, Head of Corporate Planning & Manager of Human Resources Division, Capcom Co., Ltd. | | |
| March 2019 | Left Capcom Co., Ltd. | | |
| June 2019 | Outside Director, Duskin Co., Ltd. (present position) | | |
| June 2020 | Director, Audit and Supervisory Committee Member, H ₂ O RETAILING CORPORATION (present position) | | |
| Status of concurrent important positions held | | | |
| Outside Director, Duskin Co., Ltd. | | | |
| Independent Director and Audit & Supervisory Committee Member, Kobe Steel, Ltd. (To be appointed on June 22, 2022) | | | |
| Reason for nomination as Director candidate | | | |
| <p>Ms. Nobuko Sekiguchi was in charge of accounting, business planning, and personnel system reform at Capcom Co., Ltd., after having experience in a business company and management consultancy. We have determined that her experience will contribute to the enhancement of the corporate value of the Group in the supervision and audit of the Group's management. Therefore, we have nominated her as a candidate for Director (outside director), and Audit and Supervisory Committee Member. She satisfies the conditions of the standards of independence of outside directors. Accordingly, the Company will designate and report her as an independent officer specified by the Tokyo Stock Exchange .</p> | | | |

Notes:

1. The Company has no special interest with any candidate.
2. Matters concerning candidates for outside directors are as follows:
 - (1) The number of years of service after having assumed the position of the Company's outside director
Mr. Naoshi Ban will have been in office for seven (7) years from his appointment as an outside director, until the conclusion of this Annual General Meeting of Shareholders, and six (6) years from his appointment as an outside director, Audit and Supervisory Committee member until the conclusion of this Annual General Meeting of Shareholders. Furthermore, Mr. Kenjiro Nakano and Ms. Mayumi Ishihara will have been in office for six (6) years from their appointment as outside directors until the conclusion of the General Meeting of Shareholders, and Ms. Nobuko Sekiguchi will have been in office for two (2) years until the conclusion of this Annual General Meeting of Shareholders.
 - (2) Outline of the liability limiting agreement
The Company has concluded a contract with Mr. Naoshi Ban, Mr. Kenjiro Nakano, Ms. Mayumi Ishihara, and Ms. Nobuko Sekiguchi for the liability specified in Article 423, Paragraph 1 of the Companies Act, up to the amount stipulated by law. The contract will continue if this proposal is approved and each of them is re-elected.
3. The Company has a liability insurance contract for all of its directors (including directors who are Audit and Supervisory Committee Members). The purpose of this insurance is to compensate for the legal damages and dispute costs incurred by the insured due to claims for damages being made to the insured. If director candidates are elected and take office, they will be insured under the insurance policy. The contents of the insurance contract is also outlined in the business report (4. (1) Note 6. Outline of the Contents of the Liability Insurance Contract for Directors, etc.). The insurance contract was renewed on May 1, 2022, with the same content.
4. On October 1, 2007, our trade name changed from Hankyu Department Stores, Inc. to H₂O RETAILING CORPORATION in line with the transition to a holding company structure (based on the management integration with Hanshin Department Store, Ltd.). At the same time, a company split was conducted to have the Department Store Business succeeded to a newly established company (Hankyu Department Stores, Inc.). On October 1, 2008, Hankyu Department Stores, Inc. acquired The Hanshin Department Store, Ltd. through an absorption-type merger, and the trade name changed to Hankyu Hanshin Department Stores, Inc.

Reference Skills matrix of Directors after the closing of the General Meeting of Shareholders (scheduled)

Skills matrix of Directors will be as outlined below if the proposals No. 2 and No.3 are approved as originally proposed.

| Name | Corporate management | Financing & Accounting | Compliance/ Legal/Risk management | Marketing | DX/IT | Talent development | ESG/ Sustainability |
|---------------------|----------------------|------------------------|-----------------------------------|-----------|-------|--------------------|---------------------|
| Naoya Araki | ○ | | | ○ | | | ○ |
| Katsuhiro Hayashi | ○ | | ○ | | | ○ | ○ |
| Toshihiko Yamaguchi | ○ | | | ○ | | | ○ |
| Kazuo Sumi | ○ | | | | | | |
| Toshimitsu Konishi | ○ | ○ | ○ | | | | |
| Naoshi Ban | ○ | ○ | ○ | | | | |
| Kenjiro Nakano | ○ | ○ | ○ | | | | |
| Mayumi Ishihara | | | ○ | | | | |
| Nobuko Sekiguchi | | ○ | | | ○ | ○ | |

Note: The above table does not indicate all of the expertise, experience and capabilities of candidates for Director.