

Note: This translation is an English translation of the original Notice of Convocation of the 83rd Ordinary General Meeting of Shareholders in Japanese. In the event of any discrepancy, the original Japanese version shall prevail.

To Shareholders:

Ticker Code: 9364

June 7, 2022

Kamigumi Co., Ltd.
4-1-11, Hamabe-dori, Chuo-ku, Kobe

**Notice of Convocation of the 83rd Ordinary General Meeting
of Shareholders of Kamigumi Co., Ltd.**

We are pleased to inform you that the 83rd Ordinary General Meeting of Shareholders will be held as stated below. In view of the ongoing situation where there are concerns about the spread of the coronavirus disease (COVID-19), we request all shareholders to exercise their voting rights in advance in writing or via the Internet, etc. and to refrain from attending the meeting in person regardless of their health condition.

We kindly ask you to study the attached Reference Documents for the General Meeting of Shareholders for the 83rd Ordinary General Meeting of Shareholders and review the “Guide for Exercising Voting Rights” described on page 21, and then exercise your voting rights in writing or via the Internet by 5:00 p.m., Tuesday, June 28, 2022.

Yours faithfully,

Yoshihiro Fukai
President & Representative Director

Details

1. Date and Time: June 29, 2022, Wednesday, at 10:00 a.m.
2. Place: Hotel Okura Kobe,
Heian Room on 1st Floor,
2-1, Hatoba-cho, Chuo-ku, Kobe
3. Agenda:
Matters to be Reported:
Item 1. Report on the Business Report, Consolidated Financial Statements, and Non-Consolidated Financial Statements for the 83rd fiscal term (April 1, 2021 - March 31, 2022)
Item 2. Report of the audit of the consolidated financial statements by the Independent Auditors and the Audit & Supervisory Board for the 83rd fiscal term (April 1, 2021 - March 31, 2022)

Matters to be Resolved:

- Item 1. Appropriation of Surplus
- Item 2. Partial Amendments of the Articles of Incorporation
- Item 3. Election of Twelve (12) Directors
- Item 4. Election of Two (2) Audit & Supervisory Board Members
- Item 5. Election of One (1) Substitute Audit & Supervisory Board Member

4. Determination for Convocation

Please refer to [Guide for Exercising Voting Rights] (page 21).

- a. When you attend the Meeting, please kindly submit the enclosed voting rights exercise form at the reception desk.
- b. If it becomes necessary to amend any item to be listed in the business report, consolidated financial statements, non-consolidated financial statements, and reference documents for the general meeting of shareholders, we will notify the amendment on the Company's website* on the internet.
- c. Among the documents which should be submitted with this Notice of Convocation, the “Framework to secure appropriateness of operations,” “Consolidated Statements of Changes in Net Assets,” “Notes to Consolidated Financial Statements,” “Non-Consolidated Statements of Changes in Net Assets” and “Notes to Non-Consolidated Financial Statements” are available on the Company's website * on the internet in accordance with the provisions of the law and Article 17 of the Articles of Incorporation of the Company. The Attached Documents of this Notice constitute a part of the Business Report, Consolidated Financial Statements or Non-Consolidated Financial Statements which have been audited by the audit & supervisory board members and, Consolidated Financial Statements or Non-Consolidated Financial Statements which have been audited by the Independent Auditors at creating audit reports thereof.

* Company's website: <https://www.kamigumi.co.jp/english/ir/shareholders/>

Reference Documents for the General Meeting of Shareholders

Matters for Resolution and Reference

Item 1. Appropriation of Surplus

We propose to appropriate surplus as follows:

Items on term-end dividend

Based on our policy on distributing profit to shareholders, the Company proposes to pay a fiscal term-end dividend of ¥46 per share for the fiscal term under review, targeted at a consolidated dividend payout ratio of 40%.

Accordingly, full-year dividends including a mid-term dividend of ¥27.0 per share will amount to ¥73.0 per share, which is a ¥23.0 increase from a year earlier.

- (1) Type of dividend property: money
- (2) Allotment of dividend property and its total amount
¥46.0 per common share of the Company
In this case, the total dividend amount is ¥ 5,274,763,972.
- (3) Effective date of dividends from surplus
June 30, 2022

Policy on Shareholder Returns

The Company aims to sustainably improve corporate value while considering the optimal capital structure. Our basic policy is to continue stably distributing profit to shareholders after securing internal reserves for growth investment in order to expand profits and strengthen our corporate base. The Company treats dividends as the basis for shareholder returns and determines such payment based on the targeted consolidated dividend payout ratio. The Company, in addition to that, may also purchase treasury stock if that is judged to be necessary and appropriate after considering the state of cash flow, capital efficiency and other pertinent matters.

In order to further enhance shareholder returns and improve capital efficiency, during the medium-term management plan currently underway (the final year being the fiscal term ending March 31, 2025), the Company will distribute profits to shareholders with a consolidated dividend payout ratio of 40% and a total return payout ratio of 90%.

(Reference: Trends of Dividends and Consolidated Dividend Payout Ratio)

(Yen)

	79 th Fiscal Term	80 th Fiscal Term	81 st Fiscal Term	82 nd Fiscal Term	83 rd Fiscal Term (fiscal term under review)	84 th Fiscal Term (forecast)
Mid-term dividend	14.0	22.0	23.0	23.0	27.0	39.0
Term-end dividend	21.0	23.0	23.0	27.0	46.0	39.0
Full-year dividend	35.0	45.0	46.0	50.0	73.0	78.0
Payout ratio	23.9%	29.6%	29.7%	32.7%	40.5%	40.1%

Note: The Company implemented a share consolidation in which every two (2) common shares were consolidated into one (1) share, effective October 1, 2017. Dividends paid prior to the share consolidation are converted on the basis of post-consolidation of shares.

Item 2. Partial Amendments of the Articles of Incorporation

1. Reasoning for Amendments

The revised provisions stipulated in the proviso to Article 1 of the supplementary provisions for the “Act for Partial Amendment of the Companies Act” (Act No. 70 of 2019) will come into effect on September 1, 2022. As such, the Articles of Incorporation are being amended as follows in order to prepare for the introduction of a system for electronically providing materials for the General Meetings of Shareholders.

- (1) Article 17, paragraph 1 of the proposed changes stipulates that measures shall be taken to electronically provide the information contained in reference documents, etc., for General Meetings of Shareholders.
- (2) Article 17, paragraph 2 of the proposed changes establishes provisions to limit the scope of matters to be stated in the documents to be delivered to shareholders who have requested written delivery.
- (3) Since it will no longer be necessary to provide reference materials for the General Meetings of Shareholders through disclosure on the Internet (Article 17 of the current Articles of Incorporation), this will be deleted.
- (4) With the new establishment and deletion mentioned above, supplementary provisions regarding effective dates, etc., shall also be established.

2. Details of Amendments

The details of amendments are as follows:

(Proposed amendments are underlined.)

Current Provisions of Articles	Proposed Amendments
<p><u>(Deemed Disclosure of Reference Materials for General Meetings of Shareholders by Provision on the Internet)</u></p> <p><u>Article 17. When convening General Meetings of Shareholders, the Company may provide information to shareholders via the Internet relating to matters to be described or indicated in the reference documents for General Meetings of Shareholders, business reports, financial statements, and consolidated financial statements, in accordance with the relevant Ordinance of the Ministry of Justice.</u></p> <p>(Newly established)</p>	<p>(Deleted)</p> <p><u>(Measures, etc. for Electronic Provision)</u></p> <p><u>Article 17.</u></p> <p><u>1. When convening a General Meeting of Shareholders, the Company shall take measures to electronically provide the information contained in reference documents, etc., for the General Meeting of Shareholders.</u></p> <p><u>2. All or part of the matters specified to be provided electronically by the Ordinance of the Ministry of Justice may not be stated by the Company in the documents to be delivered to shareholders who have requested written delivery by the voting rights record date.</u></p>

Current Provisions of Articles	Proposed Amendments
<p>(Newly established) (Newly established)</p>	<p><u>Supplementary Provisions</u> <u>(Transitional Measures Regarding the Electronic Provision Measures)</u></p> <p>1. <u>The deletion of Article 17 of the current Articles of Incorporation (Deemed Disclosure of Reference Materials for General Meetings of Shareholders by Provision on the Internet) and the establishment of the new Article 17 (Measures, etc. for Electronic Provision) shall come into effect from the date of enforcement of the revised provisions stipulated in Article 1 of the Supplementary Provisions for the “Act for Partial Amendment of the Companies Act” (Act No. 70 of 2019) (hereinafter, “enforcement date”).</u></p> <p>2. <u>Notwithstanding the provisions of the preceding paragraph, Article 17 of the current Articles of Incorporation shall still be in effect for any General Meeting of Shareholders being held within six (6) months from the enforcement date.</u></p> <p>3. <u>This supplementary provision shall be deleted after six (6) months have passed from the enforcement date or after three (3) months have passed from the date of the General Meeting of Shareholders set forth in the preceding paragraph, whichever is later.</u></p>

Item 3. Election of Twelve (12) Directors

At the conclusion of this Ordinary General Meeting of Shareholders, the term of office of all ten (10) directors will expire.

Accordingly, shareholders are requested to approve an increase in the number of external directors by two (2) in order to further strengthen the governance system, and approve the appointment of twelve (12) directors (including four (4) external directors).

The candidates for directors are as follows:

Candidate Number	Name	Current position and areas of responsibility at the Company	Number of attendance to meetings of the Board of Directors
1	Masami Kubo	Chairman & Representative Director Chief Executive Officer Chairman of the board Reappointment	15/15
2	Yoshihiro Fukai	President & Representative Director Chief Operating Officer Reappointment	15/15
3	Norihito Tahara	Representative & Senior Managing Director Senior Managing Executive Officer Director responsible for International Distribution Div., Feed & Grain Div., Rice Div. Director responsible for East Japan/Hokkaido region, Sales & Marketing HQ Reappointment	15/15
4	Toshihiro Horiuchi	Representative & Managing Director Managing Executive Officer Director responsible for Administration Dept., Safety & Health Reappointment	15/15
5	Katsumi Murakami	Representative & Managing Director Managing Executive Officer General Manager of Kyushu Main Branch Director responsible for Vegetable & Fruits Div. Director responsible for West Japan/Kyushu region, Sales & Marketing HQ Reappointment	15/15
6	Koichi Hiramatsu	Director & Executive Officer Director responsible for Metal Business, Heavy Cargo & Energy Transportation Div. Vice Director responsible for Safety & Health Reappointment	15/15
7	Yukihiro Nagata	Director & Executive Officer Director responsible for Overseas Business HQ Director responsible for Port & Harbor Transportation Div., Sales & Marketing HQ President & Representative Director of Kamix Corp. Reappointment	15/15
8	Kazuhisa Shiino	Director & Executive Officer General Manager of Nagoya Main Branch Director responsible for Chukyo region, Sales & Marketing HQ In charge of Tokuyama Branch Reappointment	15/15
9	Nobuko Ishibashi	External Director Reappointment External Independent	15/15
10	Mitsuo Suzuki	External Director Reappointment External Independent	15/15
11	Osamu Hosaka	- New External Independent	-
12	Harumi Matsumura	- New External Independent	-

Note: In addition to the number of meetings of the Board of Directors held above, there was one (1) resolution in writing which deemed that the meeting of the Board of Directors was held, in accordance with the provisions of Article 370 of the Companies Act and Article 35 of the Articles of Incorporation of the Company.

Candidate Number	Name (Date of Birth)	Career Summary (Position and areas of responsibility at the Company, and significant concurrent positions outside the Company)		Number of shares owned	Attendance to meetings of the Board of Directors
1	Masami Kubo (January 1, 1943) Reappointment	Apr. 1963 Jun. 1995 Jun. 1997 Jun. 1999 Jun. 2000 Jun. 2004 Apr. 2012	Joined Kamigumi Goshi Kaisha (Presently Kamigumi Co., Ltd.) Director & General Manager of President Office & Director of Port and Harbor Transportation Div. Managing Director Senior Managing Director Representative & Senior Managing Director President & Representative Director Chairman & Representative Director Chief Executive Officer Chairman of the board (incumbent)	62,346	15/15 (100%)
<p><Significant concurrent positions outside the Company></p> <ul style="list-style-type: none"> • Aomi Cargo Distribution Center Co., Ltd. Chairman & Representative Director • World Cargo Distribution Center Co., Ltd. Chairman & Representative Director • Nippon Koun Shinko Co., Ltd. President & Representative Director • The Japan Harbor Transportation Association Chairman • Hyogo Harbor Transportation Association Chairman • Sunnypier Health Insurance Association Head Director 					
<p>[Reasons for appointment as director]</p> <p>Masami Kubo, as President & Representative Director and Chairman & Representative Director, has promoted reinforcement of the foundation and the globalization of the Group through “Kamigumi Design Distribution.” He has also focused on activating the Board of Directors as Chairman of the board, using his extensive experience and achievements as a company’s management. He is proposed again as a candidate for director because he continues to be indispensable for managing the Company and implementing its business strategy.</p>					
2	Yoshihiro Fukai (September 14, 1954) Reappointment	Apr. 1977 Apr. 2002 Jun. 2003 Apr. 2006 Apr. 2010 Apr. 2011 Apr. 2012	Joined Kamigumi Co., Ltd. Executive Officer & General Manager of Kashima Branch In charge of Hitachinaka Branch Director & General Manager of Tokyo Branch In charge of Hitachinaka Branch Managing Director Director & Managing Executive Officer Director & Senior Managing Executive Officer President & Representative Director Chief Operating Officer (incumbent)	45,020	15/15 (100%)
<p>[Reasons for appointment as director]</p> <p>Yoshihiro Fukai is an expert in the Company’s core businesses, including Port & Harbor Transportation and international intermodal transport. He has been promoting expansion of the business operations of the Group by supervising executive officers since he was appointed as President & Representative Director and Chief Operating Officer in April 2012. He is proposed again as a candidate for director because he continues to be indispensable for managing the Company and implementing its business strategy.</p>					

Candidate Number	Name (Date of Birth)	Career Summary (Position and areas of responsibility at the Company, and significant concurrent positions outside the Company)		Number of shares owned	Attendance to meetings of the Board of Directors
3	Norihito Tahara (November 5, 1958) Reappointment	Apr. 1982	Joined Kamigumi Co., Ltd.	20,560	15/15 (100%)
		Apr. 2009	Executive Officer & General Manager of Nagoya Branch		
Jun. 2011	Director & Executive Officer General Manager of Nagoya Branch				
Apr. 2013	Director & Managing Executive Officer				
Apr. 2018	Representative & Managing Director Managing Executive Officer				
Jun. 2020	Representative & Senior Managing Director Senior Managing Executive Officer Director responsible for International Distribution Div., Feed & Grain Div., Rice Div. Director responsible for East Japan/Hokkaido region, Sales & Marketing HQ (incumbent)				
<p>[Reasons for appointment as director] Norihito Tahara is an expert in third-party logistics (3PL) businesses and has focused on expanding the business operations of the Group as the director having control over these operations in Japan, mainly in the East Japan and Hokkaido regions. He is proposed again as a candidate for director because of his appropriate decision-making at meetings of the Board of Directors and proper monitoring of the execution of duties by directors.</p>					
4	Toshihiro Horiuchi (June 15, 1954) Reappointment	Apr. 1977	Joined Kamigumi Co., Ltd.	22,890	15/15 (100%)
		Apr. 2010	Executive Officer & General Manager of Management & Planning Dept. & Task force team		
Jun. 2012	Managing Executive Officer Manager of Administration Dept. & Manager of Secretarial Dept. & Task force team				
Jun. 2013	Director & Managing Executive Officer				
Jun. 2020	Representative & Managing Director Managing Executive Officer Director responsible for Administration Dept., Safety & Health (incumbent)				
<p>[Reasons for appointment as director] Toshihiro Horiuchi has been involved in the Port & Harbor Transportation and Overseas businesses, as well as taking responsibility for the Management & Planning Dept. and Administration Dept. He has focused on enhancement and reinforcement of the internal control system since he took responsibility for the Administration Dept. in June 2020. He is proposed again as a candidate for director because of his appropriate decision-making at meetings of the Board of Directors and proper monitoring of the execution of duties by directors.</p>					

Candidate Number	Name (Date of Birth)	Career Summary (Position and areas of responsibility at the Company, and significant concurrent positions outside the Company)		Number of shares owned	Attendance to meetings of the Board of Directors
5	Katsumi Murakami (January 10, 1955) Reappointment	Apr. 1977	Joined Kamigumi Co., Ltd.	18,762	15/15 (100%)
		Apr. 2012	Executive Officer In charge of Tokyo and Yokohama Branches		
		Jun. 2013	Director & Executive Officer In charge of East Japan & Hokkaido region, Sales & Marketing HQ		
		Jun. 2014	Director & Managing Executive Officer		
		Jun. 2020	Representative & Managing Director Managing Executive Officer General Manager of Kyushu Main Branch Director responsible for Vegetable & Fruits Div. Director responsible for West Japan/Kyushu region, Sales & Marketing HQ (incumbent)		
[Reasons for appointment as director] Katsumi Murakami is familiar with the Port & Harbor Transportation, Vegetable & Fruits, and Feed businesses, as well as operations of other businesses. He has exercised control over the West Japan and Kyushu regions and the Vegetable & Fruits business, and has focused on expanding the business operations of the Group. He is proposed again as a candidate for director because of his appropriate decision-making at meetings of the Board of Directors and proper monitoring of the execution of duties by directors.					
6	Koichi Hiramatsu (July 1, 1956) Reappointment	Apr. 1981	Joined Kamigumi Co., Ltd.	13,429	15/15 (100%)
		Oct. 2008	General Manager of Tokai Branch		
		Oct. 2013	General Manager of Fukuyama Branch		
		Apr. 2014	Executive Officer General Manager of Fukuyama Branch		
		Jun. 2020	Director & Executive Officer Director responsible for Metal Business, Heavy Cargo & Energy Transportation Div. Vice Director responsible for Safety & Health (incumbent)		
[Reasons for appointment as director] Koichi Hiramatsu has been involved in the metal business for many years and has broad insights into the business. He has exercised control over the Metal Business, Heavy Cargo & Energy Transportation related businesses and has focused on expanding operations of the Company since June 2020. He is proposed again as a candidate for director because of his appropriate decision-making at meetings of the Board of Directors and proper monitoring of the execution of duties by directors.					

Candidate Number	Name (Date of Birth)	Career Summary (Position and areas of responsibility at the Company, and significant concurrent positions outside the Company)		Number of shares owned	Attendance to meetings of the Board of Directors
7	Yukihiro Nagata (March 17, 1957) Reappointment	Apr. 1979 Mar. 2010 Jun. 2013 Apr. 2014 Jun. 2020 Jan. 2022	<p>Joined Kamigumi Co., Ltd. General Manager of Tokuyama Branch General Manager of Nagoya Branch Executive Officer General Manager of Nagoya Branch Director & Executive Officer Director & Executive Officer Director responsible for Overseas Business HQ Director responsible for Port & Harbor Transportation Div., Sales & Marketing HQ President & Representative Director, Kamix Corp. (incumbent)</p> <p><Significant concurrent positions outside the Company></p> <ul style="list-style-type: none"> • Kamix Corp. President & Representative Director • Kobe Port International Distribution Center Co., Ltd. President & Representative Director 	13,088	15/15 (100%)
<p>[Reasons for appointment as director] Yukihiro Nagata has been involved in the domestic distribution business for many years, primarily in the port & harbor transportation business, and has broad insights into the business. He has exercised control over the Port & Harbor Transportation business and Overseas business and focused on expanding business operations in the domestic and international distribution since June 2020. He is proposed again as a candidate for director because of his appropriate decision-making at meetings of the Board of Directors and proper monitoring of the execution of duties by directors.</p>					
8	Kazuhisa Shiino (November 1, 1958) Reappointment	Apr. 1981 Jun. 2013 Apr. 2014 Jun. 2020 Apr. 2022	<p>Joined Kamigumi Co., Ltd. General Manager of Tokuyama Branch Executive Officer General Manager of Tokuyama Branch Director & Executive Officer Director & Executive Officer General Manager of Nagoya Main Branch Director responsible for Chukyo region, Sales & Marketing HQ In charge of Tokuyama Branch (incumbent)</p>	13,684	15/15 (100%)
<p>[Reasons for appointment as director] Kazuhisa Shiino is well versed in the third-party logistics (3PL) businesses, and has served as general manager of major branches in the West Japan and Chukyo regions. He has broad insights into the Port & Harbor Transportation, Vegetable & Fruits, vehicle related logistics and other businesses. He has exercised control over the Chukyo region and has been promoting an expansion of the Company's operations. He is proposed again as a candidate for director because of his appropriate decision-making at meetings of the Board of Directors and proper monitoring of the execution of duties by directors.</p>					

Candidate Number	Name (Date of Birth)	Career Summary (Position and areas of responsibility at the Company, and significant concurrent positions outside the Company)		Number of shares owned	Attendance to meetings of the Board of Directors
9	<p>Nobuko Ishibashi (June 12, 1961) Reappointment</p> <p>External director candidate</p> <p>Independent officer</p>	<p>Apr. 1989 Oct. 1995 Oct. 2004 Jun. 2015 Jun. 2019 Jun. 2020</p>	<p>Registered as an attorney at law Established joint legal office Iguchi & Ishibashi Law Office (Presently Kobe City Law Office) Representative Lawyer, Kobe City Law Office (incumbent) External Director, Kansai Urban Banking Corporation (Presently Kansai Mirai Bank, Limited) External Auditor of the Board, Takamatsu Construction Group Co., Ltd. (incumbent) External Director (incumbent) External Director serving as an Audit & Supervisory Committee Member, Fukuoka Financial Group, Inc. (incumbent)</p>	1,092	15/15 (100%)
<p><Significant concurrent positions outside the Company></p> <ul style="list-style-type: none"> • Kobe City Law Office Representative Lawyer • Takamatsu Construction Group Co., Ltd. External Auditor of the Board • Fukuoka Financial Group, Inc. External Director serving as an Audit & Supervisory Committee Member <p>[Reasons for appointment as external director and a summary of expected roles] Nobuko Ishibashi was appointed as a candidate for external director because she has made a significant contribution to secure the lawfulness and appropriateness of decision making at meetings of the Board of Directors by giving necessary advice and advanced proposals from time to time from a professional point of view as a lawyer on overall corporate legal affairs including the Companies Act. If the election of Nobuko Ishibashi is approved, the Company expects her to serve as a legal professional continuously by providing appropriate advice on legal matters and monitoring the Company's management from an objective viewpoint that is independent of the management executing business. While she has no direct corporate management experience other than service as an external officer, the Company believes, based on the reasons above, that she will be able to continue to appropriately perform her duties as an external director. She will have served as an external director of the Company for three years up until the time of the conclusion of this Ordinary General Meeting of Shareholders.</p> <p>[Items on independence] The Company has no transaction relationships with Takamatsu Construction Group Co., Ltd. and Fukuoka Financial Group, Inc., where Nobuko Ishibashi serves as external auditor and external director serving as an audit & supervisory committee member, respectively. Also, there is no transaction relationship between the Company and Kobe City Law Office which she is a member of. Furthermore, she is an attorney at law, but the Company has no transaction relationships with her including consignment of legal services. From the above, she satisfies the standards for independence stipulated by the Company. The Company has appointed her as an independent officer provided for by Tokyo Stock Exchange, Inc. and registered this at the Exchange. The Company will continue to designate her as an independent officer if she is reelected as originally proposed.</p>					

Candidate Number	Name (Date of Birth)	Career Summary (Position and areas of responsibility at the Company, and significant concurrent positions outside the Company)		Number of shares owned	Attendance to meetings of the Board of Directors
	<p>Mitsuo Suzuki (April 19, 1960) Reappointment</p> <p>External director candidate</p> <p>Independent officer</p>	<p>Apr. 1985 Aug. 2016</p> <p>Apr. 2019</p> <p>Sep. 2019 Dec. 2019</p> <p>Jan. 2020</p> <p>Jun. 2020</p>	<p>Joined the National Police Agency</p> <p>Deputy Director-General for Policy Evaluation and Commissioner-General's Secretariat, National Police Agency</p> <p>Chief of Chugoku-Shikoku Regional Police Bureau</p> <p>Retired the National Police Agency</p> <p>Advisor, Tokio Marine & Nichido Fire Insurance Co., Ltd. (incumbent)</p> <p>President, Japan Automobile Safety Accessory Association (incumbent)</p> <p>External Director (incumbent)</p>	670	15/15 (100%)
<p><Significant concurrent positions outside the Company></p> <ul style="list-style-type: none"> • Tokio Marine & Nichido Fire Insurance Co., Ltd. Advisor • Japan Automobile Safety Accessory Association President 					
10	<p>[Reasons for appointment as external director and a summary of expected roles]</p> <p>Mitsuo Suzuki was appointed as a candidate for external director because he has made a significant contribution to ensuring the lawfulness and appropriateness of decision making at the Board of Directors by giving necessary advice and advanced proposals from time to time from a professional point of view based on his experience gained through many years of his involvement in the public administration of the police. If the election of Mitsuo Suzuki is approved, the Company expects him to take advantage of his wealth of knowledge on compliance and organizational administration and to provide continuously appropriate advice and monitor organizational administration matters of the Company's management from an objective viewpoint that is independent of the management executing business. While he has no direct corporate management experience, the Company believes, based on the reasons above, that he will be able to continue to appropriately perform his duties as an external director. He will have served as an external director of the Company for two years up until the time of the conclusion of this Ordinary General Meeting of Shareholders.</p> <p>[Items on independence]</p> <p>The Company pays insurance premiums under an insurance contract with Tokio Marine & Nichido Fire Insurance Co., Ltd., where Mitsuo Suzuki serves as advisor. However, the transaction amount accounted for less than 1% of that company's consolidated net sales in each of the past three fiscal terms, and does not constitute any special conflict of interests. Tokio Marine & Nichido Fire Insurance Co., Ltd. holds stocks of the Company, but its investment ratio is less than 5% and it is not a large shareholder of the Company. The Company has no transaction relationships with Japan Automobile Safety Accessory Association, where he serves as president. From the above, he satisfies the standards for independence stipulated by the Company. The Company has appointed him as an independent officer provided for by Tokyo Stock Exchange, Inc. and registered this at the Exchange. The Company will continue to designate him as an independent officer if he is reelected as originally proposed.</p>				

Candidate Number	Name (Date of Birth)	Career Summary (Position and areas of responsibility at the Company, and significant concurrent positions outside the Company)		Number of shares owned	Attendance to meetings of the Board of Directors
11	<p>Osamu Hosaka (September 28, 1957) New appointment</p> <p>External director candidate</p> <p>Independent officer</p>	<p>Mar. 1980</p> <p>Jan. 2001</p> <p>Aug. 2006</p> <p>Dec. 2010</p> <p>Jul. 2012</p> <p>Aug. 2014</p> <p>Apr. 2016</p> <p>Mar. 2022</p>	<p>Joined the Japan Ground Self-Defense Force</p> <p>Leader, Operation Group 2, Defense Department Operation Division, Ground Staff Office</p> <p>Director of Equipment Planning Department, Ground Material Control Demand</p> <p>Transport School Director, Japan Ground Self-Defense Force</p> <p>Tohoku Supply Director, Japan Ground Self-Defense Force</p> <p>Retired the Japan Ground Self-Defense Force</p> <p>Advisor, Government Business Division, Nippon Express Co., Ltd.</p> <p>Retired Nippon Express Co., Ltd. Advisor, Yutaka Shipping K.K. (incumbent)</p>	-	-
<p><Significant concurrent positions outside the Company></p> <ul style="list-style-type: none"> Yutaka Shipping K.K. Advisor <p>[Reasons for appointment as external director and a summary of expected roles] Osamu Hosaka was appointed as a candidate for external director because the Company wishes to take advantage of his wealth of experience and depth of insights primarily in the fields of supply and transportation gained as upper management in the Japan Ground Self-Defense Force for the Company's management. If the election of Osamu Hosaka is approved, the Company expects him to serve by providing appropriate advice on matters related to organizational and crisis management and monitoring the Company's management from an objective viewpoint that is independent of the management executing business.</p> <p>While he has no direct corporate management experience, the Company believes, based on the reasons above, that he will contribute to the strengthening and development of our corporate governance through the Board of Directors, and therefore requests that he be appointed as an external director.</p> <p>[Items on independence] The Company pays shipping fees based on freight contracts to Nippon Express Co., Ltd., for which Osamu Hosaka served as an advisor until March 2022, but the transaction amounts are less than 1% of the company's consolidated sales for any of the past three years, and so this will create no special interests. Additionally, the Company has no business relationship with Yutaka Shipping K.K., for which he serves as an advisor. From the above, he satisfies the standards for independence stipulated by the Company. Therefore, the Company will designate him as an independent officer in accordance with the regulations of Tokyo Stock Exchange Inc., and register this at the Exchange if he is elected as originally proposed.</p>					

Candidate Number	Name (Date of Birth)	Career Summary (Position and areas of responsibility at the Company, and significant concurrent positions outside the Company)		Number of shares owned	Attendance to meetings of the Board of Directors
12	<p>Harumi Matsumura (March 25, 1954) New appointment</p> <p>External director candidate</p> <p>Independent officer</p>	<p>Apr. 1976</p> <p>Jun. 2004</p> <p>Jul. 2011</p> <p>Nov. 2016</p> <p>Jul. 2019</p> <p>Jun. 2021</p>	<p>Joined The Seibu Department Stores, Ltd. (Presently Sogo & Seibu Co., Ltd.)</p> <p>Representative Director, Henri Charpentier Co., Ltd. (Presently SUZETTE Co. Ltd.)</p> <p>Senior Executive Officer, Public Affairs, Advertisement, and Environmental Strategy, JS Group Corporation (Presently LIXIL Corporation)</p> <p>Senior Executive Officer, Public Affairs and Advertisement, and CSR and Environmental Strategy, LIXIL Corporation</p> <p>Executive Officer and Senior Managing Director, Human Resources and General Affairs, Housing & Services Business, LIXIL Group Corporation (Presently LIXIL Corporation)</p> <p>Director, Senior Managing Officer, CHRO and CRE Divisions, LIXIL Corporation</p> <p>Outside Director, Rock Field Co., Ltd. (incumbent)</p> <p>Outside Director, Fast Fitness Japan, Inc.</p> <p>Outside Director, AFJ Project Inc.</p>	-	-
<p><Significant concurrent positions outside the Company></p> <ul style="list-style-type: none"> • Rock Field Co., Ltd. Outside Director • Fast Fitness Japan, Inc. Outside Director • AFJ Project Inc. Outside Director 					
<p>[Reasons for appointment as external director and a summary of expected roles] Harumi Matsumura was appointed as a candidate for external director because the Company wishes to take advantage of her wealth of experience and depth of insights in the management of confectionary and housing equipment manufacturers for the Company's management. If the election of Harumi Matsumura is approved, the Company expects her to serve by providing appropriate advice utilizing her abundant knowledge of corporate management and monitoring the Company's management from an objective viewpoint that is independent of the management executing business.</p> <p>[Items on independence] The Company has no transaction relationships with Rock Field Co., Ltd., Fast Fitness Japan, Inc. and AFJ Project Inc., where Harumi Matsumura serves as outside director, respectively. From the above, she satisfies the standards for independence stipulated by the Company. Accordingly, the Company will designate her as an independent officer in accordance with the regulations of Tokyo Stock Exchange Inc., and register this at the Exchange if she is elected as originally proposed.</p>					

- Notes:
1. There are no conflicts of interests between any candidate for Director and the Company.
 2. The number of shares owned by each candidate for Director includes shares they own through Kamigumi Officers Shareholding Association.
 3. Nobuko Ishibashi will retire as an External Auditor of the Board for Takamatsu Construction Group Co., Ltd. on June 22, 2022, and will assume the role of External Director for the company on that same day.
 4. The Company has concluded with Nobuko Ishibashi and Mitsuo Suzuki a contract for limitation of liability for damages described in Article 423, paragraph (1) of the Companies Act to limit the amount of liability to the minimum liability amount stipulated in Article 425, paragraph (1) of the Companies Act, and if they are reelected as originally proposed, the Company will renew the said contract for limitation of liability for damages. In addition, if the election of Osamu Hosaka and Harumi Matsumura are approved, the Company will similarly conclude with them the said contract for limitation of liability for damages.
 5. The Company has entered into a directors and officers liability insurance policy as provided for in Article 430-3, paragraph (1) of the Companies Act with an insurance company, thereby covering losses that may arise from the insured's assumption of liability incurred in the course of the performance of duties, or receipt of claims pertaining to the pursuit of such liability. Each candidate will be included as an insured under this insurance policy. In addition, the Company plans to renew the insurance policy under the same terms and conditions at the time of the next renewal.
 6. Nobuko Ishibashi uses her maiden name Ishibashi for her business; her married name is Iguchi.

Item 4. Election of Two (2) Audit & Supervisory Board Members

At the time of the conclusion of this Ordinary General Meeting of Shareholders, the term of office of audit & supervisory board members Yasuo Kobayashi and Katsumasa Muneyoshi will expire.

Accordingly, shareholders are requested to approve the appointment of two (2) audit & supervisory board members.

This item was approved in advance by the Audit & Supervisory Board.

The candidates for audit & supervisory board members are as follows:

	Name (Date of Birth)	Career Summary (Position at the Company, and significant concurrent positions outside the Company)		Number of shares owned	Attendance to meetings of the Board of Directors
1	Yasuo Kobayashi (March 24, 1953) Reappointment	Apr. 1975 Apr. 2013 Apr. 2014 Jun. 2016 Jun. 2020	Joined Kamigumi Co., Ltd. Executive Officer Director of International Distribution Div. and General Manager of Keihin Div. Managing Executive Officer Director of International Distribution Div. and General Manager of Keihin Div. Director & Managing Executive Officer Standing Audit & Supervisory Board Member (Full-time) (incumbent)	18,144	15/15 (100%)
<p>[Reasons for appointment as audit & supervisory board member]</p> <p>Yasuo Kobayashi has held key positions in the international logistics and steel/heavy cargo and energy transportation businesses as a director of the Company. Since assuming his position as an audit & supervisory board member, he has been appropriately conducting auditing work based on his broad insight into the main businesses of the Company. He is proposed again as a candidate for audit & supervisory board member because the Company believes he will continue to contribute to enhancement and reinforcement of its governance through meetings of the Board of Directors.</p>					

	Name (Date of Birth)	Career Summary (Position at the Company, and significant concurrent positions outside the Company)		Number of shares owned	Attendance to meetings of the Board of Directors
2	Tomokazu Hideshima (September 2, 1957) New Appointment External audit & supervisory board member candidate Independent officer	Apr. 1980	Joined the Osaka Regional Taxation Bureau	-	-
		Jul. 2008	Director of Office of Public Relations, Management and Co-ordination Department, Osaka Regional Taxation Bureau		
		Jul. 2010	District Director, Tennoji Tax Office		
		Jul. 2011	Director of Second Personnel Division, Management and Co-ordination Department, Osaka Regional Taxation Bureau		
		Jul. 2016	District Director, Toyono Tax Office		
		Jul. 2017	General Manager of Second Examination Department, Large Enterprise Examination and Criminal Investigation Department, Osaka Regional Taxation Bureau		
		Jul. 2018	Retired the Osaka Regional Taxation Bureau		
		Aug. 2018	Established Tax Accounting Office (incumbent)		
<p>[Reasons for appointment as external audit & supervisory board member] Tomokazu Hideshima has many years of experience in tax administration and a professional perspective on corporate taxation as a tax accountant. While he has no direct corporate management experience, he has been selected for appointment as an external audit & supervisory board member because the Company believes he will be able to appropriately conduct audits based on his abundance of experience and depth of knowledge.</p> <p>[Items on independence] Tomokazu Hideshima is Certified Tax Accountant but the Company has no transaction relationships with him including consignment of tax services. From the above, he satisfies the standards for independence stipulated by the Company, and the Company will appoint him as an independent officer in accordance with the regulations of Tokyo Stock Exchange Inc., and register this at the Exchange.</p>					

- Notes: 1. There are no conflicts of interests between any candidate for audit & supervisory board member and the Company.
2. The number of shares owned by Yasuo Kobayashi includes shares he owns through Kamigumi Officers Shareholding Association.
3. If the election of Tomokazu Hideshima is approved, the Company will conclude with him a contract for limitation of liability for damages described in Article 423, paragraph (1) of the Companies Act to limit the amount of liability to the minimum liability amount stipulated in Article 425, paragraph (1) of the Companies Act.
4. The Company has entered into a directors and officers liability insurance policy as provided for in Article 430-3, paragraph (1) of the Companies Act with an insurance company, thereby covering losses that may arise from the insured's assumption of liability incurred in the course of the performance of duties, or receipt of claims pertaining to the pursuit of such liability. Each candidate will be included as an insured under this insurance policy. In addition, the Company plans to renew the insurance policy under the same terms and conditions at the time of the next renewal.

Item 5. Election of One (1) Substitute Audit & Supervisory Board Member

In preparation for the occurrence of a shortage in the number of audit & supervisory board members governed by laws and regulations, shareholders are requested to approve the appointment of one (1) substitute audit & supervisory board member.

The candidate is proposed as a substitute for standing audit & supervisory board member.

This item was approved in advance by the Audit & Supervisory Board.

The candidate for substitute audit & supervisory board member is as follows:

Name (Date of Birth)	Career Summary and significant concurrent positions outside the Company		Number of shares owned
Kuniharu Saeki (April 18, 1947)	Apr. 1970	Joined Kamigumi Co., Ltd.	26,716
	Apr. 2009	Executive Officer & General Manager of Kobe Branch	
	Jun. 2012	Managing Executive Officer & General Manager of Kobe Branch	
		Director of Vegetable & Fruits Div.	
	Jun. 2013	Director & Managing Executive Officer	
	Jun. 2014	Director & Senior Managing Executive Officer	
	Apr. 2016	Representative & Senior Managing Director	
	Senior Managing Executive Officer		
	Jun. 2018	Standing Audit & Supervisory Board Member (Full-time)	
[Reasons for appointment as substitute audit & supervisory board member] Kuniharu Saeki has held key positions in the administration and sales & marketing businesses as a director of the Company. Since taking the position of audit & supervisory board member, he has appropriately conducted audits with his broad insights into the Company's overall operations. He is proposed as a candidate for substitute audit & supervisory board member because we believe that he will be able to adequately perform the duties of a successor to a standing audit & supervisory board member in the event that such a position becomes vacant, with his experience gained from his past service.			

Notes: 1. There are no conflicts of interests between the candidate for substitute audit & supervisory board member and the Company.

2. The Company has entered into a directors and officers liability insurance policy as provided for in Article 430-3, paragraph (1) of the Companies Act with an insurance company, thereby covering losses that may arise from the insured's assumption of liability incurred in the course of the performance of duties, or receipt of claims pertaining to the pursuit of such liability. In the event that Kuniharu Saeki is appointed as a standing audit & supervisory board member, he will be included as an insured under this insurance policy.

In addition, the Company plans to renew the insurance policy under the same terms and conditions at the time of the next renewal.

(Reference) Standards for the Independence of External Officers

The Company stipulates the standards for the independence of external directors and audit & supervisory board members (“External Officers”) as follows. When an External Officer (including a candidate) falls under any the following items, he/she is deemed not to have sufficiently satisfied the requirements for independence of the Company.

1. He/she currently serves or has previously served in the last ten years as a person who has executed business of the Company or its consolidated subsidiary.
2. He/she currently falls under any of the following items from (1) to (6), or has fallen under such items in the last three years:
 - (1) a business partner or a person who executing business of such business partner in which the amount of the transactions with the Company for one fiscal term exceeds 2% of the consolidated net sales of the Company or the business partner
 - (2) a major shareholder of the Company holding over 5% of the ownership of the Company or a person who executing business of such shareholder
 - (3) a major creditor of the Company or a person who executing business of such creditor
 - (4) a person who has received annual donations of over 10 million yen from the Company or belongs to an organization that has received annual donations of over 10 million yen from the Company
 - (5) a lawyer, certified public accountant, certified tax accountant, or consultant who has received remuneration of over 10 million yen (other than officers’ compensation) from the Company (if it is a judicial person and other similar organization, a person who belongs to the organization in which compensation provided from the Company exceeds 2% of the annual revenue of the organization)
 - (6) When a person who executing the Company’s business concurrently serves as a director of other company, a person who executing business of the other company
3. Spouse or relative within the second degree of kinship of a person described in 1. and 2. above.

(Reference) Board of Directors Skill Matrix

In light of the role that the Board of Directors should play, the Company has defined the areas of expertise that the Board should have.

If the proposals for the appointment of Directors and Audit & Supervisory Board Members are approved at this Ordinary General Meeting of Shareholders, the skill matrix for Directors and Audit & Supervisory Board Members, including those newly appointed, will be as follows:

Category	Name	Position	Independence	Expected knowledge and experience							
				Corporate management / Business strategies	Business operations / Industry Experience	Finance/ Accounting	Personnel / HR Development	Legal affairs / Risk management	ESG/ Sustainability	Safety/ Quality	Global
Directors	Masami Kubo	Chairman & Representative Director		●	●				●		
	Yoshihiro Fukai	President & Representative Director		●	●			●	●		
	Norihito Tahara	Representative & Senior Managing Director		●	●						●
	Toshihiro Horiuchi	Representative & Managing Director		●	●	●	●		●	●	
	Katsumi Murakami	Representative & Managing Director		●	●					●	
	Koichi Hiramatsu	Director			●					●	
	Yukihiro Nagata	Director			●						●
	Kazuhisa Shiino	Director			●					●	
	Nobuko Ishibashi	External Director	●						●	●	
	Mitsuo Suzuki	External Director	●						●	●	
	Osamu Hosaka	External Director	●			●				●	
Harumi Matsumura	External Director	●	●				●		●		
Audit & Supervisory Board Members	Yasuo Kobayashi	Audit & Supervisory Board Member (Full-time)			●					●	
	Takumi Nakao	External Audit & Supervisory Board Member	●			●		●			
	Ai Kuroda	External Audit & Supervisory Board Member	●			●		●			
	Tomokazu Hideshima	External Audit & Supervisory Board Member	●			●		●			

Guide for Exercising Voting Rights

The ability to vote at the General Meeting of Shareholders is an important right of shareholders.

Please exercise your voting rights taking the above-mentioned General Meeting of Shareholders reference documentation into account.

1. Exercise of Voting Rights in Writing

Please indicate your votes for or against the Items on the enclosed Voting Rights Exercise Form and return it to the Company (no stamps needed) no later than 5:00 p.m., Tuesday, June 28, 2022.

2. Exercise of Voting Rights via the Internet, etc.

When you exercise your voting rights on the Internet, please carefully review the guide below.

Voting rights may be exercised until 5:00 p.m. on June 28, 2022 (Tuesday), but shareholders are requested to do so as early as possible.

QR Code Scanning Method

You can log in to the Web site for the Exercise of Voting Rights without entering the Log-in ID or Temporary Password which are printed on the Voting Rights Exercise Form.

1. Scan the QR code displayed on the enclosed Voting Rights Exercise Form.
* QR code is a registered trademark of Denso Wave Incorporated.
2. Please follow the instructions on the screen and indicate your approval or disapproval.

You can only log in using the QR code once.

To re-exercise your voting rights, or to exercise your voting rights without using the QR code, please confirm the “Log-in ID/Temporary Password Entry Method” described below.

Log-in ID/Temporary Password Entry Method

Web site for the Exercise of Voting Rights: <https://evote.tr.mufg.jp/>

1. Access the Web site for the Exercise of Voting Rights.
2. Enter the “Log-in ID/ Temporary Password,” which are printed on the enclosed Voting Rights Exercise Form, and click the “Log-in” button.
3. Enter the “New Password” and click the “Send” button to register your new password.
4. Please follow the instructions on the screen and indicate your approval or disapproval.

If having exercised voting rights both in writing and via the Internet, the vote cast via the Internet shall be deemed valid.

If having voted multiple times via the Internet, the last vote cast shall be deemed valid.

For Inquiries about the System Environment, etc.	Transfer Agent (“Help Desk”), Mitsubishi UFJ Trust and Banking Corporation Phone: 0120-173-027, toll free (Japan only) Available from 9:00 a.m. to 9:00 p.m. (Japan Time)
Please use the contact number to the right if you have any difficulties when voting by the Internet, etc. using a personal computer or smartphone.	

Use of Electronic voting platform (To institutional shareholders)

An electronic voting platform (TSE Platform) operated by ICJ Inc. can be used as a mean to exercise voting rights.

Business Report

(From April 1, 2021 to March 31, 2022)

1. Current Status of the Group

(1) Business Situation for the Current Fiscal Term

i) Progress and Results of Business

As Japan's economy has moved toward normalization, some business activities such as personal consumption, capital investment, and production showed some signs of recovery during the fiscal term under review. However, the future is uncertain due to an increase in raw material prices caused by the situation in Ukraine and COVID-19 spreading once more.

In the distribution services industry, although domestic demand for export and import cargos are on a recovery track, the business environment remains to face severe conditions due to the global strain on supply and demand of shipping containers, soaring fuel prices, etc.

Under these circumstances, the Group sought to strengthen its logistical infrastructure to meet customer needs, such as by constructing a new warehouse in Yokohama that primarily handles grain, to provide service as a company that supports logistical infrastructure.

As a result, the Group recorded ¥261,681 million in net sales, a 9.3% year-on-year increase, in the fiscal term under review due to a recovery in cargo handling volume both in Japan and abroad. In terms of profit, operating profit amounted to ¥28,524 million, up 16.7% year on year, and recurring profit stood at ¥30,875 million, up 17.9% year on year. Profit attributable to owners of parent increased 16.3% from the previous fiscal term to ¥20,861 million.

Since the Group has adopted the "Accounting Standard for Revenue Recognition" (Corporate Accounting Standard No. 29, March 31, 2020), etc. and changed its accounting policies from the beginning of the fiscal term under review, the figures after retroactive adjustments were used for the year over year changes analysis.

The following provides an overview of our businesses by segment.

(Logistics Business)

In harbor transportation, warehousing, and domestic transportation, the volume of stored cargo increased with the start of operation of the new warehouse, and the handling of containers, grains, fruits and vegetables, automobiles, and automobile-related parts also increased. In factory cargo handling, the amount of handling increased as factory operating rates increased. In international transportation, marine transportation of project cargo, such as for overseas power generation facilities, was also strong.

As a result, net sales increased 11.0% year on year to ¥232,360 million and segment profit increased 18.6% year on year to ¥24,841 million.

(Other Businesses)

In heavy cargo transportation and construction, the handling of heavy cargo transportation and number of construction machinery projects decreased. In other areas, while the amount of power generated by the solar power generation business decreased, sales increased due to a rise in handling prices in the sales business.

In Other Businesses, net sales decreased 1.4% year on year to ¥31,975 million. Segment profit increased 5.2% year on year to ¥3,681 million.

Note: From the fiscal term currently under review, reporting segments have been changed to the "Logistics Business" and "Other Businesses." Each figure for the previous consolidated fiscal term has been calculated based on the changed reporting segments.

ii) Capital Investment and Fund Raising

Capital investment for the fiscal term under review totaled ¥14,485 million, which was primarily allocated for the acquisition of logistics facilities such as the previously mentioned grain warehouse in Yokohama, as well as purchase of vehicles, cargo handling devices, etc.

All capital investment was covered by funds on hand.

(2) Issues to be Faced

While the global economy is recovering from the impact COVID-19, the future remains uncertain due to effects caused by geopolitical risk with the intensifying situation in Ukraine and continued caution regarding the spread of COVID-19 variants.

Circumstances surrounding the Group include the pursuit of corporate activities that can respond to a carbon-free society and rising costs due to the soaring prices of resources such as crude oil, in addition to the necessity to remain cautious about a contraction of consumption in Japan and abroad due to COVID-19. This indicates that the economic environment will continue to face many issues and that there is a need to formulate a business strategy with a view to long-term changes.

Under these circumstances, the Group has revised the medium-term management plan (From the Fiscal Term Ended March 31, 2021 to the Fiscal Term Ending March 31, 2025) developed in May 2020, as follows.

1. Reasons for the Revision to the Medium-Term Management Plan

In order to further enhance our corporate value, we formulated a five-year Medium-Term Management Plan (final year: fiscal term ending March 31, 2025) with four key strategies and have been working to achieve the plan's goals. The key strategies are: (1) strengthening core businesses, (2) strengthening profitability of overseas businesses, (3) exploration of new businesses, and (4) initiatives to secure and develop human resources.

The current plan was carefully formulated considering the uncertain impact of COVID-19, but at this time, in light of the current logistics market environment and our performance trends, we decided it was appropriate to return the business performance goals to the pre-COVID levels and that it was necessary to promote management with a greater awareness of capital efficiency than before.

2. Revised Medium-Term Management Plan

An outline of the revised medium-term management plan is as follows.
Please visit the Company's website for details of the revised medium-term management plan (<https://www.kamigumi.co.jp/english/ir//midtermbusiness>)

[Upward revision to business performance goals]

We have revised our business performance goals upward for the fiscal term ending March 31, 2025, as follows:

	Original goals for the fiscal term ending March 2025	Revised goals for the fiscal term ending March 2025
Net sales	¥280,000 million	¥310,000 million
Operating profit	¥30,000 million	¥33,000 million
Recurring profit	¥31,000 million	¥35,000 million

[Add a key strategy]

We will maintain the four key strategies originally set forth, but will add a new strategy of strengthening our business through DX.

[Revise the policy on capital]

Based on the premise of maintaining financial stability, the Company will implement the following capital policy to maximize corporate value by realizing an appropriate capital structure and to manage the Company with an even greater awareness of the cost of capital.

1) Use debt to control the cost of capital

During the period of this Medium-Term Management Plan, we will raise a total of about ¥30,000 million in debt, which will be used for the business investments and profit returns listed below.

2) Expand business investment for growth

To realize our key strategies, we will make business investments totaling about ¥60,000 million over the three-year period from the fiscal term ending March 31, 2023 to the fiscal term March 31, 2025. In addition, we will establish a strategic investment category of ¥12,000 million as a resource to be flexibly used for various purposes, such as M&A and capital and business alliances.

3) Enhance return of profits

In the three-year period from the fiscal year ending March 31, 2023 to the fiscal year ending March 31, 2025, we will implement the following return of profit to further enhance total return and improve capital efficiency.

(i) Implementation of stock dividends with a target consolidated payout ratio of 40%.

(ii) Acquire a total of about ¥30,000 million of treasury stock over the three-year period, and cancel any excess of 5% of outstanding shares.

(iii) Based on the above (i) and (ii), the total payout return will be 90% for each fiscal term.

Note: (i) was implemented prior to the revisions outlined in this document, in the fiscal term ended March 31, 2022.

[Financial Indicator Goals]

As a result of implementing the above capital policy, we aim to achieve the following financial indicators at the end of the fiscal term ending March 31, 2025. With regard to ROE, we will continue to improve it further after the end of the current Medium-Term Management Plan period, aiming to reach 7% in the long term.

Financial indicators	Fiscal term ended March 2020 (Results)	Fiscal term ending March 2025 (Goals)
ROE	5.5%	6.5%
Equity ratio	83.9%	80% or less

(3) Assets and Profit and Loss

Item	80 th Fiscal Term (Ended March 2019)	81 st Fiscal Term (Ended March 2020)	82 nd Fiscal Term (Ended March 2021)	83 rd Fiscal Term (Consolidated fiscal term under review) (Ended March 2022)
Net Sales (¥ mil.)	274,893	278,815	239,314	261,681
Recurring Profit (¥ mil.)	25,235	26,407	26,184	30,875
Profit attributable to owners of parent (¥ mil.)	18,388	18,378	17,932	20,861
Basic earnings per share (¥)	152.20	155.06	152.97	180.14
Total Assets (¥ mil.)	395,708	400,057	415,539	434,734
Total Net Assets (¥ mil.)	332,200	337,744	352,408	367,917
Total Net Assets per Share (¥)	2,766.02	2,849.94	3,017.22	3,193.03

Note: The Company has adopted the “Accounting Standard for Revenue Recognition,” (ASBJ Statement No. 29), etc. as of the beginning of the fiscal term ended March 31, 2022. Figures of Assets and Profit and Loss in the previous fiscal term represent the amount adjusted retroactively based on the said accounting standard, etc.

(4) Principal Subsidiaries (As of March 31, 2022)

Company's Name	Capital	Percentage of Investment by the Company	Principal Business
	Million yen	%	
Kamigumi Land Transport Co., Ltd.	150	100.00	Road transportation
Kamigumi Marine Transport Co., Ltd.	200	95.00	Marine transportation
Kamigumi Air Service Co., Ltd.	100	100.00	Air freight forwarding
Izumi Sangyo Co., Ltd.	20	100.00	Freight forwarding
Kamix Corp.	164	100.00	Selling and Leasing
Oita Koun Co., Ltd.	40	100.00	General harbor transportation
Iwagawa Jozo Co., Ltd.	10	100.00 (100.00)	Manufacturer and wholesaler of alcoholic beverages
MB Service Japan Co., Ltd.	301	66.60	New vehicle preparation
Japan Port Industry Co., Ltd.	500	70.00	Refrigerated warehouse business and Freight transportation
	Million HK\$		
Kamigumi (Hong Kong) Co., Ltd.	55	100.00	Freight forwarding
	Million RMB		
Kamigumi International Forwarding (Shanghai) Co., Ltd.	29	100.00 (100.00)	Freight forwarding
	Million MYR		
Kamigumi Global Solutions Malaysia Sdn. Bhd.	32	100.00	Warehouse and Cargo transport business

Note: A parenthetic figure for Percentage of Investment by the Company is an indirect ownership percentage (inclusive).

(5) Principal Business (As of March 31, 2022)

Segment	Principal Business
Logistics Business	General harbor transportation, Warehousing, Domestic transportation, Factory cargo handling, International transportation, etc.
Other Businesses	Heavy cargo transportation, Construction, etc.

Note: From the fiscal term currently under review, reporting segments have been changed to the "Logistics Business" and "Other Businesses."

(6) Principal Offices (As of March 31, 2022)

i) Domestic Principal Offices

Kamigumi Co., Ltd.	Registered Head Office	4-1-11, Hamabe-dori, Chuo-ku, Kobe	
	Tokyo Head Office	3-7-11, Shibaura, Minato-ku, Tokyo	
	Main Branch	Nagoya Main Branch (Nagoya), Kyushu Main Branch (Fukuoka)	
	Divisions/Departments etc.	Overseas Business Headquarters (Tokyo) Sales & Marketing HQ (Tokyo) International Distribution Division (Tokyo) Port & Harbor Transportation Division (Kobe) Heavy Cargo & Energy Transportation Division (Kobe) Rice Division (Tokyo) Vegetable & Fruits Division (Tokyo) Feed & Grain Division (Tokyo) Sunny Place Real Estate (Kobe)	
	Branches	Tokyo, Kashima, Yokohama, Niigata, Tomakomai, Hamaoka, Toyokawa, Tokai, Nagoya, Osaka, Kobe, Hirohata, Tamashima, Fukuyama, Minooki, Tokuyama, Sakaiminato, Moji, Yahata, Fukuoka, Oita, Kagoshima, Shibushi	
Subsidiaries	Kamigumi Land Transport Co., Ltd. (Kobe) Kamigumi Marine Transport Co., Ltd. (Kobe) Kamigumi Air Service Co., Ltd. (Tokyo) Izumi Sangyo Co., Ltd. (Osaka) Kamix Corp. (Kobe) Oita Koun Co., Ltd. (Oita Prefecture) Iwagawa Jozo Co., Ltd. (Kagoshima Prefecture) Kamitsu Unyu Co., Ltd. (Hyogo Prefecture) MB Service Japan Co., Ltd. (Ibaraki Prefecture) Japan Port Industry Co., Ltd. (Kobe) MCKG Port Holding Co., Ltd. (Kobe)	Affiliates	Kamitsu Koun Co., Ltd. (Kobe) CHUO KOUN CO., LTD. (Kobe) Kobe Mega Container Terminal Co., Ltd. (Kobe) Tokachi Grain Center Co., Ltd. (Hokkaido) Kobe Port International Distribution Center Co., Ltd. (Kobe) PIT Co., Ltd. (Kobe) Sunny Place Farm Company Inc. (Oita Prefecture) Mizuho Shoji Co., Ltd. (Osaka) KLKG Holdings Co., Ltd. (Tokyo)

ii) Overseas Principal Offices

Kamigumi Co., Ltd.	Representative offices	Beijing Office (China) Yangon Office (Myanmar)
Subsidiaries	Kamigumi (Hong Kong) Co., Ltd. (Hong Kong) Kamigumi Singapore Pte. Ltd. (Singapore) Kamigumi International Forwarding (Shanghai) Co., Ltd. (China) Kamigumi International Forwarding (Shenzhen) Co., Ltd. (China) Kamigumi (Taiwan) Co., Ltd. (Taiwan) Kamigumi (Vietnam) Co., Ltd. (Vietnam) PT. Kamigumi Indonesia (Indonesia) Kamigumi-EFR Logistics (Myanmar) Co., Ltd. (Myanmar) PT. Kamigumi Logistics Indonesia (Indonesia) Kamigumi Global Solutions Malaysia Sdn. Bhd. (Malaysia) Kamigumi Mexico S.A. de C.V. (Mexico) Kamigumi Middle East L.L.C. (United Arab Emirates, UAE) Kamigumi USA Inc. (USA) Thilawa Multipurpose International Terminal Co., Ltd. (Myanmar)	
Affiliates	Eastern Sea Laem Chabang Terminal Co., Ltd. (Thailand) Kamigumi (Malaysia) Sdn. Bhd. (Malaysia) Thai Logistics Service Co., Ltd. (Thailand) Shanghai Kamigumi Logistic Service Co., Ltd. (China) Toyotsu Kamigumi Logistics (Changshu) Co., Ltd. (China) Thilawa Global Logistics Co., Ltd. (Myanmar) International Bulk Terminal (Thilawa) Co., Ltd. (Myanmar) APM Terminals Valencia, S.A. (Spain) Kamigumi KSL Tunnelling JV Pte. Ltd. (Singapore)	

Note: The Company incorporated Kamigumi KSL Tunnelling JV Pte. Ltd. and made it an affiliate of the Company on September 1, 2021.

(7) Employees (As of March 31, 2022)

i) Employees of the Group

Segment	Number of Employees	Increase or decrease from the end of the 82 nd fiscal term
Logistics Business	3,815	Decrease by 83
Other Businesses	306	Increase by 7
Administration Operations	140	Increase by 2
Total	4,261	Decrease by 74

- Notes: 1. The number of employees is the number of persons at work which excludes the number of persons seconded from the Group to outside and includes the number of persons seconded from outside to the Group.
 2. The number of employees above does not include temporary employees.
 3. From the fiscal term currently under review, reporting segments have been changed to the “Logistics Business” and “Other Businesses.” Changes from the end of the previous consolidated fiscal term were compared by rearranging the number of employees in the previous fiscal term based on the changed segment classifications.

ii) Employees of the Company

Number of Employees	Increase or decrease over the Previous Term	Average Age (years)	Average Length of Service (years)
3,719	Decrease by 60	39.7	15.7

- Notes: 1. The number of employees is the number of persons at work which excludes the number of persons seconded from the Company to outside and includes the number of persons seconded from outside to the Company.
 2. The number of employees above does not include temporary employees.

2. Current Status of the Company

(1) Shares Outstanding (As of March 31, 2022)

i) Total number of shares authorized to be issued	250,000,000
ii) Number of shares issued	127,496,837
iii) Number of shareholders	6,855
iv) Major shareholders (the top 10)	

Shareholders' Name	Number of Shares	Ratio of Shareholding
	Thousand shares	%
The Master Trust Bank of Japan, Ltd. (Trust Account)	16,402	14.30
Kamigumi Customers and Subcontractors Shareholding Association	7,132	6.21
Custody Bank of Japan, Ltd. (Trust Account)	5,205	4.53
Kamigumi Employees Shareholding Association	3,278	2.85
Northern Trust Co. (AVFC) Re Silchester International Investors International Value Equity Trust	2,927	2.55
National Mutual Insurance Federation of Agricultural Cooperatives	2,772	2.41
The Murao Educational Foundation	2,456	2.14
Nippon Life Insurance Company	2,271	1.98
Sumitomo Life Insurance Company	2,250	1.96
State Street Bank And Trust Company 505001	2,094	1.82

Notes: 1. The Company canceled treasury stocks in accordance with a resolution passed at a meeting of the Board of Directors held on March 8, 2022. As a result, the aggregate number of shares issued decreased 1,570,000 shares from 129,066,837 shares outstanding at the end of the previous fiscal term.

2. Number of shares less than one thousand is rounded down to the nearest thousand.

3. While holding 12,828 thousand shares of treasury stocks, the Company is not included in the above-mentioned major shareholders. The ratio of shareholding is calculated by deducting treasury stocks and rounding down a number to two (2) decimal places.

v) Shares granted to corporate officers of the Company during the current fiscal term as compensation for the execution of duties

	Number of Shares	Number of eligible persons
	Shares	
Director (exclude External Director)	6,296	8
External Director	-	-
Audit & Supervisory Board Member	-	-

Note: Details of stock compensation of the Company are described in 2. (2) vi) "Remuneration, etc. paid to directors and audit & supervisory board members" (pages 34-35).

(2) Situation of Corporate Officers

i) Situation of Directors and Audit & Supervisory Board Members (As of March 31, 2022)

Name	Title	Areas of responsibility at the Company and significant concurrent positions outside the Company
Masami Kubo	Chairman & Representative Director	Chief Executive Officer Chairman of the board Aomi Cargo Distribution Center Co., Ltd. Chairman & Representative Director World Cargo Distribution Center Co., Ltd. Chairman & Representative Director Nippon Koun Shinko Co., Ltd. President & Representative Director The Japan Harbor Transportation Association Chairman Hyogo Harbor Transportation Association Chairman Sunnypier Health Insurance Association Head Director
Yoshihiro Fukai	President & Representative Director	Chief Operating Officer
Norihito Tahara	Representative & Senior Managing Director	Senior Managing Executive Officer Director responsible for International Distribution Div., Feed & Grain Div., Rice Div. Director responsible for East Japan/Hokkaido region, Sales & Marketing HQ
Toshihiro Horiuchi	Representative & Managing Director	Managing Executive Officer Director responsible for Administration Dept., Safety & Health
Katsumi Murakami	Representative & Managing Director	Managing Executive Officer General Manager of Kyushu Main Branch Director responsible for Vegetable & Fruits Div. Director responsible for West Japan/Kyushu region, Sales & Marketing HQ
Koichi Hiramatsu	Director	Executive Officer Director responsible for Metal Business, Heavy Cargo & Energy Transportation Div. Vice Director responsible for Safety & Health
Yukihiro Nagata	Director	Executive Officer Director responsible for Overseas Business HQ Director responsible for Port & Harbor Transportation Div., Sales & Marketing HQ Kamix Corp. President & Representative Director Kobe Port International Distribution Center Co., Ltd. President & Representative Director

Name	Title	Areas of responsibility at the Company and significant concurrent positions outside the Company
Kazuhisa Shiino	Director	Executive Officer General Manager of Nagoya Main Branch and Nagoya Branch Director responsible for Chukyo region, Sales & Marketing HQ In charge of Tokuyama Branch
Nobuko Ishibashi	Director	Attorney at law Kobe City Law Office Representative Lawyer Takamatsu Construction Group Co., Ltd. External Auditor of the Board Fukuoka Financial Group, Inc. External Director serving as an Audit & Supervisory Committee Member
Mitsuo Suzuki	Director	Tokio Marine & Nichido Fire Insurance Co., Ltd. Advisor Japan Automobile Safety Accessory Association President
Yasuo Kobayashi	Standing Audit & Supervisory Board Member (Full-time)	–
Katsumasa Muneyoshi	Audit & Supervisory Board Member	Certified Tax Accountant Kansai Gaidai University Auditor F&M CO., LTD. External Director and Audit & Supervisory Committee Member Kanai Holdings Co., Ltd. External Audit & Supervisory Board Member Kanai Juyo Kogyo Co., Ltd. External Audit & Supervisory Board Member CHO SHINYAKU Co., Ltd. External Director
Takumi Nakao	Audit & Supervisory Board Member	Attorney at law Yodoyabashi & Yamagami Legal Professional Corporation Advisor Kobe University Executive Director
Ai Kuroda	Audit & Supervisory Board Member	Attorney at law Japan Association of Arbitrators Director

- Notes: 1. Directors Nobuko Ishibashi and Mitsuo Suzuki are the external directors. The Company has designated them the independent officers in accordance with the regulations of Tokyo Stock Exchange, Inc. and registered therein.
2. Audit & Supervisory Board members Katsumasa Muneyoshi, Takumi Nakao and Ai Kuroda are the external audit & supervisory board members. The Company has designated those three (3) audit & supervisory board members the independent officers in accordance with the regulations of Tokyo Stock Exchange, Inc. and registered therein.
3. Audit & Supervisory Board member Katsumasa Muneyoshi is Certified Tax Accountant and has considerable insight in the areas of tax and accounting.

ii) Changes in status of significant concurrent positions outside the Company by Directors during the fiscal term under review

Name	New title	Former title	Date of change
Yukihiro Nagata	Kamix Corp. President & Representative Director Kobe Port International Distribution Center Co., Ltd. President & Representative Director	Kobe Port International Distribution Center Co., Ltd. President & Representative Director	January 1, 2022

iii) Change of title and charge of Directors after the fiscal term under review

Name	New title	Former title	Date of change
Kazuhisa Shiino	Executive Officer General Manager of Nagoya Main Branch Director responsible for Chukyo region, Sales & Marketing HQ In charge of Tokuyama Branch	Executive Officer General Manager of Nagoya Main Branch and Nagoya Branch Director responsible for Chukyo region, Sales & Marketing HQ In charge of Tokuyama Branch	April 1, 2022

iv) Changes in status of significant concurrent positions outside the Company by Audit & Supervisory Board Members during the fiscal term under review

Name	New title	Former title	Date of change
Ai Kuroda	Japan Association of Arbitrators Director Osaka Bar Association Vice President	Japan Association of Arbitrators Director	April 1, 2022

(Reference) Situation of Executive Officers (As of April 1, 2022)

Name	Title	Positions of responsibility
*Yoshihiro Fukai	President	Chief Operating Officer
*Norihito Tahara	Senior Managing Executive Officer	Director responsible for International Distribution Div., Feed & Grain Div., Rice Div. Director responsible for East Japan/Hokkaido region, Sales & Marketing HQ
*Toshihiro Horiuchi	Managing Executive Officer	Director responsible for Administration Dept., Safety & Health
*Katsumi Murakami	Managing Executive Officer	General Manager of Kyushu Main Branch Director responsible for Vegetable & Fruits Div. Director responsible for West Japan/Kyushu region, Sales & Marketing HQ
*Koichi Hiramatsu	Executive Officer	Director responsible for Metal Business, Heavy Cargo & Energy Transportation Div. Vice Director responsible for Safety & Health
*Yukihiro Nagata	Executive Officer	Director responsible for Overseas Business HQ Director responsible for Port & Harbor Transportation Div., Sales & Marketing HQ President & Representative Director of Kamix Corp.
*Kazuhisa Shiino	Executive Officer	General Manager of Nagoya Main Branch Director responsible for Chukyo region, Sales & Marketing HQ In charge of Tokuyama Branch
Kazuhiro Yasuda	Executive Officer	General Manager of Kobe Branch
Kazuya Maeda	Executive Officer	Director of International Distribution Div.
Yasuhiro Kishino	Executive Officer	Director of Financial HQ General Manager of Financial Management Dept. and Securities Finance Dept.
Mitsuhiko Hase	Executive Officer	General Manager of Osaka Branch In charge of Tamashima, Minooki, Sakaiminato Branches
Kazuhiko Matsuo	Executive Officer	General Manager of Fukuyama Branch
Kohei Mori	Executive Officer	General Manager of Tokyo Branch Director of Feed & Grain Div. In charge of Rice Div., Niigata Branch, Hachinohe Sub Branch
Yoshiyuki Hamada	Executive Officer	General Manager of Nagoya Branch
Seiji Ozoe	Executive Officer	Director of Overseas Business HQ
Masatoki Shimonishi	Executive Officer	General Manager of Yokohama Branch
Hiroyoshi Matsuzaki	Executive Officer	General Manager of Oita Branch
Hidemasa Maeda	Executive Officer	Director of Port & Harbor Transportation Div.
Toshiyuki Ueda	Executive Officer	Director of Heavy Cargo & Energy Transportation Div.
Atsushi Sasaki	Executive Officer	General Manager of Fukuoka Branch

Note: Executive Officers with “*” concurrently serve as Director.

v) Outline, etc. of directors and officers liability insurance policy

The Company has concluded a directors and officers liability insurance policy with an insurance company as prescribed in paragraph (1) of Article 430-3 of the Companies Act, which includes as insured persons directors and audit & supervisory board members (including those who were in office during the fiscal term under review) of the Company and the Company’s principal subsidiaries listed in 1. (6) “Principal Offices” (pages 27-28). The Company pays all insurance premiums.

In brief, under the insurance policy, the insurance company covers for damages that may be incurred by the insured in connection with the execution of their duties or by receiving a claim to pursue their liability.

However, in order not to diminish the appropriateness of the execution of duties by the insured, the insurance policy includes certain exclusions that apply to exclude coverage for damages arising from an act of an insured person knowing that the act is unlawful.

In addition, the insurance policy is renewed every year and the Company plans to renew it under the same terms and conditions at the time of next renewal.

- vi) Remuneration, etc. paid to directors and audit & supervisory board members
 1) Item on policy concerning the determination of terms of remuneration, etc. of individual directors

i. Method of determining the policy

The Company resolved the policy concerning the determination of terms of remuneration, etc. for individual directors at a meeting of the Board of Directors held on February 12, 2021. In determining the policy, the Board of Directors carefully deliberated the terms in consideration of the objective opinions of two external directors.

ii. Outline of terms of the policy

As a basic policy, remuneration of individual directors shall be determined in consideration of the level of the Company's business performance, social conditions, and levels of remuneration at other companies, in addition to their positions and responsibilities. Remuneration of directors, excluding external directors, shall consist of monthly basic compensation (cash compensation) and medium- and long-term compensation (stock compensation). Remuneration of external directors shall consist only of monthly basic compensation (cash compensation) in the light of the role of chiefly monitoring and auditing management business execution from an objective standpoint.

Monthly basic compensation (cash compensation) shall consist of fixed salary (basic compensation based on each director's position and responsibilities) and variable salary (performance-linked compensation to be paid in accordance with certain performance indicators), while only fixed salary shall be paid to external directors in the light of the nature of their duties.

Monthly basic compensation (cash compensation), both fixed and variable salaries, shall be paid on a certain date each month, and medium- and long-term compensation (stock compensation) shall be paid on a certain date each year based on a resolution of the Board of Directors.

iii. Reason for the Board of Directors' judgment that terms of remuneration, etc. of individual directors for the fiscal term under review comply with the policy

The Company has formulated officers' compensation rules in line with the policy concerning the determination of terms of remuneration, etc. of individual directors based on resolutions of the Board of Directors, and calculated remuneration, etc. of individual directors for the fiscal term under review based on the rules; therefore, the Company judges that the terms of remuneration, etc. comply with the said policy.

2) Total amount of compensation, etc. for the fiscal term under review

Title	Number	Total compensation, etc.	Total amount of compensation, etc. by type		
			monthly basic compensation (cash compensation)		medium- and long-term compensation (stock compensation)
			fixed salary	variable salary	
			basic compensation	performance-linked compensation	non-monetary compensation
Director (external)	10 (2)	¥436 million (¥13 million)	¥271 million (¥13 million)	¥153 million (-)	¥10 million (-)
Audit & Supervisory Board Member (external)	4 (3)	¥27 million (¥19 million)	¥27 million (¥19 million)	-	-
Total (external officer)	14 (5)	¥463 million (¥33 million)	¥299 million (¥33 million)	¥153 million (-)	¥10 million (-)

Notes: 1. Amounts shown are rounded down to the nearest million yen.

2. The amount of cash compensation paid to directors was determined to be up to 600 million yen (of which the amount of annual compensation to external directors is up to 50 million yen), based on a resolution passed at the 81st Ordinary General Meeting of Shareholders held on June 26, 2020 (the said amount does not include the salaries as employee of the directors who also serve as employees.). The number of directors at the time of the conclusion of the said Ordinary General Meeting of Shareholders was 10 (of whom external directors totaled two).

In addition to the aforementioned amount of cash compensation, the maximum amount of stock compensation (remuneration from restricted stocks) to be granted to directors (excluding external directors) was determined to be 30 million yen per year and the maximum number of shares to be granted was determined to be 12,000 shares, based on a resolution passed at the 80th Ordinary General Meeting of Shareholders held on June 27, 2019. The number of directors (excluding external directors) at the time of the conclusion of the said Ordinary General Meeting of Shareholders was seven.

The amount of cash compensation paid to audit & supervisory board members was determined to be up to 60 million yen per year, based on a resolution passed at the 81st Ordinary General Meeting of Shareholders held on June 26, 2020. The number of audit & supervisory board members at the time of the conclusion of the said Ordinary General Meeting of Shareholders was four.

3. The amount of performance-linked compensation of the Company shall be calculated by multiplying basic salary determined based on position and responsibilities of a director (excluding external directors), and levels of remuneration at other companies by a coefficient based on performance indicators of the previous fiscal year. Performance indicators that serve as a base for calculating the coefficient shall be determined in advance to ensure that the compensation serves as a strong incentive to achieve specific management goals for the purpose of sustainable and medium-to-long-term enhancement of our corporate value. For the fiscal term under review, the Company adopted consolidated net sales and consolidated operating profit as performance indicators concerning compensation. Consolidated net sales and consolidated operating profit in the previous fiscal term were 239,314 million yen and 24,449 million yen, respectively.

4. The Company grants restricted stock compensation as non-monetary compensation (stock compensation) to directors (excluding external directors).

The transfer restricted period shall be a period ranging from three years to 30 years from the granting date, predetermined by the Board of Directors of the Company. In the event that the Company is unable to fulfill performance requirements predetermined by the Board of Directors, such as the level of consolidated net sales, the Company shall rightfully acquire all or part of the stocks granted to these individuals at no charge.

vii) Items on external officers

1) Status of concurrent position at other companies, etc. by external officers

Title	Name	Companies, etc. where concurrent position is performed	Details of concurrent position
Director	Nobuko Ishibashi	Kobe City Law Office Takamatsu Construction Group Co., Ltd. Fukuoka Financial Group, Inc.	Representative Lawyer External Auditor of the Board External Director serving as an Audit & Supervisory Committee Member
Director	Mitsuo Suzuki	Tokio Marine & Nichido Fire Insurance Co., Ltd. Japan Automobile Safety Accessory Association	Advisor President
Audit & Supervisory Board Member	Katsumasa Muneyoshi	Kansai Gaidai University F&M CO., LTD. Kanai Holdings Co., Ltd. Kanai Juyo Kogyo Co., Ltd.	Auditor External Director and Audit & Supervisory Committee Member External Audit & Supervisory Board Member External Audit & Supervisory Board Member External Director
Audit & Supervisory Board Member	Takumi Nakao	Yodoyabashi & Yamagami Legal Professional Corporation Kobe University	Advisor Executive Director
Audit & Supervisory Board Member	Ai Kuroda	Japan Association of Arbitrators	Director

Notes: 1 The Company has transaction relationships under an insurance contract with Tokio Marine & Nichido Fire Insurance Co., Ltd., where Mitsuo Suzuki serves as advisor. However, the transaction amount accounted for less than 1% of that company's consolidated net sales in each of the past three fiscal terms, and does not constitute any special conflict of interests. Tokio Marine & Nichido Fire Insurance Co., Ltd. holds stocks of the Company, but its investment ratio is less than 5% and it is not a large shareholder of the Company.

2. There is no trading and other important relationship between the Company and other companies where concurrent positions are performed.

2) Principal activities during the fiscal term under review

- Attendance to meetings of the Board of Directors and Audit & Supervisory Board

Title	Name	Meeting of the Board of Directors		Meeting of the Audit & Supervisory Board	
		Number of attendances	Percentage of attendance	Number of attendances	Percentage of attendance
Director	Nobuko Ishibashi	15/15	100%	–	–
Director	Mitsuo Suzuki	15/15	100%	–	–
Audit & Supervisory Board Member	Katsumasa Muneyoshi	15/15	100%	11/11	100%
Audit & Supervisory Board Member	Takumi Nakao	15/15	100%	11/11	100%
Audit & Supervisory Board Member	Ai Kuroda	15/15	100%	11/11	100%

Note: In addition to the number of meetings of the Board of Directors held above, there was one (1) resolution in writing which deemed that the meeting of the Board of Directors was held, in accordance with the provisions of Article 370 of the Companies Act and Article 35 of the Articles of Incorporation of the Company.

- Statements at meetings of the Board of Directors and Audit & Supervisory Board, and outline of duties concerning expected roles of external directors (Director Nobuko Ishibashi)

She expressed her opinions from a professional point of view as a lawyer on overall corporate legal affairs including the Companies Act, and gave necessary advice from time to time on matters that required consideration with legal knowledge, in particular items such as concluding important contracts and revisions to internal rules. Therefore, she played an appropriate role in securing the lawfulness and appropriateness of decision making at meetings of the Board of Directors.

(Director Mitsuo Suzuki)

He expressed his opinions from a professional point of view based on his involvement in the public administration of the police for many years, and gave necessary advice from time to time on matters that required consideration with legal knowledge and from the viewpoint of organizational administration, such as item regarding reforms to internal systems. Therefore, he played an appropriate role in securing the lawfulness and appropriateness of decision making at meetings of the Board of Directors.

(Audit & Supervisory Board Member Katsumasa Muneyoshi)

He expressed his opinions from a professional point of view through his long experience in tax affairs administration as a Certified Tax Accountant, and gave advice and advanced proposals to secure lawfulness and appropriateness of decision making at the meetings of the Board of Directors. He also made necessary statements mainly from a professional point of view through his long experience in the tax affairs administration from time to time at the meetings of the Audit & Supervisory Board.

(Audit & Supervisory Board Member Takumi Nakao)

He expressed his opinions from a professional point of view through his long experience in prosecutorial administration as an attorney at law, and gave advice and advanced proposals to secure lawfulness and appropriateness of decision making at the meetings of the Board of Directors. He also made necessary statements mainly from a professional point of view through his long experience in the prosecution administration from time to time at the meetings of the Audit & Supervisory Board.

(Audit & Supervisory Board Member Ai Kuroda)

She expressed her opinions from a professional point of view as a lawyer on overall corporate legal affairs including the Companies Act and based on her work experience at the law firm overseas, and gave advice and advanced proposals to secure lawfulness and appropriateness of decision making at the meetings of the Board of Directors. She also made necessary statements from a professional point of view through her experience in overall corporate legal affairs including the Companies Act from time to time at the meetings of the Audit & Supervisory Board.

3) Outline of contracts for limitation of liability

The external director and external audit & supervisory board member of the Company concluded a contract with the Company for limitation of liability for damages described in paragraph (1) of Article 423 of the Companies Act pursuant to the provisions of paragraph (1) of Article 427 of the Act. The maximum liability for damages of the external director and external audit & supervisory board member under the contract is the amount of the minimum liability stipulated in paragraph (1) of Article 425 of the Companies Act as set forth in paragraph 2 of Article 29 of the Articles of Incorporation.

- (3) Independent Auditors
- i) Name: Shinyo Audit Corporation
- ii) Amount of compensation, etc.

Item	Amount of compensation, etc.
Amount of compensation, etc. to be paid to independent auditors for the fiscal term under review	¥40 million
Total amount of money and other property interests to be paid by the Company and its subsidiaries to independent auditors	¥48 million

Notes: 1. In the audit agreement between the Company and independent auditors, the amount of audit compensation, etc. for audit under the Companies Act is not clearly distinguished and cannot be substantially distinguished from the one under the Financial Instruments and Exchange Law. Therefore, the total amount is described as the amount of compensation, etc. for the fiscal term under review.

2. Audit & Supervisory Board verifies and examines the contents of the audit plan for the fiscal term under review, such as the audit hours, the personnel allocation plan, the status of execution of duties by the Independent Auditor and the grounds for calculation of compensation estimates, etc., taking into consideration an analysis and evaluation of audit performance for the previous fiscal term. As a result, the Audit & Supervisory Board approves the compensation paid to the independent auditor and other necessary matters pursuant to paragraph (1) of Article 399 of the Companies Act.
3. Among principal subsidiaries, subsidiaries located in foreign countries have received audits by certified public accountants or an audit firm other than the independent auditors of the Company.

- iii) Policy on how to determine dismissal or nonreappointment of independent auditors

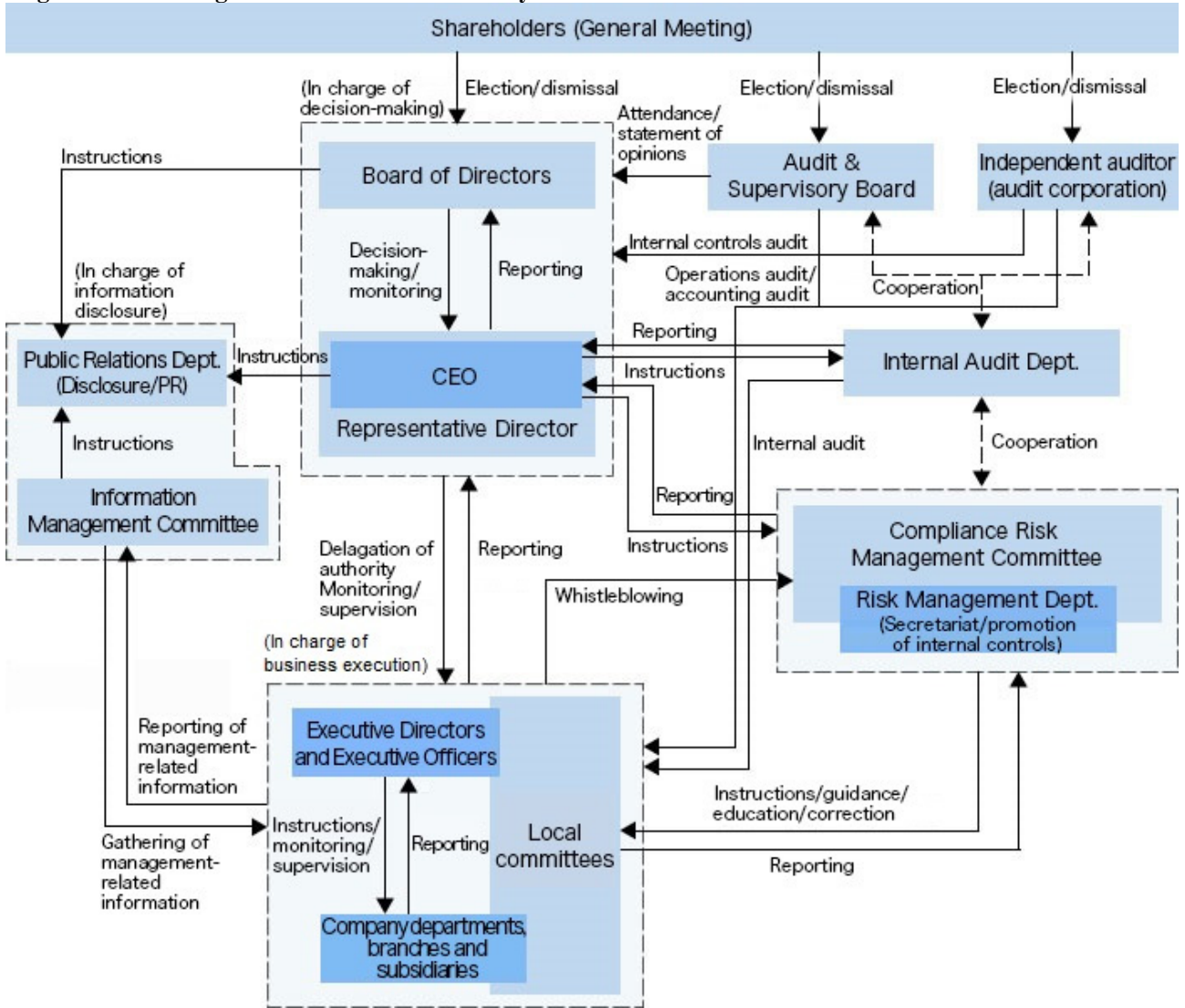
If the independent auditor infringes professional duties, fails to perform duties, or performs inappropriate actions as an independent auditor, and the Audit & Supervisory Board deems that such could cause a substantial impediment as the Company's independent auditor, the Audit & Supervisory Board will, pursuant to the provisions of paragraph (1) of Article 340 of the Companies Act, dismiss the independent auditor by the unanimous consent of all audit & supervisory board members. In this case, the audit & supervisory board member chosen by the Audit & Supervisory Board will declare the dismissal of the independent auditor and the reason for the dismissal at the first general meeting of shareholders convoked after the dismissal. If the independent auditor is deemed to have difficulty in properly executing its duties, or a change of independent auditor is deemed reasonable to further enhance the appropriateness of audits, the Audit & Supervisory Board will determine the contents of the item for electing a new independent auditor, as well as dismissal and nonreappointment of the current independent auditor.

(4) Basic Outlook on Corporate Governance

We strive to enhance and strengthen corporate governance based on a policy that emphasizes efficient management systems, stable and long-term growth founded on swift, appropriate decision-making and execution, and the interests of diverse stakeholders, including shareholders.

To ensure Kamigumi and its Group member companies are managed in accordance with laws and regulations under consolidated management and as part of our good-faith efforts to fulfill our corporate social responsibilities, we have developed an internal control system that addresses various business management risks.

Organizational Diagram for Internal Control System



Consolidated Balance Sheet

(Million yen)

	As of March 31, 2022	(Reference) As of March 31, 2021		As of March 31, 2022	(Reference) As of March 31, 2021
<Assets>			<Liabilities>		
Current assets	111,904	98,214	Current liabilities	46,631	43,479
Cash and deposits	45,897	33,376	Notes payable and trade accounts payable	27,107	26,066
Notes receivable, trade accounts receivable, and contract assets	47,075	46,916	Income taxes payable	5,817	4,958
Electronically recorded monetary claims- operating	748	603	Allowance for employees' bonuses	177	172
Marketable securities	10,500	10,700	Provision for loss on disaster	-	450
Inventories	764	783	Other current liabilities	13,528	11,831
Other current assets	6,975	5,891	Fixed liabilities	20,185	19,651
Allowance for doubtful accounts	(56)	(56)	Deferred tax liabilities	468	346
Fixed assets	322,829	317,324	Allowance for retirement benefits for directors and audit & supervisory board members	66	54
<Tangible fixed assets>	232,086	227,568	Accrued expenses for overhaul of vessels	20	13
Buildings and structures	104,779	105,822	Liabilities for employees' severance and retirement benefits	18,324	18,166
Machinery and equipment	17,455	15,387	Provision for loss on business of subsidiaries and associates	267	-
Land	100,265	99,867	Other fixed liabilities	1,038	1,070
Construction in progress	8,149	4,963	Total liabilities	66,816	63,130
Other fixed assets	1,435	1,527	<Net assets>		
<Intangible fixed assets>	6,649	6,789	Shareholders' equity	355,390	344,087
<Investments and long- term receivable>	84,094	82,966	Capital stock	31,642	31,642
Investment securities	75,101	72,244	Additional paid-in capital	26,854	26,854
Long-term loan receivable	43	158	Retained earnings	321,928	310,401
Deferred tax assets	2,328	3,700	Treasury stock	(25,034)	(24,810)
Other investments	6,937	7,184	Accumulated other comprehensive income	10,750	6,392
Allowance for doubtful accounts	(316)	(321)	Differences in valuation of available-for-sale securities	10,708	7,252
			Foreign currency translation adjustment	336	(27)
			Accumulated adjustment for employees' severance and retirement benefits	(294)	(833)
			Non-controlling interests	1,776	1,929
			Total net assets	367,917	352,408
Total assets	434,734	415,539	Total liabilities and net assets	434,734	415,539

Note: Figures of less than one million yen have been omitted.

Consolidated Statement of Income

(Million yen)

	From April 1, 2021 to March 31, 2022	(Reference) From April 1, 2020 to March 31, 2021
Net sales	261,681	239,314
Cost of sales	213,736	196,088
Gross profit	47,944	43,225
Selling, general and administrative expenses	19,420	18,775
Operating profit:	28,524	24,449
Non-operating revenues:	2,425	1,787
Interests and dividend income	976	794
Equity in gain of affiliates	837	442
Other non-operating revenues	612	550
Non-operating expenses:	74	53
Foreign exchange losses	–	17
Other non-operating expenses	74	35
Recurring profit:	30,875	26,184
Non-recurring income:	1,142	629
Gain on sales of fixed assets	252	49
Gain on sales of investment securities	627	580
Subsidy income	262	–
Non-recurring losses:	1,726	921
Loss on sales and retirement of fixed assets	814	338
Loss on valuation of investment securities	1	100
Loss on valuation of shares of subsidiaries and associates	641	–
Provision for loss on business of subsidiaries and associates	267	–
Loss on disaster	–	482
Profit before income taxes:	30,291	25,892
Corporation, inhabitant, and enterprise taxes	9,792	8,358
Deferred tax expenses	(227)	(420)
Profit	20,726	17,954
Profit (loss) attributable to non-controlling interests	(134)	22
Profit attributable to owners of parent	20,861	17,932

Note: Figures of less than one million yen have been omitted.

Non-Consolidated Balance Sheet

(Million yen)

	As of March 31, 2022	(Reference) As of March 31, 2021		As of March 31, 2022	(Reference) As of March 31, 2021
<Assets>			<Liabilities>		
Current assets	100,540	88,591	Current liabilities	42,416	40,285
Cash and deposits	39,460	27,860	Trade accounts payable	23,267	23,078
Notes receivable	569	451	Other accounts payable	4,713	4,691
Electronically recorded monetary claims-operating	740	596	Accrued expenses	4,463	4,323
Trade accounts receivable and contract assets	42,426	43,065	Income taxes payable	5,502	4,758
Marketable securities	10,500	10,700	Provision for loss on disaster	–	450
Supplies	145	161	Other current liabilities	4,469	2,983
Short-term loan receivable	4,225	4,425	Fixed liabilities	18,258	17,298
Other current assets	2,520	1,380	Allowance for employees' severance and retirement benefits	17,221	16,420
Allowance for doubtful accounts	(48)	(49)	Provision for loss on business of subsidiaries and associates	267	–
Fixed assets	319,563	313,912	Other fixed liabilities	768	877
<Tangible fixed assets>	218,472	216,748	Total liabilities	60,674	57,583
Buildings	90,410	90,730	<Net assets>		
Structures	8,936	9,318	Shareholders' equity	350,205	338,815
Machinery and equipment	14,645	12,486	Capital stock	31,642	31,642
Vehicles	1,171	940	Additional paid-in capital	26,854	26,854
Tools and fixtures	705	888	Capital reserve	26,854	26,854
Land	97,910	97,420	Retained earnings	316,744	305,129
Construction in progress	4,693	4,963	Legal retained earnings	5,978	5,978
<Intangible fixed assets>	6,578	6,688	Other retained earnings	310,766	299,151
Leaseholds	6,172	6,172	Reserve for employees' severance and retirement benefits	800	800
Other intangible fixed assets	406	516	Reserve for cash dividends	1,138	1,138
<Investments and long-term receivable>	94,511	90,475	Reserve for advanced depreciation of fixed assets	2,284	2,200
Investment securities	28,380	25,141	Reserve for special depreciation	–	2
Shares of affiliates	50,391	50,915	General reserve	276,000	268,000
Contribution to affiliates	703	703	Retained earnings carried forward to the following term	30,544	27,010
Long-term loan receivable	7,900	5,048	Treasury stock	(25,034)	(24,810)
Guarantees	3,704	3,871	Valuation / translation differences, etc.	9,222	6,104
Deferred tax assets	1,986	3,236	Differences in valuation of available-for-sale securities	9,222	6,104
Other investments	1,767	1,884	Total net assets	359,428	344,920
Allowance for doubtful accounts	(323)	(326)	Total liabilities and net assets	420,103	402,504
Total assets	420,103	402,504			

Note: Figures of less than one million yen have been omitted.

Non-Consolidated Statement of Income

(Million yen)

	From April 1, 2021 to March 31, 2022	(Reference) From April 1, 2020 to March 31, 2021
Net sales	237,806	217,903
Cost of sales	193,160	177,872
Gross profit	44,646	40,030
Selling, general and administrative expenses	17,326	16,714
Operating profit:	27,320	23,316
Non-operating revenues:	3,116	2,326
Interests and dividend income	2,578	1,773
Other non-operating revenues	538	552
Non-operating expenses:	55	30
Other non-operating expenses	55	30
Recurring profit:	30,380	25,611
Non-recurring income:	943	617
Gain on sales of fixed assets	54	37
Gain on sales of investment securities	627	580
Subsidy income	262	–
Non-recurring losses:	1,190	832
Loss on sales and retirement of fixed assets	279	249
Loss on valuation of investment securities	1	100
Loss on valuation of shares of subsidiaries and associates	641	–
Provision for loss on business of subsidiaries and associates	267	–
Loss on disaster	–	482
Profit before income taxes:	30,134	25,396
Corporation, inhabitant and enterprise taxes	9,318	8,112
Deferred tax expenses	(133)	(482)
Profit:	20,949	17,766

Note: Figures of less than one million yen have been omitted.

Independent Auditors' Report (consolidated)

May 18, 2022

The Board of Directors
Kamigumi Co., Ltd.

The Shinyo Audit Corporation
Kobe, Hyogo
Representative Partner
Engagement Partner Certified Public Accountant Akio Kawamoto
Representative Partner
Engagement Partner Certified Public Accountant Daisuke Matsui

Opinion

Pursuant to Article 444, Paragraph 4 of the Companies Act, we have audited the accompanying consolidated financial statements, which comprise the consolidated balance sheets, the consolidated statements of income, the consolidated statements of changes in net assets, and the notes to the consolidated financial statements of Kamigumi Co., Ltd. (the "Company") for the fiscal year from April 1, 2021, through March 31, 2022.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position and results of operations of Kamigumi Co., Ltd., which consists of the Company and its consolidated subsidiaries, for the period covered by the consolidated financial statements in conformity with accounting principles generally accepted in Japan.

Basis for the Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibility under the auditing standards is stated in "Auditor's Responsibility for the Audit of the Consolidated Financial Statements." We are independent of the Company and its consolidated subsidiaries in accordance with the provisions related to professional ethics in Japan, and are fulfilling other ethical responsibilities as an auditor. We believe that we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

Other Information

The other information comprises business report and the supplemental schedule. Management is responsible for the preparation and disclosure of the other information. In addition, the Audit Committee is responsible for overseeing the Officers and Directors' execution of duties relating to the design and operating effectiveness of the controls over the Group's reporting process of the other information.

Our audit opinion on the consolidated financial statements does not cover the other information, and we do not provide an opinion on the other information.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears

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to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management, Corporate Auditors, and the Board of Corporate Auditors 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 designing and operating such internal control as management determines is necessary to enable the presentation 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 it is appropriate to prepare the consolidated financial statements in accordance with the premise of a going concern, and for disclosing matters relating to going concern when it is required to do so in accordance with accounting principles generally accepted in Japan.

Corporate Auditors and the Board of Corporate Auditors are responsible for monitoring the execution of Directors' duties related to designing and operating the financial reporting process.

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

Our responsibility is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to express an opinion on the consolidated financial statements from an independent standpoint in an audit report, based on our audit.

Misstatements can occur as a result of fraud or error, and are deemed material if they can be reasonably expected to, either individually or collectively, influence the decisions of users taken on the basis of the consolidated financial statements.

We make professional judgment in the audit process in accordance with auditing standards generally accepted in Japan, and perform the following while maintaining professional skepticism.

- Identify and assess the risks of material misstatement, whether due to fraud or error. Design and implement audit procedures to address the risks of material misstatement. The audit procedures shall be selected and applied as determined by the auditor. In addition, sufficient and appropriate audit evidence shall be obtained to provide a basis for the audit opinion.
- In making those risk assessments, the auditor considers internal control relevant to the entity's audit in order to design audit procedures that are appropriate in the circumstances, although the purpose of the audit of the consolidated financial statements is not to express an opinion on the effectiveness of the entity's internal control.
- Assess the appropriateness of accounting policies adopted by management and the method of their application, as well as the reasonableness of accounting estimates made by management and the adequacy of related notes.
- Determine whether it is appropriate for management to prepare the consolidated financial

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statements on the premise of a going concern and, based on the audit evidence obtained, determine whether there is a significant uncertainty in regard to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If there is a significant uncertainty concerning the premise of a going concern, the auditor is required to call attention to the notes to the consolidated financial statements in the audit report, or if the notes to the consolidated financial statements pertaining to the significant uncertainty are inappropriate, issue a modified opinion on the consolidated financial statements. While the conclusions of the auditor are based on the audit evidence obtained up to the date of the audit report, depending on future events or conditions, an entity may be unable to continue as a going concern.

- Besides assessing whether the presentation of and notes to the consolidated financial statements are in accordance with accounting principles generally accepted in Japan, assess the presentation, structure, and content of the consolidated financial statements including related notes, and whether the consolidated financial statements fairly present the transactions and accounting events on which they are based.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the Company and its consolidated subsidiaries in order to express an opinion on the consolidated financial statements. The auditor is responsible for instructing, supervising, and implementing the audit of the consolidated financial statements, and is solely responsible for the audit opinion.

The auditor reports to Corporate Auditors and the Board of Corporate Auditors regarding the scope and timing of implementation of the planned audit, material audit findings including material weaknesses in internal control identified in the course of the audit, and other matters required under the auditing standards.

The auditor reports to Corporate Auditors and the Board of Corporate Auditors regarding the observance of provisions related to professional ethics in Japan as well as matters that are reasonably considered to have an impact on the auditor's independence and any safeguards that are in place to reduce or eliminate obstacles.

Interest

Our firm and engagement partners have no interests in the Company or its consolidated subsidiaries requiring disclosure under the provisions of the Certified Public Accountants Act of Japan.

Notes to the Readers of Independent Auditor's Report

This is an English translation of the independent auditor's report as required by the Companies Act of Japan for the conveniences of the reader.

(TRANSLATION)

Independent Auditors' Report (non-consolidated)

May 18, 2022

The Board of Directors
Kamigumi Co., Ltd.

The Shinyo Audit Corporation
Kobe, Hyogo
Representative Partner
Engagement Partner Certified Public Accountant Akio Kawamoto
Representative Partner
Engagement Partner Certified Public Accountant Daisuke Matsui

Opinion

Pursuant to Article 436, Paragraph 2, Item 1 of the Companies Act, we have audited the accompanying financial statements, which comprise the balance sheets, the statements of income, the statements of changes in net assets, and the related notes, and the accompanying supplementary schedules of Kamigumi Co., Ltd. (the "Company") for the 83rd fiscal year from April 1, 2021 through March 31, 2022.

In our opinion, the financial statements and the accompanying supplementary schedules referred to above present fairly, in all material respects, the financial position of the Company as of March 31, 2022, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in Japan.

Basis for the Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibility under the auditing standards is stated in "Auditor's Responsibility for the Audit of the Financial Statements and the Accompanying Supplementary Schedules." We are independent of the Company in accordance with the provisions related to professional ethics in Japan, and are fulfilling other ethical responsibilities as an auditor.

We believe that we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

Other Information

The other information comprises business report and the supplemental schedule. Management is responsible for the preparation and disclosure of the other information. In addition, the Audit Committee is responsible for overseeing the Officers and Directors' execution of duties relating to the design and operating effectiveness of the controls over the Group's reporting process of the other information.

Our audit opinion on the nonconsolidated financial statements does not cover the other information, and we do not provide an opinion on the other information.

In connection with our audit of the nonconsolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the nonconsolidated financial statements or our knowledge obtained in the audit or

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otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management, Corporate Auditors and the Board of Corporate Auditors for the Financial Statements and the Accompanying Supplementary Schedules

Management is responsible for the preparation and fair presentation of the financial statements and the accompanying supplementary schedules in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the financial statements and the accompanying supplementary schedules that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the accompanying supplementary schedules, management is responsible for assessing whether it is appropriate to prepare the financial statements and the accompanying supplementary schedules in accordance with the premise of a going concern, and for disclosing matters relating to going concern when it is required to do so in accordance with accounting principles generally accepted in Japan.

Corporate Auditors and the Board of Corporate Auditors are responsible for monitoring the execution of Directors' duties related to designing and operating the financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements and the Accompanying Supplementary Schedules

Our responsibility is to obtain reasonable assurance about whether the financial statements and the accompanying supplementary schedules as a whole are free from material misstatement, whether due to fraud or error, and to express an opinion on the financial statements and the accompanying supplementary schedules from an independent standpoint in an audit report, based on our audit. Misstatements can occur as a result of fraud or error, and are deemed material if they can be reasonably expected to, either individually or collectively, influence the decisions of users taken on the basis of the financial statements and the accompanying supplementary schedules.

We make professional judgment in the audit process in accordance with auditing standards generally accepted in Japan, and perform the following while maintaining professional skepticism.

- Identify and assess the risks of material misstatement, whether due to fraud or error. Design and implement audit procedures to address the risks of material misstatement. The audit procedures shall be selected and applied as determined by the auditor. In addition, sufficient and appropriate audit evidence shall be obtained to provide a basis for the audit opinion.
- In making those risk assessments, the auditor considers internal control relevant to the entity's audit in order to design audit procedures that are appropriate in the circumstances, although the purpose of the audit of the financial statements and the accompanying supplementary schedules is not to express an opinion on the effectiveness of the entity's internal control.
- Assess the appropriateness of accounting policies adopted by management and the method of their

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application, as well as the reasonableness of accounting estimates made by management and the adequacy of related notes.

- Determine whether it is appropriate for management to prepare the financial statements and the accompanying supplementary schedules on the premise of a going concern and, based on the audit evidence obtained, determine whether there is a significant uncertainty in regard to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If there is a significant uncertainty concerning the premise of a going concern, the auditor is required to call attention to the notes to the financial statements and the accompanying supplementary schedules in the audit report, or if the notes to the financial statements and the accompanying supplementary schedules pertaining to the significant uncertainty are inappropriate, issue a modified opinion on the financial statements and the accompanying supplementary schedules. While the conclusions of the auditor are based on the audit evidence obtained up to the date of the audit report, depending on future events or conditions, an entity may be unable to continue as a going concern.
- Besides assessing whether the presentation of and notes to the financial statements and the accompanying supplementary schedules are in accordance with accounting principles generally accepted in Japan, assess the presentation, structure, and content of the financial statements and the accompanying supplementary schedules including related notes, and whether the financial statements and the accompanying supplementary schedules fairly present the transactions and accounting events on which they are based.

The auditor reports to Corporate Auditors and the Board of Corporate Auditors regarding the scope and timing of implementation of the planned audit, material audit findings including material weaknesses in internal control identified in the course of the audit, and other matters required under the auditing standards.

The auditor reports to Corporate Auditors and the Board of Corporate Auditors regarding the observance of provisions related to professional ethics in Japan as well as matters that are reasonably considered to have an impact on the auditor's independence and any safeguards that are in place to reduce or eliminate obstacles.

Interest

Our firm and engagement partners have no interests in the Company requiring disclosure under the provisions of the Certified Public Accountants Act of Japan.

Notes to the Readers of Independent Auditor's Report

This is an English translation of the independent auditor's report as required by the Companies Act of Japan for the conveniences of the reader.

REPORT OF THE AUDIT & SUPERVISORY BOARD

The Audit & Supervisory Board prepares this audit report with respect to the performance of duties by directors for the 83rd fiscal term from April 1, 2021 to March 31, 2022 based on the audit reports drawn up by individual audit & supervisory board members after review and states as follows.

1. Outline of Auditing Procedures Used by Audit & Supervisory Board Members and the Audit & Supervisory Board
 - (1) The Audit & Supervisory Board decided auditing policy and division of duties, received reports from individual audit & supervisory board members with respect to implementation and conclusion of audit, and received reports from directors and independent auditors with respect to performance of their duties and requested them to give an explanation as occasion arose.
 - (2) Based on the standards for audit & supervisory board members' audit stipulated by the Audit & Supervisory Board and according to the auditing policy and division of duties decided by the Audit & Supervisory Board, individual audit & supervisory board members communicated with directors, internal audit divisions, other employees, etc. to make efforts to collect information and improve audit environment, and perform the audit in accordance with the following procedures.
 - 1) Individual audit & supervisory board members attended important meetings such as meetings of the Board of Directors, received reports from directors and employees with respect to their performance of duties and requested them to give an explanation as occasion arose, inspected important documents, etc. for final decision, and investigated the situation of operations and assets at the headquarters and principal business establishments. For subsidiaries, individual audit & supervisory board members communicated and exchanged information with directors, audit & supervisory board members, etc. of the subsidiaries and received business reports from subsidiaries as occasion arose.
 - 2) Individual audit & supervisory board members expressed opinions, with receiving regular reports from Directors and employees on construction and operation of the system (internal control system) and asked them for explanations as needed, based on the implementation standards for audit & supervisory board members' audit stipulated by the Audit & Supervisory Board, about the content of the resolution adopted at the Board of Directors with respect to the arrangement of structure to make directors' implementation of duties conform to laws and ordinances and Articles of Incorporation as well as the framework required for ensuring fair operation as a stock company and the corporate group consisting of the Company and subsidiaries as stipulated in paragraph (1) and paragraph (3) of Article 100 of the Companies Act Enforcement Regulations and the status of the framework (internal control system) arranged in accordance with the resolution which are described in the business report. For subsidiaries, individual audit & supervisory board members also expressed opinions, with receiving regular reports from Directors and employees of the subsidiaries and asked them for explanations likewise.
 - 3) Furthermore, individual audit & supervisory board members did monitoring and verified whether independent auditors maintained independence and carried out a proper audit, received reports from independent auditors on implementation of their duties, and requested them to give an explanation as occasion arose. The individual audit & supervisory board members also received a notice from the independent auditors to the effect that they prepared "a framework to ensure proper performance of duties" (matters listed in individual items of Article 131 of the Regulation on Corporate Accounting) in accordance with "Quality Control Standards for Audit" (prepared by the Business Accounting Council on October 28, 2005) and requested them to give an explanation as occasions arose. With regard to the main considerations of the audit, discussions were held with Shinyo Audit Corporation, reports were received on the implementation status of the audit, and explanations were requested as necessary.

The business report and supplementary statement thereto, the non-consolidated financial statements (non-consolidated balance sheet, non-consolidated statement of income, non-consolidated statements of changes in net assets, and notes to non-consolidated financial statements), and supplementary statement thereto and consolidated financial statements (consolidated balance sheet, consolidated statement of income, consolidated statements of changes in net assets, and consolidated notes), for the 83rd fiscal term were examined based on the abovementioned methods.

2. Conclusion of the Audit

- (1) Conclusion of audit of business reports, etc.
 - 1) We affirm that the business reports and supplementary statement thereto show the correct status of the Company in accordance with laws and ordinances and Articles of Incorporation.
 - 2) We acknowledge no unlawfulness in the implementation of duties by the directors or important fact which violates any law or ordinance or Articles of Incorporation.
 - 3) We affirm that the content of the resolution adopted at the Board of Directors on the internal control system is appropriate. We acknowledge nothing to be pointed out with respect to matters stated in the Business Report and performance of duties by the directors for the internal control system.
- (2) Conclusion of audit of non-consolidated financial statements and supplementary statement thereto
We affirm that the audit method used and conclusion reached by the independent auditor, Shinyo Audit Corporation, are appropriate.
- (3) Conclusion of audit of consolidated financial statements
We affirm that the audit methods used and conclusions reached by the independent auditor, Shinyo Audit Corporation, are appropriate.

May 19, 2022

The Audit & Supervisory Board
Kamigumi Co., Ltd.

Yasuo Kobayashi
(Seal)
Standing Audit &
Supervisory Board
Member (Full-
time)

Katsumasa
Muneyoshi (Seal)
External Audit &
Supervisory Board
Member

Takumi Nakao
(Seal)
External Audit &
Supervisory Board
Member

Ai Kuroda (Seal)
External Audit &
Supervisory Board
Member