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Securities Code: 8131
June 1, 2022

To our shareholders

Kohei Tajima
Representative Director, President and Chief
Executive Officer
Mitsuuroko Group Holdings Co., Ltd.
3-1-1 Kyobashi, Chuo-ku, Tokyo

Notice of the 113th Ordinary General Meeting of Shareholders

We are pleased to announce the 113th Ordinary General Meeting of Shareholders of Mitsuuroko Group Holdings Co., Ltd. (the “Company”) to be held as described below.

Spreads of the novel coronavirus (COVID-19) infection have not yet converged nowadays. In response to this situation, we have given our careful consideration and have decided to hold this General Meeting of Shareholders after implementing the appropriate infection control measures.

From the standpoint of preventing the spread of COVID-19, we urge our shareholders to exercise voting rights beforehand in writing or via the Internet and refrain from attending this General Meeting of Shareholders if you are not feeling well.

We apologize for the inconvenience, but please read the attached Reference Documents for the General Meeting of Shareholders and exercise your voting rights **by 6:00 p.m. (JST) on Thursday, June 16, 2022.**

[When exercising voting rights in writing]

Please indicate your approval or disapproval of the proposals on the enclosed Exercise Voting Rights Form and return it so that it arrives no later than the above deadline.

[When exercising voting rights via the Internet]

Please access the Company’s designated website for exercising voting rights (<https://soukai.mizuho-tb.co.jp/>), enter your “voting rights exercise code” and “password” displayed on the enclosed Exercise Voting Rights Form, then indicate your approval or disapproval of the proposals by following the instructions on the screen.

When exercising voting rights via the Internet, please refer to “Information on Exercising Voting Rights via the Internet” on page 6.

- 1. Date** Friday, June 17, 2022, at 10:00 a.m. (JST)
(Reception commences at 9:30 a.m. (JST))
- 2. Place** Tokyo Convention Hall, 5F, Tokyo Square Garden 3-1-1 Kyobashi, Chuo-ku, Tokyo

This year, the number of seats available will be greatly reduced compared to previous years, as we will increase the seating space in the venue to prevent the spread of COVID-19. Therefore, you may be refused admission even if you arrive at the venue. We kindly ask for your understanding in advance.

3. Objectives of the Meeting

- Reports**
1. Business Report, Consolidated Financial Statements and Report of the Audit of the Consolidated Financial Statements by the Financial Auditor and Audit and Supervisory Committee for the 113th Fiscal Year (from April 1, 2021 to March 31, 2022)
 2. Non-consolidated Financial Statements for the 113th Fiscal Year (from April 1, 2021 to March 31, 2022)

Agenda

- Proposal No. 1** Amendment to the Articles of Incorporation
- Proposal No. 2** Election of Nine Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)
- Proposal No. 3** Election of One Director Who Is a Substitute Audit and Supervisory Committee Member

<Requests to our shareholders>

- The above measures may be updated depending on the state of the spread of COVID-19 and the contents of the announcements made by the government, etc. prior to the day of the General Meeting of Shareholders. On the Internet, please also check the information released on the Company website (<https://www.mitsuuroko.com/>).
 - When exercising voting rights using the Exercise Voting Rights Form, there is a risk of spreading COVID-19 due to the process of returning the form and the data aggregation work. Therefore, when exercising voting rights in advance, please do so via the Internet, if at all possible.
 - We will provide an alcohol-based sanitizer for shareholders near the reception desk at the venue. (Please bring and wear a mask if you are coming to the venue.)
 - Those who are found to have a fever after getting their temperature measured near the entrance of the venue or those who are deemed to be in poor physical condition may be refused entry and asked to return home.
 - The management staff of the General Meeting of Shareholders will wear a mask after checking their physical condition, including temperature measurement, when interacting with shareholders.
 - In order to shorten the duration of the meeting to prevent the spread of COVID-19, we will omit detailed explanations of the reports (including the Audit Report) and proposals at the meeting venue. We ask for you to read this Notice of Meeting in advance.
- ◎ When attending the meeting in person, please present the enclosed Exercise Voting Rights Form at the reception desk of the venue.
- ◎ If any revisions are made to the Reference Documents for the General Meeting of Shareholders, the Business Report, the Non-consolidated Financial Statements and the Consolidated Financial Statements, they will be published online on the Company website (<https://www.mitsuuroko.com/>).
- ◎ Of the documents that ought to be provided when this Notice of Meeting is made, the Notes to Consolidated Financial Statements and the Notes to Non-consolidated Financial Statements are posted online on the Company website (<https://www.mitsuuroko.com/>), pursuant to the provisions of applicable laws and regulations as well as the Articles of Incorporation, and are therefore not included in the documents provided alongside this Notice of Meeting. For this reason, the said documents include parts of the Consolidated Financial Statements and the Non-consolidated Financial Statements that were audited by the Audit and Supervisory Committee when preparing the Audit Report and by the Financial Auditor when preparing the Accounting Audit Report.

Viewing Notices of Meetings and Exercising Voting Rights Can Be Done Smarter and Easier!

You can see the main contents on your smartphone or personal computer.

At the Company, we have introduced a service that allows you to view the main contents in notices of meetings and to exercise your voting rights more easily on your smartphone and other devices.

Please access the service by using the URL or QR code below.

* The “QR Code” is a registered trademark of DENSO WAVE INCORPORATED.

<https://p.sokai.jp/8131/>



You Can Exercise Your Voting Rights Easily!

Just scan the QR code on the Exercise Voting Rights Form with your smartphone or other devices

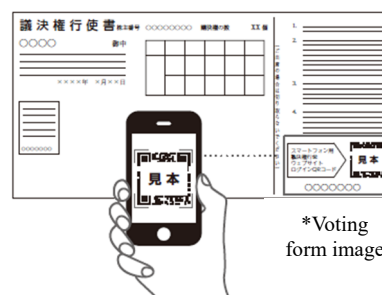
The Company has introduced a service that allows you to exercise your voting rights on your smartphone and other devices.

By scanning the QR code on the Exercise Voting Rights Form with your smartphone or other devices, you can log in to the dedicated website to exercise your voting rights, without having to enter your voting rights exercise code and password.

* For contact:

Stock Transfer Agency Department, Mizuho Trust & Banking Co., Ltd.

Toll-free number (within Japan): 0120-768-524



Information on Exercising Voting Rights

The right to vote at the General Meeting of Shareholders is a principal right of shareholders. Please exercise your voting rights after reading the attached Reference Documents for the General Meeting of Shareholders.

You may exercise your voting rights by one of the following three methods.

[When attending the General Meeting of Shareholders]

Please present the enclosed Exercise Voting Rights Form at the reception desk of the venue.

Date: Friday, June 17, 2022, at 10:00 a.m. (JST) (Reception commences at 9:30 a.m. (JST))

[When exercising voting rights in writing (by mail)]

Please indicate your approval or disapproval to each of the proposals on the enclosed Exercise Voting Rights Form and return it to us.

Voting deadline: Your vote must arrive no later than 6:00 p.m. (JST) on Thursday, June 16, 2022

[When exercising voting rights via the Internet]

Please follow the information on the next page and enter your approval or disapproval to each of the proposals.

Voting deadline: You have to enter your approval or disapproval of the proposals by 6:00 p.m. (JST) on Thursday, June 16, 2022

Institutional investors who made prior application for using the Electronic Voting System Platform, which is operated by ICJ, Inc. for institutional investors, may exercise their voting rights on the platform.

Information on How to Complete the Exercise Voting Rights Form

Please indicate whether you approve or disapprove of each proposal.

*Voting form image

[Proposal No. 2]

- To mark your approval for all candidates → Circle “Approve.”
- To mark your disapproval for all candidates → Circle “Disapprove.”
- To mark your disapproval for certain candidates → Circle “Approve” and write the number of the candidate(s) you wish to disapprove.

[Proposal No. 1, No. 3]

- To mark your approval → Circle “Approve.”
- To mark your disapproval → Circle “Disapprove.”

If you have exercised your voting rights both in writing (by mail) and via the Internet, the vote made via the Internet shall be deemed effective. Also, if you have exercised your voting rights multiple times via the Internet, the last vote shall be deemed effective.

Information on Exercising Voting Rights via the Internet

- Scanning login QR code “smart vote”

You can login to the website for exercising voting rights without entering your voting rights exercise code and password.

1. Please scan the QR code printed on the lower right-hand side of the Exercise Voting Rights Form.



* The “QR Code” is a registered trademark of DENSO WAVE INCORPORATED.

2. Indicate your approval or disapproval by following the instructions on the screen.



Note that your voting rights can be exercised only once by using the “Smart Vote” method.

If you need to make a correction to the content of your vote after you have exercised your voting rights, please access the website for personal computer and log in by entering your voting rights exercise code and password printed on the Exercise Voting Rights Form, and exercise your voting rights again.

* You can access the website for personal computer by scanning the QR code again.

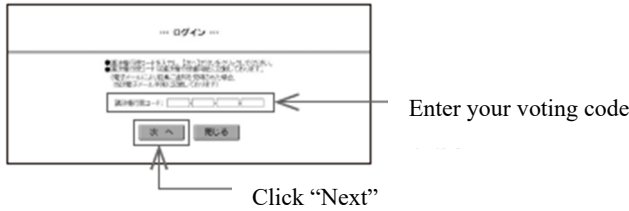
- Entering voting rights exercise code and password

Website for exercising voting rights <https://soukai.mizuho-tb.co.jp/>

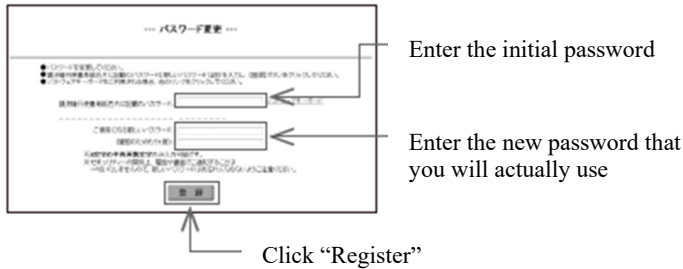
1. Please access the website for exercising voting rights.



2. Enter the voting rights exercise code printed on the Exercise Voting Rights Form.



3. Enter the password printed on the Exercise Voting Rights Form.



4. Indicate your approval or disapproval by following the instructions on the screen.

*The operation screens shown here are for reference purposes only.

In case you need instructions for how to operate your personal computer, smartphone or mobile phone in order to exercise your voting rights via the Internet, please contact:
 Stock Transfer Agency Department, Mizuho Trust & Banking Co., Ltd. Internet Helpline
 0120-768-524 (Service hours: 9:00 a.m. to 9:00 p.m. not including year-end and new-year holidays)

Reference Documents for the General Meeting of Shareholders

Proposal No. 1 Amendment to the Articles of Incorporation

1. Reasons for the proposal

- (1) Introduction of General Meetings of Shareholders with no fixed venue (Article 11, paragraph 2 of the proposed amendment)

The Diet has enacted the “Act for Partial Amendment of the Act on Strengthening Industrial Competitiveness, etc.” (Act No. 70 of 2021), which makes it possible for listed companies to hold General Meetings of Shareholders (so-called “Virtual-Only Shareholders Meetings”) with no fixed venue, under certain conditions, through stipulation in their Articles of Incorporation. In order to revitalize, streamline and facilitate General Meeting of Shareholders, and to reduce the risk of large-scale disasters, such as pandemics and natural disasters, by making it easier for many shareholders, such as those in remote areas, to attend said meetings, the Company shall add Article 11, paragraph 2 to its Articles of Incorporation, so that said meetings can be held without a fixed venue.

Further, in addition to the resolutions at this General Meeting of Shareholders, the amendment to the Articles of Incorporation through the addition of Article 11, paragraph 2 shall come into effect after the confirmation by the Minister of Economy, Trade and Industry and the Minister of Justice that indicates that the Virtual-Only Shareholders Meetings held by the Company satisfy the requirements specified by the Ordinance of the Ministry of Economy, Trade and Industry and the Ordinance of the Ministry of Justice, due to their contribution to strengthening industrial competitiveness while giving consideration to securing the interests of shareholders.

- (2) Introduction of electronic system of providing materials for General Meetings of Shareholders (Article 13 of the proposed amendment)

With the enforcement of the revised provisions stipulated in the proviso of Article 1 of the Supplementary Provisions in the “Act Partially Amending the Companies Act” (Act No. 70 of 2019) on September 1, 2022, the Company’s Articles of Incorporation shall be amended as follows as an electronic system for providing materials for General Meetings of Shareholders shall be introduced.

- (i) Since it is obligatory to stipulate in the Articles of Incorporation that the information contained in the Reference Documents for the General Meeting of Shareholders, etc. shall be provided through electronic means, Article 13 (Electronic means of provision, etc.), paragraph 1 shall be established in the Articles of Incorporation for the proposed amendment.
- (ii) In order to allow the scope of matters, for which electronic means shall be taken to provide the information contained in the Reference Documents for the General Meeting of Shareholders, etc., stated in the documents to be issued to shareholders who request the issuance of said documents to be limited to the scope specified by the Ordinance of the Ministry of Justice, Article 13 (Electronic means of provision, etc.), paragraph 2 shall be established in the Articles of Incorporation for the proposed amendment.
- (iii) When the electronic system of providing materials for General Meetings of Shareholders is introduced, the provisions of Article 13 (Disclosure of Reference Documents for the General Meeting of Shareholders, etc. via the Internet, and the deemed provision of information) of the current Articles of Incorporation are no longer necessary, and shall therefore be deleted.
- (iv) Article 2 of the Supplementary Provisions regarding the effect of the above provisions to be established and deleted shall be set forth. Note that these Supplementary Provisions shall be deleted after the appointed date.

2. Amendments

The amendments are as follows:

(The underline indicates parts subject to change.)

Current Articles of Incorporation	Proposed amendment
<p>Article 11. (Convocation)</p> <p>The Company’s Ordinary General Meeting of Shareholders shall be convened in June of each year, and the Extraordinary General Meeting of Shareholders shall be convened as needed.</p> <p style="text-align: center;">(Establish)</p> <p>Article 13. <u>(Disclosure of Reference Documents for the General Meeting of Shareholders, etc. via the Internet, and the deemed provision of information)</u></p> <p><u>When convening a General Meeting of Shareholders, the Company may be deemed to have provided shareholders with information related to matters that should be stated or displayed in the Reference Documents for the General Meeting of Shareholders, the Business Report, the Non-consolidated Financial Statements and the Consolidated Financial Statements by disclosing the said information via the Internet, in accordance with the provisions of the Ordinance of the Ministry of Justice.</u></p> <p style="text-align: center;">(Establish)</p> <p style="text-align: center;">Supplementary Provisions</p>	<p>1. (Keep as is)</p> <p>2. <u>The Company’s General Meeting of Shareholders may be held with no fixed venue.</u></p> <p style="text-align: center;">(Delete)</p> <p>Article 13. <u>(Electronic means of provision, etc.)</u></p> <p>1. <u>When convening a General Meeting of Shareholders, the Company shall take electronic means to provide the information contained in the Reference Documents for the General Meeting of Shareholders, etc.</u></p> <p>2. <u>In the documents to be issued to the shareholders who request the issuance of said documents by the record date of their voting rights, the Company may not describe all or part of the matters to be provided through electronic means as specified by the Ordinance of the Ministry of Justice.</u></p> <p style="text-align: center;">Supplementary Provisions</p>
<p>Article 1. (Transitional measures pertaining to exemption of Audit & Supervisory Board Members from Liability)</p> <p>The Company may, by resolution of the Board of Directors, exempt an Audit & Supervisory Board Member (including a person who was formerly an Audit & Supervisory Board Member) from his/her liability for damages related to actions before the conclusion of the 106th Ordinary General Meeting of Shareholders as prescribed in Article 426, paragraph (1) of the Companies Act to the extent permitted by laws and regulations.</p> <p style="text-align: center;">(Establish)</p>	<p style="text-align: center;">(Keep as is)</p> <p>Article 2. <u>(Transitional measures pertaining to electronic means of provision, etc.)</u></p> <p>1. <u>The amendment to Article 13 of the Articles of Incorporation shall come into effect on September 1, 2022 (the “Enforcement Date”), which is the date of enforcement of the revised provisions stipulated in the proviso of Article 1 in the Supplementary Provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019).</u></p>

Current Articles of Incorporation	Proposed amendment
	<p data-bbox="818 215 1417 432">2. <u>Notwithstanding the provisions of the preceding paragraph, Article 13 (Disclosure of Reference Documents for the General Meeting of Shareholders, etc. via the Internet, and the deemed provision of information) of the current Articles of Incorporation shall remain in effect for the General Meeting of Shareholders that is to be held within six (6) months following the Enforcement Date.</u></p> <p data-bbox="818 443 1417 548">3. <u>These Supplementary Provisions shall be deleted six (6) months after the Enforcement Date or three (3) months after the date of the General Meeting of Shareholders set forth in the preceding paragraph, whichever comes later.</u></p>

Proposal No. 2 Election of Nine Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

The terms of office of all nine Directors (excluding Directors who are Audit and Supervisory Committee Members; applicable to the rest of this proposal) will expire at the conclusion of this meeting. Therefore, the Company proposes the election of nine Directors.

With regard to this proposal, the Audit and Supervisory Committee has determined that all the candidates for the new Directors are appropriate.

The candidates for Director are as follows:

Candidate No.	Name	Current position and responsibility in the Company	Number of attendance at meetings of the Board of Directors	Attribute
	Kohei Tajima	Representative Director and President Chief Executive Officer General management	100% (13/13)	Reelection
	Atsushi Futami	Director Power & Electricity Business	100% (13/13)	Reelection
	Kazuhiro Kojima	Director Group Chief Financial Officer Finance & Control, Legal & Secretary Others (operational and system support)	100% (13/13)	Reelection
	Manabu Sakanishi	Director Energy Solutions Business	100% (13/13)	Reelection
	Jun Kawakami	Director Mobility Business, Others (leasing)	100% (13/13)	Reelection
	Motoyasu Omori	Director Foods Business	100% (13/13)	Reelection
	Goh Wee Meng	Director Group Chief Technology Officer, Group Chief Information Officer, and Group Global Chief Inclusion & Diversity Officer Global Planning, ICT Planning (planning, maintenance and promotion of information infrastructure), and Inclusion & Diversity	100% (13/13)	Reelection Foreigner
	Katsuhisa Yanagisawa	Director (External)	100% (13/13)	Reelection External
	Kaori Matsui	Director (External)	100% (13/13)	Reelection External Independent Female

Reelection: Director candidate for reelection

External: External Director candidate

Independent: Person designated as an Independent Officer with the stock exchange

Foreigner: Foreign Director candidate

Female: Female Director candidate

Candidate No.	Name	Areas that the Company is particularly anticipating with the candidates							
		Corporate management/management strategy	Finance/accounting/capital policy	Human resources/personnel development	Legal risk management	Auditing	Internal controls/governance	Overseas	Society/environment
1	Kohei Tajima	●	●	●	●		●	●	●
2	Atsushi Futami	●			●		●		●
3	Kazuhiro Kojima	●	●		●	●	●	●	●
4	Manabu Sakanishi	●		●	●		●		●
5	Jun Kawakami	●					●		●
6	Motoyasu Omori	●					●		●
7	Goh Wee Meng	●		●			●	●	●
8	Katsuhisa Yanagisawa	●	●			●	●		●
9	Kaori Matsui	●	●			●	●		●

(Note) The above table does not display all of the candidates' expertise.

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
1	Kohei Tajima (November 8, 1971)	<p>Apr. 1995 Joined MITSUI & CO., LTD.</p> <p>June 2002 Director of the Company</p> <p>June 2002 External Director of SANRIN Co., Ltd. (current position)</p> <p>June 2002 Chairman and Director of Niigata Sanrin Co., Ltd. (current position)</p> <p>June 2003 Managing Director of the Company</p> <p>July 2003 Director of Sanrin Co.,Ltd.</p> <p>Apr. 2005 Representative Director and Vice President of the Company</p> <p>June 2007 Representative Director and President</p> <p>Apr. 2011 Representative Director and President, and Chief of Lifestyle Institute</p> <p>Oct. 2011 Representative Director and President of MITSUUROKO Co., Ltd. (current position)</p> <p>Apr. 2013 Representative Director, President and Chief Executive Officer, and Chief of Lifestyle Institute Director of Mitsuuroko Green Energy Co., Ltd. (current position)</p> <p>July 2013 Representative Director, President and Chief Executive Officer of the Company (current position)</p> <p>Dec. 2014 Chairman of the Board of Directors of Carl's Jr. Japan Inc. (current position)</p> <p>Apr. 2015 Representative Director and President of Mitsuuroko Corporation Co., Ltd.</p> <p>Apr. 2016 Director of Mitsuuroko Energy Force Co., Ltd.</p> <p>Oct. 2017 Chairman of the Board of Directors of Mitsuuroko Vessel Co., Ltd. Chairman of the Board of Directors of Mitsuuroko Voyagers Co., Ltd.</p> <p>June 2018 External Director of Television Kanagawa Inc. (current position)</p> <p>May 2019 Representative Director and President of Mitsuuroko Voyagers Co., Ltd. (currently Mitsuuroko Foods Co., Ltd.) (current position)</p> <p>June 2020 Director of Triforce Corporation (current position)</p> <p>Oct. 2020 Director of TRIFORCE INVESTMENTS PTE. LTD. (current position)</p> <p>Responsibilities: Chief Executive Officer, general management</p>	56,900
<p>[Reasons for nomination as candidate for Director]</p> <p>As the Representative Director and President of the Company, Kohei Tajima has a proven track record of directing group management with strong leadership since 2007, and has accomplished many achievements such as creating new businesses that correspond to our changing society. In addition, Mr. Tajima has a wealth of experience and performance capabilities with regards to the Group's businesses and corporate management, and is also equipped with a global perspective and a wide range of insights. We propose him as a candidate for Director as we deem him to be qualified to respond to changes in our society and customer needs, to constantly produce future-ready business strategies and group strategies that aim to improve corporate values, and to further strengthen corporate governance, while the external environment and the industry as a whole undergo dramatic changes.</p>			

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
2	Atsushi Futami (July 2, 1958)	<p>Apr. 1981 Joined the Company</p> <p>Apr. 2003 Manager of the Keiyo Branch</p> <p>Apr. 2005 Senior Manager of the LPG Promotion Department</p> <p>June 2005 Director and Senior Manager of the LPG Promotion Department</p> <p>Apr. 2006 Director and Manager of the LPG and Logistics Planning Group</p> <p>Apr. 2008 Managing Director and Senior Executive Manager of the Energy Lifeline Division</p> <p>Apr. 2010 Director, Managing Executive Officer, and in charge of the Energy Solutions Department</p> <p>Apr. 2011 Director, Managing Executive Officer, in charge of the New Industry Department, and Senior Executive Manager of the New Industry Division</p> <p>July 2011 Director, Managing Executive Officer, and in charge of the Power & Electricity Department Representative Director and President of M&D Green Energy Co., Ltd. (currently Mitsuroko Green Energy Co., Ltd.)</p> <p>Oct. 2011 Director of the Company (current position) Representative Director and President of Mitsuroko Green Energy Co., Ltd. (current position) Responsibility: Power & Electricity Business</p>	7,400
<p>[Reasons for nomination as candidate for Director]</p> <p>Atsushi Futami has been a Director of the Company since 2005, the Managing Director of the same company since 2008, and the Representative Director and President of Mitsuroko Green Energy Co., Ltd., a major consolidated subsidiary of the Group, since 2011. We propose Mr. Futami as a candidate for Director as we can expect him to make great contributions in further developing and expanding the businesses of the Group, with his impeccable career and achievements as a Director, along with his advanced capabilities and wide ranging insights.</p>			

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
3	Kazuhiro Kojima (December 5, 1961)	<p>Apr. 1984 Joined The Fuji Bank, Limited (currently Mizuho Bank, Ltd.)</p> <p>Dec. 2004 Associate Director-General of the Accounting Department of Mizuho Corporate Bank, Ltd. (currently Mizuho Bank, Ltd.)</p> <p>Aug. 2005 Deputy General Manager of the Accounting Department</p> <p>July 2007 Associate Director-General of the Compliance Department</p> <p>Apr. 2008 Submanager of Sales Department 1</p> <p>Oct. 2009 Seconded to the Company</p> <p>Apr. 2010 Executive Officer and Senior Manager of the Accounting Department</p> <p>May 2010 Director of Mitsuroko Finance Co., Ltd. (currently MITSUUROKO LEASE Co., Ltd.) (current position)</p> <p>Oct. 2011 Senior Manager of the Finance and Accounting Department of the Company; Executive Officer and Senior Manager of the Accounting Department of MITSUUROKO Co., Ltd.</p> <p>Feb. 2012 Joined the Company Senior Manager of the Finance and Accounting Department of the Company; Executive Officer and Senior Manager of the Finance and Accounting Department of MITSUUROKO Co., Ltd.</p> <p>Apr. 2012 Group Executive Officer, Senior Manager of the President's Office, and Senior Manager of the Finance and Accounting Department of the Company Executive Officer and Senior Manager of the Finance and Accounting Department of MITSUUROKO Co., Ltd.</p> <p>June 2014 Director, Manager of the President's Office, Manager of the Group Management Office, Senior Manager of the Business Administration Department, and Senior Manager of the Finance and Accounting Department of the Company Director, in charge of the Corporate Staff Department, Senior Manager of the Administration Department, and Senior Manager of the Finance and Accounting Department of MITSUUROKO Co., Ltd.</p> <p>Apr. 2015 Director of Mitsuroko Corporation Co., Ltd.</p> <p>May 2017 Director and General Manager of the Treasury and Finance Center of the Company Director of MITSUUROKO Co., Ltd. Director of Mitsuroko Energy Force Co., Ltd. Representative Director and President of Mitsuroko Creative Solutions Co., Ltd. (current position)</p> <p>June 2017 Audit & Supervisory Board Member of Niigata Sanrin Co., Ltd. (current position)</p> <p>May 2019 Director of MITSUUROKO Co., Ltd. (current position); Director of Triforce Corporation (current position)</p> <p>Jan. 2020 Director, Group Chief Financial Officer (current position), and Group Chief Administrative Officer of the Company</p> <p>Oct. 2020 Director of TRIFORCE INVESTMENTS PTE. LTD. (current position)</p> <p>June 2022 Director of Mitsuroko Green Energy Co., Ltd. (scheduled to assume position) Responsibilities: Group Chief Financial Officer, Finance & Control, Legal & Secretary, Others (operational and system support)</p>	4,000

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
		<p>[Reasons for nomination as candidate for Director]</p> <p>Kazuhiro Kojima has served as the Deputy General Manager of the Accounting Department of Mizuho Corporate Bank, Ltd. (currently Mizuho Bank, Ltd.) in 2005, and the Submanager of Sales Department 1 of the same bank in 2008. In addition, he also has experience in working abroad and in accounting. After serving as an Executive Officer, Senior Manager of the President's Office, and Senior Manager of the Finance and Accounting Department of the Group in 2012, Mr. Kojima assumed the position of a Director, and became the Manager of the President's Office, Manager of the Group Management Office, Senior Manager of the Business Administration Department, and Senior Manager of the Finance and Accounting Department of the Company in 2014. Following this, he also assumed the position of the Group Chief Financial Officer and Group Chief Administrative Officer in 2020. With such impeccable achievements, along with his advanced capabilities, global perspective and wide ranging insights, Mr. Kojima is expected to make great contributions to enhancing the corporate values of the Group, and is therefore being proposed as a candidate for Director.</p>	

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
4	Manabu Sakanishi (September 21, 1966)	<p>Apr. 1991 Joined Esso Sekiyu K.K. (currently ENEOS Corporation)</p> <p>Apr. 2002 Manager of the Fixed Asset Accounting Section of the Controller Department</p> <p>Apr. 2006 Manager of the LPG West Japan Branch of the Industrial & Wholesale Department of ExxonMobil Yugen Kaisha (currently ENEOS Corporation)</p> <p>Sept. 2007 Manager of the LPG East Japan Branch of the Industrial & Wholesale Department</p> <p>Mar. 2010 Senior Manager of the Vehicle Lubricant Department of the Lubricants & Specialties</p> <p>Sept. 2013 Executive Officer and Manager of the Global Accounts Department of the Lubricants & Specialties of EMG Marketing Godo Kaisha (currently ENEOS Corporation)</p> <p>Dec. 2013 Executive Officer and Manager of the L&S Sales Department of the Lubricants & Specialties</p> <p>Jan. 2017 Executive Officer and Manager of the L&S Sales Department of the Lubricants & Specialties of TonenGeneral Sekiyu K.K. (currently ENEOS Corporation)</p> <p>Apr. 2017 Vice President, and Manager of the L&S Sales Department of EMG Lubricants G.K.</p> <p>May 2019 General Manager of the Corporate Operations Center of the Company Representative Director and President of Mitsuroko Vessel Co., Ltd. (current position) Representative Director and President of Logitri Holdings Co., Ltd. (current position)</p> <p>June 2019 Director of the Company (current position)</p> <p>Mar. 2020 External Director of IRUMA GAS CO., LTD. (current position)</p> <p>June 2020 Representative Director and President of Mitsuroko Energy Force Co., Ltd.</p> <p>Nov. 2021 Director of Mitsuroko Creative Solutions Co., Ltd. (current position) Responsibility: Energy Solutions Business</p> <p>[Reasons for nomination as candidate for Director] Manabu Sakanishi has served as an Executive Officer and the Manager of the L&S Sales Department in the Lubricants & Specialties of EMG Marketing Godo Kaisha (currently ENEOS Corporation) in 2013, as well as the Vice President and Manager of the L&S Sales Department of EMG Lubricants G.K. in 2017. In addition, he has also been a member of the Company's Board of Directors since 2019. We propose Mr. Sakanishi as a candidate for Director as we can expect him to make great contributions in further developing and expanding the businesses of the Group, with his impeccable career and achievements as a Director, along with his advanced capabilities, global perspective and wide ranging insights.</p>	—

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
5	Jun Kawakami (February 19, 1968)	<p>Apr. 1990 Joined the Company</p> <p>Apr. 2009 Head of the Nishitokyo Company</p> <p>Oct. 2009 Manager of the Logistics Integration and Preparation Office</p> <p>Apr. 2010 Senior Manager of the Logistics Planning Department</p> <p>Oct. 2011 Senior Manager of the Petroleum Sales Department and Senior Manager of the Living Sales Department of MITSUUROKO Co., Ltd.</p> <p>Apr. 2012 Executive Officer and Senior Manager of the President's Office of the Group Director, Executive Officer, and Senior Manager of the Sales Management Department of MITSUUROKO Co., Ltd.</p> <p>Apr. 2014 Group Executive Officer and Senior Manager of the President's Office of the Company Director, in charge of the Sales Department, and Senior Manager of the Sales Management Department of MITSUUROKO Co., Ltd.</p> <p>June 2014 Director and Senior Manager of the President's Office of the Company</p> <p>June 2015 Director of Mitsuuroko Corporation Co., Ltd.</p> <p>Mar. 2016 External Director of IRUMA GAS CO., LTD.</p> <p>Apr. 2016 Director and in charge of the Sales Department of MITSUUROKO Co., Ltd. Representative Director and President of Mitsuuroko Energy Force Co., Ltd.</p> <p>Apr. 2017 Director of the Company (current position)</p> <p>Oct. 2017 Director of Mitsuuroko Vessel Co., Ltd.</p> <p>May 2018 Representative Director and President of Mitsuuroko Vessel Co., Ltd.</p> <p>Sept. 2018 Representative Director and President of Logitri Holdings Co., Ltd.</p> <p>June 2020 Representative Director and President of MITSUUROKO LEASE Co., Ltd. (current position) Responsibilities: Mobility Business, Others (leasing)</p>	2,800
<p>[Reasons for nomination as candidate for Director]</p> <p>Jun Kawakami has advanced capabilities and a wide range of insights, given that he has served as the Head of the Nishitokyo Company and the Senior Manager of the Logistics Planning Department of the Company, before assuming various positions including an Executive Officer of the Group in 2012, as well as a Director of the Company, a Director, person in charge of the Sales Department, and Senior Manager of the Sales Management Department of MITSUUROKO Co., Ltd. in 2014. Due to an organizational restructuring in 2017, we responded to changes in the management environment surrounding the Group by establishing a system that develops sales strategies based on the characteristics of each region, further strengthening our competitiveness, and formulating management strategies that are more effective. We propose Mr. Kawakami as a candidate for Director as we can expect him to make great contributions in further developing and expanding the businesses of the Group, with his impeccable career and achievements as a Director, along with his advanced capabilities and wide ranging insights.</p>			

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
6	Motoyasu Omori (October 3, 1970)	<p>Apr. 1993 Joined the Company</p> <p>Oct. 2011 Senior Manager of the Living Sales Department of MITSUUROKO Co., Ltd.</p> <p>Oct. 2012 Senior Manager of the President's Office of the Company</p> <p>Apr. 2014 Group Executive Officer and Senior Manager of the President's Office of the Company Senior Executive Manager of Mitsuuroko Beverage Co., Ltd.</p> <p>Dec. 2014 Director of Carl's Jr. Japan Inc.</p> <p>June 2015 Director and Senior Manager of the President's Office of the Company</p> <p>Apr. 2017 Director of the Company (current position)</p> <p>Oct. 2017 Director of Mitsuuroko Voyagers Co., Ltd. (currently Mitsuuroko Foods Co., Ltd.) (current position) Responsibility: Foods Business</p>	2,500
<p>[Reasons for nomination as candidate for Director]</p> <p>Motoyasu Omori has advanced capabilities and a wide range of insights, given that he has assumed various positions including Representative Director and President of Mitsuuroko Beverage Co., Ltd. (currently Mitsuuroko Provisions Co., Ltd.), a major consolidated subsidiary of the Group, since 2011, Senior Manager of the President's Office of the Company in 2012, and Executive Officer of the Group in 2014. In considering the establishment of a company in 2017 to manage our expanding business in the "food" field and the business reorganization in 2021 for further expansion, which are for promoting synergies between brands and creating new values in the "food" field, we determined that Mr. Omori is expected to make great contributions in further developing and expanding the businesses of the Group, and therefore propose him as a candidate for Director.</p>			

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
7	Goh Wee Meng (August 26, 1982)	<p>Oct. 2008 Senior Officer of International Enterprise Singapore</p> <p>Oct. 2009 Manager of the North Asia Pacific Group and in charge of Mongolia at International Enterprise Singapore</p> <p>Sept. 2011 Chief of the Tokyo Office of the Commercial Section of the Embassy of the Republic of Singapore and International Enterprise Singapore</p> <p>Oct. 2011 Council Director of the ASEAN-Japan Centre</p> <p>June 2017 Joined the Company, Director and Group Chief Technology Officer (current position)</p> <p>Apr. 2018 Director and Group Chief Information Officer (current position)</p> <p>May 2018 Director of Mitsuuroko Vessel Co., Ltd. (scheduled to retire in June 2022)</p> <p>May 2019 Director of MITSUUROKO Co., Ltd. (current position)</p> <p>Oct. 2020 Director of TRIFORCE INVESTMENTS PTE. LTD. (current position)</p> <p>Apr. 2022 Director and Group Global Chief Inclusion & Diversity Officer of the Company (current position)</p> <p>Responsibilities: Group Chief Technology Officer, Group Chief Information Officer, Group Global Chief Inclusion & Diversity Officer, Global Planning, ICT Planning (planning, maintenance and promotion of information infrastructure), and Inclusion & Diversity</p>	—
		<p>[Reasons for nomination as candidate for Director]</p> <p>After assuming the position of the Manager of the North Asia Pacific Group of International Enterprise Singapore since 2009, Goh Wee Meng was appointed as the Chief of the Tokyo Office of the Commercial Section in the Embassy of the Republic of Singapore and International Enterprise Singapore since 2011, and during that time had also been serving as a Council Director of the ASEAN-Japan Centre. Mr. Goh has assumed office as Director and Group Chief Technology Officer since 2017, Group Chief Information Officer since 2018, and Group Global Chief Inclusion & Diversity Officer since 2022. With his advanced capabilities and global perspective, he has been promoting the establishments of overseas bases and expanding their operations since 2020, which, we consider, will make great contribution in the further development and overseas expansion of the Group, and, therefore, we propose him as a candidate for Director.</p>	
8	Katsuhisa Yanagisawa (April 15, 1954)	<p>June 1998 Director of SANRIN Co., Ltd.</p> <p>June 2004 Managing Director</p> <p>June 2006 Representative Director and Senior Managing Director</p> <p>June 2008 Representative Director and President</p> <p>June 2014 External Director of the Company (current position)</p> <p>June 2017 Chairman of the Board of Directors of SANRIN Co., Ltd.</p> <p>June 2020 Chairman and Director</p> <p>June 2021 Full-time Advisor (current position)</p>	14,400
		<p>[Reasons for nomination as a candidate for external Director and summary of his expected role]</p> <p>Based on the abundant experience and wide-ranging insights that he has cultivated as a Corporate Manager thus far, Katsuhisa Yanagisawa has given useful suggestions to enhance corporate governance, in addition to further strengthening the management system through means such as providing advice on management supervision and general management. For the above reason, we have determined that Mr. Yanagisawa will be able to provide advice on managing the Group and supervise business administration from a practical and multifaceted standpoint, and therefore propose him as a candidate for external Director.</p>	

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
9	Kaori Matsui (March 1, 1964)	<p>Apr. 1986 Joined Tokai Television Broadcasting Co., Ltd.</p> <p>Aug. 1998 Director of Yellnet Co., Ltd.</p> <p>Nov. 2001 General Manager of antfactory Japan K.K.</p> <p>June 2002 Director of Virgin Cinemas Japan Co., Ltd.</p> <p>Apr. 2003 Managing Director of TOHO Cinemas Ltd.</p> <p>June 2004 Partner of Nikko antfactory K.K.</p> <p>Nov. 2014 Partner of ACA Inc.</p> <p>Apr. 2015 Representative Director of ACA Innovative Investment Management Inc.</p> <p>June 2015 External Director of the Company (current position)</p> <p>Feb. 2016 Representative Director of Japan Innovation & Succession Foundation (current position)</p> <p>May 2016 Representative Director of Japan Innovation & Succession Inc. (current position) Representative Director of Eve Communications Inc. (current position)</p>	—
<p>[Reasons for nomination as a candidate for external Director and summary of her expected role]</p> <p>Kaori Matsui has held numerous positions in corporate management, and has given advice on managing the Group and supervision over business administration, with her practical and multifaceted perspective as a Corporate Manager. In addition, given her notable wealth of experience and knowledge pertaining to M&A, she has also provided useful suggestions regarding not only overall management, but also matters such as M&A and organizational restructuring, which play a part in improving corporate values over the medium to long term. For the above reasons, we have determined that Ms. Matsui will be able to showcase great skill in ensuring the legality of the Board of Directors' decision-making from an objective and neutral standpoint, and therefore propose her as a candidate for external Director.</p>			

- (Notes)
1. There is no special interest between any of the candidates and the Company.
 2. Katsuhisa Yanagisawa and Kaori Matsui are candidates for external Directors. The Company has submitted notification to the Tokyo Stock Exchange that Kaori Matsui has been designated as an Independent Officer as provided for by the aforementioned exchange. If the reelection of Ms. Matsui is approved, the Company plans for her designation as an Independent Officer to continue.
 3. Katsuhisa Yanagisawa is currently an external Director of the Company, and at the conclusion of this meeting, his tenure as an external Director will have been eight years.
 4. The Company has entered into an agreement with Katsuhisa Yanagisawa to limit his liability under Article 427, paragraph (1) of the Companies Act, and if he is reelected, the Company plans to renew this agreement with him. Pursuant to this agreement, the defined maximum amount of liability for damages, if he has acted in good faith and without gross negligence in performing his duties, is the minimum liability amount provided for under Article 425, paragraph (1) of the Companies Act.
 5. Kaori Matsui is currently an external Director of the Company, and at the conclusion of this meeting, her tenure as an external Director will have been seven years.
 6. The Company has entered into an agreement with Kaori Matsui to limit her liability under Article 427, paragraph (1) of the Companies Act, and if she is reelected, the Company plans to renew this agreement with her. Pursuant to this agreement, the defined maximum amount of liability for damages, if she has acted in good faith and without gross negligence in performing her duties, is the minimum liability amount provided for under Article 425, paragraph (1) of the Companies Act.
 7. The Company has entered into a Director and Officer's liability insurance policy with an insurance company as provided for in Article 430-3, paragraph (1) of the Companies Act, and the outline of the contents of the said insurance policy is shown on page 36 of the Business Report. In the event that a candidate for Director is approved to be elected, he/she will be included as an insured person in the policy. In addition, when the policy is renewed, we plan to renew it with the same terms.

Proposal No. 3 Election of One Director Who Is a Substitute Audit and Supervisory Committee Member

The Company requests in advance the election of one substitute Director who is an Audit and Supervisory Committee Member to be ready to fill a vacant position should the number of Directors who are Audit and Supervisory Committee Members fall below the number required by laws and regulations.

In addition, the consent of the Audit and Supervisory Committee has been obtained for this proposal.

The candidate for Director who is a substitute Audit and Supervisory Committee Member is as follows:

Name (Date of birth)	Career summary and significant concurrent positions outside the Company	Number of the Company's shares owned
Yasutaka Yanase (August 26, 1967)	Apr. 1991 Joined The Dai-ichi Kangyo Bank, Limited (currently Mizuho Bank, Ltd.)	-
	Dec. 2000 Senior Managing Director of YANASE & CO., LTD.	
	June 2005 Director of the Television Corporation of Japan (current position)	
	June 2007 Representative Director of TCOI Co., Ltd.	
	Mar. 2009 Representative Director and President of Chauffeur Service Co., Ltd.	
	Nov. 2009 Director of Green Innovation Inc. (current position)	
	Nov. 2010 Director of ABLE CHINTAI HOLDINGS INC.	
	Jan. 2012 Representative Director and President of Able Inc.	
	June 2015 Representative Director and President of GIGA PRIZE Co., Ltd.	
	Mar. 2016 Director of EARTH CREATE OFFICE Co., Ltd.	
	May 2017 Chairman of the Board of Directors of For Members Co., Ltd.	
	Oct. 2017 Chairman of the Board of Directors of GIGA TECH CO., LTD.	
	June 2018 Chairman of the Board of Directors of SoftVolante	
	July 2021 Advisor of FreeBit Co., Ltd. (current position)	
	Oct. 2021 Representative Director and Vice President of EARTH CREATE OFFICE Co., Ltd. (current position)	
<p>[Reason for nomination as a candidate for external Director who is a substitute Audit and Supervisory Committee Member and summary of his expected role] Yasutaka Yanase has held numerous positions in corporate management, and has a wealth of experience and wide-ranging insights as a Corporate Manager. Based on these insights, we expect that he will provide advice on managing the Group and supervise the performance of business duties from a perspective that is practical and multifaceted. For this reason, we have determined that Mr. Yanase will be able to showcase great skill in ensuring the legality of the Board of Directors' decision-making from an objective and neutral standpoint, and therefore propose him as the candidate for external Director who will be a substitute Audit and Supervisory Committee Member.</p>		

- (Notes)
1. There is no special interest between Yasutaka Yanase and the Company.
 2. Yasutaka Yanase is the candidate for the role of external Director who is a substitute Audit and Supervisory Committee Member.
 3. If Yasutaka Yanase assumes the office of Director who is an Audit and Supervisory Committee Member, the Company plans to enter into an agreement with him to limit his liability for damages under Article 423, paragraph (1) of the Companies Act, pursuant to the provisions of Article 427, paragraph (1) of the same Act. Pursuant to this agreement, the defined maximum amount of liability for damages, if he has acted in good faith and without gross negligence in performing his duties, is the minimum liability amount provided for under Article 425, paragraph (1) of the Companies Act.
 4. The Company has entered into a Director and Officer's liability insurance policy with an insurance company as provided for in Article 430-3, paragraph (1) of the Companies Act, and the outline of the contents of the said insurance policy is shown on page 36 of the Business Report. If Yasutaka Yanase is appointed as a Director who is an Audit and Supervisory Committee Member, he will be an insured person under the insurance policy after taking office. In addition, when the policy is renewed, we plan to renew it with the same terms.

Business Report

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

1. Matters regarding the current status of the corporate group

(1) Business conditions of the current fiscal year

(i) Business progress and achievement

In the fiscal year ended March 31, 2022, the Japanese economy remained in a severe situation primarily due to stagnant economic activity and weak consumer spending amid COVID-19. Economic and social activities had been gradually recovering, as the number of newly infected people decreased significantly because of the COVID-19 vaccine roll-out. However, the new variant Omicron has kept the recovery slow, and the uncertain situation continues.

Progress has been made in integrated reforms in the electricity, gas and heat supply fields in the trends of decarbonization, decentralization, digitalization after the liberalization of electricity and gas. The Group's business environment has been challenged by the introduction of innovative technologies such as AI and IoT and the vigorous competition between business operators with the creation of a comprehensive energy market that crosses the boundaries of the energy market. Consumer convenience is being improved with greater freedom in the choice of energy and reductions in tariffs to the maximum extent possible through innovations such as the integration of different services.

Meanwhile, decarbonization and stronger initiatives to reduce CO₂ have been called for on a global scale, with declarations to achieve carbon neutral by 2050, and increased demand to strengthen the infrastructure for stable energy supply associated with the increase in frequency and intensity of natural disasters. Furthermore, there have been large and dramatic changes in the structural environment for the energy business such as soaring resources prices caused by the changing situation in Ukraine and other such factors, changes in the international demand and supply structure, changes in demand associated with the aging society and declining population as well as lifestyle changes associated with COVID-19. Responses need to adapt to the diverse changes in the environment in Japan and overseas. Consequently, the energy business operators need to make further progress from the perspective of being environmentally-friendly, ensuring stable supply and economic efficiencies. This includes reducing carbon emissions and decarbonization for a sustainable society, strengthening resilience for a safe and secure society, and strengthening the business foundation for ongoing stable supply and business continuity.

Under such circumstances, the Company's wholly-owned subsidiary, TRIFORCE INVESTMENTS PTE. LTD., entered into an agreement in September 2021 with SingPost Investments Pte. Ltd., a subsidiary of Singapore Post Limited, to acquire a 100% stake in General Storage Company Pte. Ltd. ("GSC"), and acquired 100% of its shares (now a subsidiary) in December 2021, enabling the Company to enter the self-storage industry in Asia. With the acquisition of GSC, the Group aims to offer self-storage and warehousing facilities with unique value add to the local communities and businesses in the Asia Pacific region, and expand our market share in Asia.

In Japan, the Company's wholly-owned subsidiary Mitsuuroko Beverage Co., Ltd. acquired 100% of the shares of Shizuoka JA Foods Co., Ltd. (trade name changed to "Shizuoka Mitsuuroko Foods Co., Ltd." on April 1, 2022) (becoming a subsidiary) in November 2021. We acquired production capacity for soft drinks through this transaction, and entered the soft drink market, which boasts a market size of approximately ¥3.8 trillion, from the mineral water market, which is said to have a market size of approximately ¥300 billion, and are aiming for further business expansion in new business areas.

In December 2021, the Company converted Triforce Corporation, a sub-sub-subsidiary into a direct subsidiary to enhance the agility of the organizational operation. The Company expects this change will further enhance digital transformation (DX) to improve the entire Mitsuuroko Group's customer experience (CX). The Company promotes across-the-group marketing projects to improve the Group's integrated competitiveness. This will be achieved through constructing an ecosystem by digitally integrating services and tangible/intangible assets in various fields that the Group provides, such as Energy Solutions, Power & Electricity, Foods, Living & Wellness and Others.

In addition, the Company's core Energy Solutions Business takes various initiatives to accommodate diversified customer needs and preferences. As an entity responsible for stable supply in the regions, the Company also maintains and improves supply infrastructure to ensure the supply even in case of emergencies. Those should be achieved by the Group's solid business foundation and integrated competence rooted in the regions. As an initiative to popularize the use of renewable energy as the main power source and to stabilize the power grid, Mitsuuroko Green Energy Co., Ltd., a consolidated subsidiary of the Company, has begun preparations for the construction of the "Kitahiroshima No. 1 and No. 2 Energy Storage Stations" in Kitahiroshima-City, Hokkaido, with the aim of starting operations in December 2022.

In order to continue creating new value with our diverse stakeholders and contribute to creating a sustainable society, we examined the issues that management should prioritize from various social issues, and identified six important issues (materiality), while considering the Group's business from a long-term perspective and from the perspective of the ESG (Environment, Society and Governance). The Company takes initiatives for environmental issues and the entire Mitsuuroko Group is promoting ESG initiatives to achieve a sustainable society through the more use of renewable energy, suppressing the use of fuel, and reducing CO₂ emissions. They are driven by providing services for customers concerned with CO₂ emissions with the growing environmental awareness; environmentally-friendly electricity plan, "Mitsuuroko Green Plan" addressing both CO₂ emissions and renewable energy; a newly launched planning tool, "SmartOWL delivery operation streamlining solution," which offers optimal tank replacement timing and delivery plans by applying remotely measured meter data through LPWA connection. We have also introduced initiatives to promote health management to construct and maintain a safe and secure work environment for employees.

Tokyo Stock Exchange, Inc. (TSE) restructured its stock market segments on April 4, 2022. As announced in "Notice of selection of new market segment according to the new TSE structure: from "Prime Market" to "Standard Market"" on December 24, 2021, the Company decided to choose "Standard Market" rather than "Prime Market" and moved to "Standard Market" in April 2022. Considering the speed of a business environment, market trends and its business condition, the Company has decided to focus financial investments, business developments and human resources developments in the existing core businesses and new value creation businesses, such as "environmental business field," "realization of carbon neutral" and "global field" to increase long-term corporate value. The Company believes the focus should increase its shareholders value.

The Company continues to take initiatives for sustainable growth and improving corporate value through further advancing corporate governance and sustainability.

To improve operational efficiency of the entire Group, we have been proactively using RPA (Robotic Process Automation) and AI-OCR under the DX (digital transformation) concept at the Mitsuuroko Administration Center, the Group's shared center. We are also implementing initiatives to reduce indirect operating costs based on the digitalization of operations. In particular, in the order management operations of the Energy Solutions Business, we have continuously promoted automation of operations with RPA while shortening the duration of operating processes, digitizing books, and integrating forms since 2014, when we were first commissioned for such operations. By last fiscal year, 90% of entry operations had been automated, increasing the data processed per person 2.9-fold and cutting unit costs by 66%.

We are currently focused on the active use of AI-OCR able to read and convert printed text on paper and in images to digital data to expand the scope of RPA utilization. All operations in order management operations can be completed without producing a single piece of paper, so the transition to remote work for the shared center, which is generally said to be difficult, has been comparatively smooth. Even now, the proportion of employees attending the office remains in the 30% range. The Mitsuuroko Administration Center will continue to promote the use of operational efficiency tools with cutting-edge technologies and contribute to improving the Group's productivity.

Furthermore, as part of "SmartOWL" initiative, an LPG operation streamlining solution utilizing AI and IoT through a collaboration with NEC Corporation and KYOCERA Communication Systems Co., Ltd., we commenced a service to remotely read and provide LPG meters. This has been followed in October 2021 with the start of commercial use of the "SmartOWL delivery operation streamlining solution" that effectively uses daily measurements and commenced an initiative to solve the issues of all LPG business operators that are acquiring daily measurements with LPWA, etc. Mitsuuroko Creative Solutions Co., Ltd. has obtained the patent for this solution. In demonstration experiments spanning a year, the LPG Delivery Planning System demonstrated a 29.1% drop in the number of deliveries and a 30.9% drop in the operational time for

deliveries. Many business operators have expressed their reactions and made inquiries, so we anticipate usage to expand further.

In the fiscal year ended March 31, 2022, net sales increased 10.4% year on year to ¥250,033 million, operating profit decreased 84.3% year on year to ¥823 million, ordinary profit decreased 51.3% year on year to ¥2,925 million, and profit attributable to owners of parent decreased 43.3% year on year to ¥1,909 million. Those changes are primarily due to an increase of fuel price in the Energy Solutions Business and of electricity procurement cost in the Power & Electricity Business. Fixed costs (including personnel expenses, depreciation, and rent) incurred during the period of temporary store closure in the Foods Business due to requests from both central and local governments as COVID-19 countermeasures, were recorded as loss on COVID-19 of ¥9 million in extraordinary losses in the current fiscal year. (In the previous fiscal year, a loss of ¥206 million was recorded for stores in the Foods Business and facilities in the Living & Wellness Business.)

The Company has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020) and relevant ASBJ regulations since the beginning of the current fiscal year. Accordingly, net sales for the current fiscal year decreased by ¥8,931 million, and operating profit, ordinary profit and profit before income taxes each increased by ¥389 million.

The circumstances by segment are as follows.

Effective from the current consolidated fiscal year, the Overseas Business, which was previously included in the “Others” segment, is now presented a reportable segment because its quantitative importance has increased due to the start of consolidation of overseas subsidiaries. As a result of a review of business management classifications within the Group, the Briquette and Pea Charcoal Sales Business, which was previously included in the “Others” segment, was changed to the “Energy Solutions Business” segment from the current fiscal year.

◇ Energy Solutions Business

In the LPG Business, as demand for commercial use including restaurants, which was impacted by the COVID-19 pandemic in the prior fiscal year, has been on a recovery trend, and the LPG sales volume for commercial use was 103.8% of the prior year’s level. In addition, although the Company has been actively engaged in new customer acquisition, LPG retail sales volume for home use in the current year was 96.9% of the prior year’s level due to the dissipation of the prior year’s stay-at-home demand.

In the petroleum business, household heating oil sales volume was 95.2% of the prior year’s level. Though people still refrain from going out, a rise in sales prices linked to the soaring crude oil prices resulted in decreasing demand for heating oil and heavy snowfall caused delivery delay.

In the residential equipment business, delays in delivery of overall gas appliances have continued due to delay in procurement from overseas component manufacturers affected by the COVID-19 bottleneck problem, as well as global shortages of semiconductors and harnesses. As a result, net sales was 92.0% of the prior year’s level.

The Company has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020) and relevant ASBJ regulations from the beginning of the current fiscal year, and changed the accounting treatment for revenue recognition. Accordingly, the Company has changed the method of measuring profit or loss of the operating segments. As a result, compared with the previous method, net sales and operating profit of the Energy Solutions Business for the current fiscal year decreased by ¥404 million and ¥47 million respectively.

In addition to the above factors, as a result of higher sales prices due to higher purchase prices, net sales increased 24.0% year on year to ¥137,840 million, while operating profit decreased 33.7% year on year to ¥2,791 million due to higher cost-to-sales ratio.

As environmental awareness continues to rise further, the Company positions “energy creation/storage system” of solar energy/storage battery as a key arena. The Company will accelerate its efforts to achieve carbon neutral by promoting energy creation, energy storage, and energy conservation that are effective in decarbonization and reducing CO₂ emissions.

◇ Power & Electricity Business

In the retail electric power business, although COVID-19 had a negative impact on electricity demand, the number of customers who chose “Mitsuuroko electricity” increased due to their desire to cut costs under the impact of the overall stagnation in economic activity. As a result, the number of electricity contracts increased despite a decrease in the unit price of electricity.

However, the Company has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020) and relevant ASBJ regulations from the beginning of the current fiscal year, and changed the accounting treatment for revenue recognition. Accordingly, the Company has changed the method of measuring profit or loss of operating segments. As a result, compared with the previous method, net sales of the Power & Electricity Business for the current fiscal year decreased by ¥8,368 million and operating profit increased by ¥437 million. In light of the application of the said standards, the amounts of the renewable energy special measures act levy under Article 36, paragraph (1) and the renewable energy special measures act grant under Article 28, paragraph (1) of the “Act on Special Measures Concerning Procurement of Electricity from Renewable Energy Sources by Electricity Utilities” (Act No. 108 of 2011), which were recorded in operating revenues until the previous fiscal year, are excluded from operating revenue. As a result, net sales decreased 5.4% year on year to ¥94,057 million. Operating loss was ¥1,343 million (compared to an operating profit of ¥1,590 million for the previous fiscal year) as a result of increases in procurement prices for power purchase and import prices of fuels for power generation, such as LNG, natural gas and coal, amid increasing demand of electricity as economy recovers since September 2021.

With the increasing gravity of the impact of climate change, CO₂ reduction has become a major issue. We have been selected as a retail electricity provider for the “Let’s Use Natural Electricity” campaign, which targets households and individual businesses that want to use “electricity derived from nature” such as solar and wind power and is aimed at consumers living in the five prefectures and cities of Tokyo, Kanagawa, Yokohama, Kawasaki, and Sagami-hara. In addition, from March 2021, we have expanded the service area of the “EV Green Plan (100% renewable energy),” a rate plan for customers who use or purchase electric vehicles (EVs), to the entire country except for Okinawa and some remote islands. Since July 2021, in order to balance the supply and demand of electricity by decreasing or increasing the consumption of electricity, we have started offering “Demand Response Service,” a system that allows consumers to change their electricity consumption patterns in response to electricity pricing or incentive payments in order to curb the use of electricity during times of high wholesale market prices or low grid reliability, starting with special high voltage and high voltage customers. We will contribute to the stability of electricity and economical use of energy through power saving, peak shifting, and energy efficiency and conservation, and expand the introduction of renewable energy toward a decarbonized society.

In the future, we will continue to expand the number of eligible customers and secure coordination power by utilizing storage batteries, EVs, and other resources to deliver electricity to as many customers as possible as “A Lifestyle Producer” and provide services that are useful to society and customers’ lifestyles.

◇ Foods Business

In the bottled water business, the addition of Shizuoka JA Foods Co., Ltd. (currently Shizuoka Mitsuuroko Foods Co., Ltd.) to the Group in November 2021 brought the number of soft drink production sites to five, significantly increasing manufacturing capacity. The company’s business is centered on the outsourced production of various soft drinks. The company is also collaborating with major beverage manufacturers to develop new products that please our customers. The company’s commitment to quality improvement and its advanced manufacturing technology contribute greatly to the quality improvement of the entire Group. This contributes to the “safety and security” initiatives that the Mitsuuroko Group advocates, and is a basic strategy for further increasing production. We will live up to our customers’ trust by making quality improvement our top priority.

The sales volume of Mitsuuroko Beverage Co., Ltd., which operates in the mineral water business, was steady at 109% of the prior year’s level with constant full operation of its own plants and outsourcing of production to external plants. In addition, by extending our products menu in cooperation with Shizuoka JA Foods Co., Ltd., we are now able to respond to various customer requests that we had not been able to meet before. We will continue to improve our services to meet our customers’ expectations.

“AzabuJuban Mont-Thabor,” a bakery with stores all over Japan, has renewed its e-commerce site to make it friendlier and more customer-oriented, and to improve access to customers outside the areas it operates its stores, which it had previously missed. In product development, we commercialized a bread invented by students of Setagaya Junior High School attached to Tokyo Gakugei University. The product incorporates ideas from the junior high school’s “Marketing and Product Development of AzabuJuban Mont-Thabor’s Bread” class. We will diversify our product development by developing new products that have never been seen before, based on the thinking of growing the brand with promising students.

“Carl’s Jr. Japan,” a hamburger chain, continues to implement measures such as scaling up take-out delivery services and enhancing in-store hygiene management, placing “customer safety as the top priority.” In addition, the new product introduction for both burgers and drinks has been well received by customers, helping to increase the number of repeat customers.

For the Foods Business as a whole, net sales increased by 18.7% year on year to ¥13,476 million, and operating profit was ¥127 million, (compared to an operating loss of ¥95 million in the previous fiscal year) primarily because the bottled water business performed well by expanding sales channels although the food sales business centered on stores was affected to some extent by the spread of COVID-19.

◇ Living & Wellness Business

SPA EAS and Hamabowl in the wellness business saw its number of visitors had performed well until the end of last year but temporarily stagnated due to the impact of the semi-state of emergency from January 21 to March 21, 2022. By mid-March, SPA EAS showed a recovery trend with an increase in demand for sauna reflecting health-consciousness and co-working space users, and Hamabowl saw an increase in student use during spring break.

In addition, SPA EAS sold original sauna hats officially approved by the Yokohama DeNA BayStars to commemorate the 13th anniversary of its founding, attracting attention from various media.

Hamabowl is developing the Rain-Bowling project under the leadership of Wellness Lab to reuse “discarded bowling pins.” As part of this project, we are preparing to hold the “Reuse Contest,” a public call for reuse ideas (cooperative project with Kanagawa Shimbun) (Scheduled to be held from May to the end of June 2022).

We will continue our efforts to improve the value and presence of our facilities in the Yokohama area and recover the number of customers by utilizing SPA EAS’s “Onsen IoT” (facility congestion visualization service) and other measures to prevent the transmission of COVID-19.

The real estate business has improved profitability by reducing expenses through changes in the leasing method as well as defraying additional capital expenditure to the existing buildings. In addition, we have proactively pursued the acquisition of new properties to expand our portfolio. “BlancCiel NISHIJIN,” a rental condominium in Fukuoka acquired by the Company in October 2021, steadily improved its occupancy rate and was almost fully booked at the end of March 2022. In addition, as a measure to increase the value of existing properties, we are renovating rental condominium (some offices and stores) owned in Aoba-ku, Sendai City. In addition to remodeling the rooms, we are creating a lounge with a theater room and library in the common area to create a space where users can relax. We are making efforts to minimize disposal and other environmental burdens by utilizing subscription services for furniture to be installed in the condominium.

The number of visitors to the Hamabowl EAS Building had been gradually improving after the state of emergency was lifted in September 2021 and the building-wide sales promotion accelerated visitors’ attendance, but the number of visitors was weak in February and March due to an impact of the semi-state of emergency from January to March 2022.

The Company has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020) and relevant ASBJ regulations from the beginning of the current fiscal year, and changed the accounting treatment for revenue recognition. Accordingly, the Company has changed the method of measuring profit or loss of operating segments, and as a result, compared with the previous method, net sales and cost of sales in the Living & Wellness Business for the current fiscal year, each decreased by ¥159 million.

For the Living & Wellness Business as a whole, net sales increased 0.5% year on year to ¥2,206 million, and operating profit decreased 21.9% year on year to ¥324 million due to such factors as shortened business hours.

◇ Overseas Business

Profits and losses from the self-storage business of GSC and six other companies, which joined the Mitsuuroko Group in December 2021, were included in the Consolidated Financial Statements from the current fiscal year. In the first year of consolidation, the Overseas Business as a whole posted net sales of ¥508 million, but an operating loss of ¥77 million (compared to an operating loss of ¥19 million in the previous fiscal year) was recorded due to the amortization of goodwill of ¥42 million incurred at the time of acquisition and one-time expenses of ¥107 million incurred for due diligence, etc.

Business performance of Siamgas & Petrochemicals Public Company Limited, with which the Company has concluded a strategic business alliance agreement, was favorable due to soaring crude oil prices and other factors. The Company recorded non-operating income as dividend income from the said company for the current fiscal year increased 109.5% year on year to ¥639 million.

◇ Others

In the information system development and sales business, we expanded sales of the “COSMOS Series,” an LPG sales management system designed to further improve reliability and customer engagement in the age of energy liberalization. However, due to a decrease in sales volume in the leasing business, etc., for other business as a whole, net sales decreased 17.3% year on year to ¥1,943 million, while operating profit was ¥46 million (compared to an operating loss of ¥11 million in the previous fiscal year) due to a decrease in allowance for doubtful accounts in the leasing business.

(Reference) Net sales by business department

(Millions of yen)

Business department	112th fiscal year (Previous fiscal year)		113th fiscal year (Current fiscal year)		Comparison to previous fiscal year
	Net sales	Composition ratio (%)	Net sales	Composition ratio (%)	
Energy Solutions Business	111,184	49.1	137,840	55.1	24.0 % Increase
Power & Electricity Business	99,380	43.9	94,057	37.6	5.4% Decrease
Foods Business	11,351	5.0	13,476	5.4	18.7% Increase
Living & Wellness Business	2,195	1.0	2,206	0.9	0.5% Increase
Overseas Business	–	–	508	0.2	–
Others	2,350	1.0	1,943	0.8	17.3% Decrease
Total	226,462	100.0	250,033	100.0	10.4% Increase

(Note) Effective from the current consolidated fiscal year, the Overseas Business, which was previously included in the “Others” segment, is now presented as a reportable segment because its quantitative importance has increased due to the start of consolidation of overseas subsidiaries. As a result of a review of business management classifications within the Group, the Briquette and Pea Charcoal Sales Business, which was previously included in the “Others” segment, was changed to the “Energy Solutions Business” segment from the current fiscal year. Please note that the segment information disclosed for the previous fiscal year was prepared based on the new reporting segment classification.

(ii) Status of capital investments

The total amount of capital investments made in the fiscal year ended March 31, 2022 was ¥3,916 million.

The capital investments were mainly made towards the installation and repair of supply equipment at the sales offices of Mitsuuroko Vessel Co., Ltd. and LPG supply points and real estate related to BlancCiel NISHIJIN.

(iii) Status of financing

Not applicable.

(iv) Status of business transfer, absorption-type split or incorporation-type split

On October 1, 2021, Sweet Style Co., Ltd., a subsidiary wholly owned by Mitsuroko Voyagers Co., Ltd. (currently “Mitsuroko Foods Co., Ltd.”), which is a consolidated subsidiary of the Company, carried out an absorption-type split to transfer the business related to Motomachi Coffee to Motomachi Coffee Co., Ltd., which was a subsidiary wholly owned by Mitsuroko Voyagers Co., Ltd.

(v) Status of business transfer of other companies

Not applicable.

(vi) Status of succession of rights and obligations related to the business of other corporations, etc. due to an absorption-type merger or absorption-type split

On April 1, 2021, Mitsuroko Vessel Co., Ltd., a consolidated subsidiary of the Company, conducted an absorption-type merger of Mitsuroko Energy Force Co., Ltd., which was another consolidated subsidiary of the Company.

(vii) Status of acquisition or disposal of shares, other equity or share acquisition rights, etc. of other companies

On September 2, 2021, TRIFORCE INVESTMENTS PTE. LTD., a consolidated subsidiary of the Company, acquired all the issued shares of General Storage Company Pte. Ltd. that were owned by SingPost Investments Pte. Ltd., a subsidiary of Singapore Post Limited.

After the absorption-type split described in (iv) above came into effect, Mitsuroko Voyagers Co., Ltd. (currently “Mitsuroko Foods Co., Ltd.”), a consolidated subsidiary of the Company, transferred a part of the shares of Motomachi Coffee Co., Ltd. (investment ratio of 20%), a subsidiary wholly owned by Mitsuroko Voyagers Co., Ltd., to DELSOLE Corporation.

On November 1, 2021, Mitsuroko Beverage Co., Ltd., a consolidated subsidiary of the Company, acquired all the issued shares of Shizuoka JA Foods Co., Ltd. (currently Shizuoka Mitsuroko Foods Co., Ltd.) from JA Shizuoka Keizairen and JA Shimizu.

On December 1, 2021, the Company acquired all the issued shares of Triforce Corporation, which was a sub-subsidiary of the Company and a subsidiary wholly owned by MITSUROKO Co., Ltd. (a consolidated subsidiary of the Company), from MITSUROKO Co., Ltd., and therefore converted Triforce Corporation into a subsidiary wholly owned by the Company.

(2) Status of property, profits and losses for the last three fiscal years

(Millions of yen)

Classification	110th fiscal year	111th fiscal year	112th fiscal year	113th fiscal year (Current fiscal year)
	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Net sales	229,382	240,127	226,462	250,033
Operating profit	3,629	7,214	5,232	823
Ordinary profit	4,507	8,262	6,003	2,925
Profit attributable to owners of parent	3,231	3,546	3,369	1,909
Basic earnings per share	¥52.17	¥57.23	¥54.54	¥31.29
Total assets	132,127	125,568	145,189	154,735
Net assets	79,393	78,317	93,289	87,689
Net assets per share	¥1,275.87	¥1,257.61	¥1,517.47	¥1,455.33

(Note) The Company has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020) and relevant ASBJ regulations from the beginning of the current fiscal year and, as a result, presents figures related to the fiscal year after the said accounting standards, etc. is applied.

(3) Status of major parent companies and subsidiaries**(i) Status of parent companies**

Not applicable.

(ii) Status of major subsidiaries, etc.

Company name	Share capital	The Company's voting shares ratio	Main business
Mitsuuroko Vessel Co., Ltd.	¥25 million	100.0%	Sale of LPG, petroleum products, city gas, housing equipment, and electricity retail business
Logitri Holdings Co., Ltd.	¥10 million	100.0%	Comprehensive management that includes the optimization of logistics services for energy-related products
Mitsuuroko Green Energy Co., Ltd.	¥450 million	100.0%	Electricity wholesale business and electricity retail business
Mitsuuroko Voyagers Co., Ltd.	¥100 million	100.0%	Comprehensive management that includes organizational management and brand management of the Foods Business
Carl's Jr. Japan Inc.	¥95 million	100.0%	Management and franchise of Carl's Jr. restaurants
MITSUUROKO Co., Ltd.	¥10 million	100.0%	Real estate leasing business and management of bathing facilities
MITSUUROKO LEASE Co., Ltd.	¥200 million	100.0%	Various financing and leasing services
Mitsuuroko Creative Solutions Co., Ltd.	¥30 million	100.0%	Various shared services, and development and sale of systems
Sanrin Co.,Ltd.	¥10 million	100.0%	Insurance agency business

Company name	Share capital	The Company's voting shares ratio	Main business
Triforce Corporation	¥10 million	100.0%	Printing business and marketing business
TRIFORCE INVESTMENTS PTE. LTD.	SG\$87 million	100.0%	Proposal and promotion of overseas businesses, support of local corporations, and investment in and lending to subsidiaries
General Storage Company Pte. Ltd.	SG\$1	100.0%	Self-storage business
Hokkaido Mitsuuroko Co., Ltd.	¥20 million	100.0%	Sale of LPG, petroleum products and housing equipment, motor truck transportation business, contracting of equipment installation and agency services, and electricity retail
Yamanashi Mitsuuroko Co., Ltd.	¥10 million	100.0%	Sale of LPG, petroleum products and housing equipment, and electricity retail
Mitsuuroko Vessel Tohoku Co., Ltd.	¥10 million	100.0%	Sale of LPG, petroleum products and housing equipment, and electricity retail
Mitsuuroko Vessel Chubu Co., Ltd.	¥10 million	100.0%	Sale of LPG, petroleum products and housing equipment, and electricity retail
Mitsuuroko Vessel Kansai Co., Ltd.	¥31 million	100.0%	Sale of LPG, petroleum products and housing equipment, and electricity retail
Logitri Tohoku Co., Ltd.	¥20 million	90.0%	Motor truck transportation business, and contracting of equipment installation and agency services
Logitri Chubu Co., Ltd.	¥30 million	100.0%	Motor truck transportation business, and contracting of equipment installation and agency services
Logitri Kansai Co., Ltd.	¥10 million	100.0%	Motor truck transportation business, and contracting of equipment installation and agency services
Mitsuuroko Drive Co., Ltd.	¥50 million	100.0%	Service station management, automobile maintenance, purchase of pre-owned vehicles and car rental
Azuchi Oshima Wind Power Plant Co., Ltd.	¥10 million	74.9%	Wind-power generation
Mitsuuroko Iwakuni Power Plant Co., Ltd.	¥10 million	100.0%	Biomass power generation
Mitsuuroko Provisions Co., Ltd.	¥10 million	100.0%	Operation of in-facility stalls, cafeterias, voluntary chain stores, etc.
Mitsuuroko Beverage Co., Ltd.	¥10 million	100.0%	Manufacture and sale of mineral water
Shizuoka JA Foods Co., Ltd.	¥100 million	100.0%	Manufacture and sale of tea, soft drinks, lactic acid bacteria beverages and alcoholic beverages
Sweet Style Co., Ltd.	¥10 million	100.0%	Operation of fresh bakeries and cafes
Niigata Sanrin Co., Ltd.	¥400 million	35.0%	Sale of LPG, petroleum products and housing equipment
Japan Enagic Co., Ltd.	¥20 million	20.0%	Motor truck transportation business, and contracting of equipment installation and agency services

Company name	Share capital	The Company's voting shares ratio	Main business
Futtsu Solar Co., Ltd.	¥90 million	49.0%	Mega solar installation and operation
Suigo-Itako Solar Co., Ltd.	¥90 million	32.0%	Mega solar installation and operation

- (Notes)
1. Mitsuroko Energy Force Co., Ltd. was excluded from the major subsidiaries due to its merger with Mitsuroko Vessel Co., Ltd. on April 1, 2021.
 2. On August 2, 2021, Mitsuroko Voyagers Co., Ltd. established a subsidiary that it wholly owned called Mitsuroko Voyagers Split Preparation Company Co., Ltd. Following this, on October 1, 2021, the subsidiary changed its trade name to Motomachi Coffee Co., Ltd.
 3. On September 2, 2021, TRIFORCE INVESTMENTS PTE. LTD. acquired all the issued shares of General Storage Company Pte. Ltd. from SingPost Investments Pte. Ltd., which is a subsidiary of Singapore Post Limited.
 4. On October 1, 2021, Sweet Style Co., Ltd. transferred the business related to Motomachi Coffee to Motomachi Coffee Co., Ltd. through a company split.
 5. On October 1, 2021, Mitsuroko Voyagers Co., Ltd. transferred a part of the shares that it owned of Motomachi Coffee Co., Ltd. (investment ratio of 20%) to DELSOLE Corporation, and made it a joint venture.
 6. On November 1, 2021, Mitsuroko Beverage Co., Ltd. acquired all the issued shares of Shizuoka JA Foods Co., Ltd. from JA Shizuoka Keizairen and JA Shimizu.
 7. On December 1, 2021, the Company acquired all the issued shares of Triforce Corporation, which was a subsidiary wholly owned by MITSUROKO Co., Ltd. and a sub-subsidiary of the Company, from MITSUROKO Co., Ltd., and therefore converted Triforce Corporation into a subsidiary of the Company.
 8. On April 1, 2022, Mitsuroko Voyagers Co., Ltd. changed its trade name to Mitsuroko Foods Co., Ltd., but its former company name is stated in the Notice of the 113th Ordinary General Meeting of Shareholders.
 9. On April 1, 2022, Shizuoka JA Foods Co., Ltd. changed its trade name to Shizuoka Mitsuroko Foods Co., Ltd., but its former company name is stated in the Notice of the 113th Ordinary General Meeting of Shareholders.
 10. On April 1, 2022, Hokkaido Mitsuroko Co., Ltd. changed its trade name to Mitsuroko Vessel Hokkaido Co., Ltd., but its former company name is stated in the Notice of the 113th Ordinary General Meeting of Shareholders.
 11. On April 1, 2022, Yamanashi Mitsuroko Co., Ltd. changed its trade name to Mitsuroko Vessel Yamanashi Co., Ltd., but its former company name is stated in the Notice of the 113th Ordinary General Meeting of Shareholders.

(iii) Status of specified wholly owned subsidiary as of the end of the fiscal year

Name of specified wholly owned subsidiary	Address of specified wholly owned subsidiary	Book value of specified wholly owned subsidiary at the end of the current fiscal year (Millions of yen)
Mitsuroko Vessel Co., Ltd.	3-1-1 Kyobashi, Chuo-ku, Tokyo	20,806

(Note) The amount of the Company's total assets at the end of the current fiscal year stands at ¥96,248 million.

(4) Issues to be addressed

The Group has a management structure as a corporate group consisting of a total of 11 companies, including 8 operating companies and 3 common function companies within the group, under the holding company, Mitsuroko Group Holdings Co., Ltd. The operating companies consist of Mitsuroko Vessel Co., Ltd., which focuses on energy and lifestyle-related services, Logitri Holdings Co., Ltd., which conducts optimization and integrated management of logistics businesses for energy-related products, Mitsuroko Green Energy Co., Ltd., which operate wind power stations and biomass power stations, and conduct retail electric power business, Mitsuroko Foods Co., Ltd., which is for the purpose of integrated management of the Foods Business, Carl's Jr. Japan Inc., which operates a hamburger restaurant chain, MITSUROKO Co., Ltd., which conducts facility management and real estate leasing with the theme of living and wellness, TRIFORCE INVESTMENTS PTE. LTD., which is in charge of overseas operations, and the leasing company MITSUROKO LEASE Co., Ltd. The common function companies consist of Mitsuroko Creative Solutions Co., Ltd., Sanrin Co., Ltd., and Triforce Corporation.

In the Group's core Energy Solutions Business, LPG, which remains highly profitable, has notably been attracting attention as a form of distributed energy that is resilient to disasters. However, this market trend is already at a stage of maturity, and the market scale is not expected to expand dramatically in the coming age

due to the expectation of a declining population, which means that demand for petroleum products such as heating oil and gasoline is falling. In order to remain competitive and secure stable profits under these circumstances, it is important not only to reduce business costs through thorough rationalization, but also to strategize growth by developing markets for businesses that can be the core of the next generation and expanding profitability.

With a management system that is based on a holding company system, the holding company will not only delegate authority and responsibility to each operating company regardless of whether it is an existing business or a next-generation business, and respond to changes in the environment with swift management decisions, but will also strategically determine the priority investees for human resources, goods and capital, with primary consideration given to the growth of the entire Group as the supervisory entity of each company.

With regard to initiatives to address environmental issues, we will work to establish a sustainable supply chain and expand safe and secure services in close collaboration with local communities, in order to achieve both carbon neutrality and stable supply through the Company's businesses, which focus on energy. We will strive to spread renewable energy, effort to reduce fuel consumption and CO₂ emissions through digital transformation in delivery operations, and actively promote reduction of environmental impact by making PET bottles label-free.

In addition, we will promote health management for employees to work in good physical and mental health, who play an important role to support the Company with the following five pillars: (1) 100% of employees receiving medical examinations, (2) preventing passive smoking, (3) women's health, (4) mental health, and (5) response to new lifestyles, based on the "Mitsuuroko Group Healthcare Declaration." Going forward, we will continue to undertake a range of initiatives to improve the health of employees.

Furthermore, the Group has established the "Mitsuuroko Group Human Rights Policy," and will work to respect the human rights of various stakeholders on an ongoing basis, while promoting inclusion and diversity with a particular focus on promoting female workforce participation.

We will continue to strive for sincere management and business activities based on high ethical standards, and contribute to the sustainable development of society as "A Lifestyle Producer," while maintaining the perspective of corporate social responsibility.

We appreciate for your understanding of the Group's management activities and your continued support.

(5) Main business activities (as of March 31, 2022)

Business department	Main products, goods and business activities
Energy Solutions Business	Gasoline, light oil, heating oil, LPG, city gas, coal briquettes, charcoal briquettes, etc., housing equipment for burning and kitchen use, and transportation of energy-related products
Power & Electricity Business	Wholesale of electricity to electric power companies, and retail of electricity to general consumers
Foods Business	Operation of in-facility stalls, cafeterias, burger restaurant chains, voluntary chain stores, fresh bakeries and cafes, and manufacture and sale of mineral water
Living & Wellness Business	Leasing of real estate such as office buildings and condominiums, and operation of commercial facilities for living and wellness such as bathing facilities
Overseas Business	Investment in business, supporting business outside Japan, and self-storage business
Others	Leasing business, insurance agency business, printing business, sale of information equipment, and EC business

(6) Main business office and factories (as of March 31, 2022)

(i) Main office of the Company

Head office 3-1-1 Kyobashi, Chuo-ku, Tokyo

(ii) Main subsidiaries, etc.

Mitsuuroko Vessel Co., Ltd.	Chuo-ku, Tokyo
Logitri Holdings Co., Ltd.	Chuo-ku, Tokyo
Mitsuuroko Green Energy Co., Ltd.	Chuo-ku, Tokyo
Mitsuuroko Voyagers Co., Ltd.	Chuo-ku, Tokyo
MITSUUROKO Co., Ltd.	Chiyoda-ku, Tokyo
Mitsuuroko Creative Solutions Co., Ltd.	Omiya-ku, Saitama
Triforce Corporation	Chuo-ku, Tokyo
TRIFORCE INVESTMENTS PTE.LTD.	Singapore
General Storage Company Pte. Ltd.	Singapore

(7) Status of employees (as of March 31, 2022)

Business division	Number of employees	Changes from the end of the previous fiscal year
Energy Solutions Business	1,070 persons	11 employees increased
Power & Electricity Business	150 persons	17 employees increased
Foods Business	400 persons	157 employees increased
Living & Wellness Business	40 persons	8 employees increased
Overseas Business	41 persons	41 employees increased
Others	17 persons	2 employees decreased
All companies (common)	53 persons	5 employees increased
Total	1,771 persons	237 employees increased

(Note) All companies (common) refer to the number of personnel in the management departments (General Affairs, Accounting, Finance, Human Resources Departments, etc.) of the Company and its consolidated subsidiaries.

(8) Main lenders and amount borrowed (as of March 31, 2022)

Lender	Transaction amount (Millions of yen)
Sumitomo Mitsui Banking Corporation	5,335
Mizuho Bank, Ltd.	3,413
MUFG Bank, Ltd.	2,872

(9) Other important matters regarding the current status of the corporate group

Not applicable.

2. Current status of the Company

(1) Status of shares (as of March 31, 2022)

- (i) Total number of authorized shares 197,735,000 shares
(ii) Total number of issued shares 60,634,566 shares

(Note) Compared to the end of the previous fiscal year, the total number of issued shares decreased by 1,697,822 shares due to the number of treasury shares cancelled as of March 31, 2022.

- (iii) Number of shareholders 4,174

(iv) Major shareholders (top 10)

Shareholder	Number of shares held (shares)	Shareholding ratio (%)
ENEOS Holdings, Inc.	5,064,040	8.35
Meiji Yasuda Life Insurance Company	4,990,000	8.23
Tajima Inc.	4,327,000	7.14
Sompo Japan Insurance Inc.	3,681,173	6.07
The Master Trust Bank of Japan, Ltd. (Trust account)	3,262,600	5.38
Mizuho Trust & Banking Co., Ltd., Retirement Benefit Trust Account for Mizuho Bank, Ltd.	3,024,400	4.99
Rinnai Corporation	2,682,464	4.42
HASHIMOTO SANGYO Co., Ltd.	1,926,500	3.18
National Mitsuuroko Association Stock Ownership Association	1,710,884	2.82
Paloma Co., Ltd.	1,685,124	2.78

- (Notes) 1. The Company owns 1,000 treasury shares (excluding 567,900 shares of the Company owned by Custody Bank of Japan, Ltd. (Trust E account) in relation to the Board Benefit Trust (BBT)).
2. The shareholding ratio is calculated after deducting treasury shares. The shares of the Company owned by Custody Bank of Japan, Ltd. (Trust E account) in relation to the Board Benefit Trust (BBT) are excluded from the treasury shares that is deducted from the total number of issued shares at the end of the fiscal year in the calculation of the shareholding ratio (567,900 shares at the end of the fiscal year under review).

(Reference) Cross-shareholdings

(1) Policy on cross-shareholdings

The Company's policy is to hold shares that contribute to enhancing corporate value over the medium- to long-term, after comprehensively considering their importance in relation to its business strategy, relationships with business partners, and other factors. Each year, the Board of Directors examines the significance of acquiring and holding each individual stock and their profitability based on the cost of capital, etc., thus regularly verifying the appropriateness of holding these stocks. Furthermore, the Company has established a policy of selling any stocks that it is unable to recognize the rationality of holding as a result of verifying the significance and purpose of holding them and will take steps to reduce the number of such shares that it holds.

(2) Standard for exercising voting rights for cross-shareholdings

The Company appropriately exercises voting rights based on a comprehensive assessment of whether to vote for or against each proposal, taking into consideration factors such as the establishment of appropriate corporate governance systems, the enhancement of the corporate value of the investee over the medium- to long-term, and the impact on the Company. If necessary, we will discuss the content of proposals, etc., with issuers.

(3) Total amount on the balance sheet of investment shares held for purposes other than pure investment
¥34,251 million

(2) Status of share acquisition rights, etc.

Not applicable.

(3) Status of corporate officers

(i) Status of Directors (as of March 31, 2022)

Position in the Company	Name	Responsibility and significant concurrent positions outside the Company
Representative Director and President	Kohei Tajima	General management Chief Executive Officer Representative Director and President of MITSUUROKO Co., Ltd., Director of Mitsuuroko Green Energy Co., Ltd., Representative Director and President of Mitsuuroko Voyagers Co., Ltd., Chairman of the Board of Directors of Carl's Jr. Japan Inc., Director of Triforce Corporation, Director of TRIFORCE INVESTMENTS PTE. LTD., External Director of SANRIN Co., Ltd., Chairman and Director of Niigata Sanrin Co., Ltd., and External Director of Television Kanagawa Inc.
Director	Atsushi Futami	Power & Electricity Business Representative Director and President of Mitsuuroko Green Energy Co., Ltd.
Director	Kazuhiro Kojima	Group Chief Financial Officer, Group Chief Administrative Officer Finance & Control, Administration Others (operational and system support) Representative Director and President of Mitsuuroko Creative Solutions Co., Ltd., Director of MITSUUROKO Co., Ltd., Director of MITSUUROKO LEASE Co., Ltd., Director of Triforce Corporation, Director of TRIFORCE INVESTMENTS PTE. LTD., and Audit & Supervisory Board Member of Niigata Sanrin Co., Ltd.
Director	Manabu Sakanishi	Energy Solutions Business Representative Director and President of Mitsuuroko Vessel Co., Ltd., Representative Director and President of Logitri Holdings Co., Ltd., External Director of IRUMA GAS CO., LTD., and Director of Mitsuuroko Creative Solutions Co., Ltd.
Director	Jun Kawakami	Mobility Business, Others (leasing) Representative Director and President of MITSUUROKO LEASE Co., Ltd.
Director	Motoyasu Omori	Foods Business Director of Mitsuuroko Voyagers Co., Ltd.
Director	Goh Wee Meng	Group Chief Technology Officer, Group Chief Information Officer Global Planning, ICT Planning (planning, maintenance and promotion of information infrastructure) Director of Mitsuuroko Vessel Co., Ltd., Director of MITSUUROKO Co., Ltd., and Director of TRIFORCE INVESTMENTS PTE. LTD.
Director	Katsuhisa Yanagisawa	Full-time Advisor of SANRIN Co., Ltd.

Position in the Company	Name	Responsibility and significant concurrent positions outside the Company
Director	Kaori Matsui	Representative Director of Japan Innovation & Succession Inc., Representative Director of Eve Communications Inc., and Representative Director of Japan Innovation & Succession Foundation.
Director (Audit and Supervisory Committee Member)	Hideo Sugahara	Director of Sugahara Accounting Office
Director (Audit and Supervisory Committee Member)	Yoshiyuki Kawano	Head of the Urology Department of Kobayashi Hospital, Head of the Prostatic Gland Center of Kobayashi Hospital, and Representative Partner of BLUFF45 GK
Director (Audit and Supervisory Committee Member)	Kei Tajima	Representative Director and President of OrgoVere Co., Ltd.

(Notes) 1. Directors Katsuhisa Yanagisawa, Kaori Matsui, Hideo Sugahara, Yoshiyuki Kawano and Kei Tajima are external Directors.

The Company has submitted notification to Tokyo Stock Exchange, Inc. that Kaori Matsui, Hideo Sugahara, and Yoshiyuki Kawano have been designated as “Independent Officers” as provided for by the aforementioned exchange.

2. Director Hideo Sugahara is a Certified Tax Accountant with considerable knowledge of finance and accounting.
3. Ken Tajima resigned as Director at the conclusion of the 112th Ordinary General Meeting of Shareholders held on June 18, 2021.
4. Under a company with an Audit and Supervisory Committee, the Audit and Supervisory Committee plays a central role in conducting organizational audits through the internal control system. For this reason, selecting full-time Members for the Audit and Supervisory Committee is not always necessary, and we therefore do not do so.

(ii) Summary of details of limited liability agreement

The Company stipulates in its Articles of Incorporation that it is able to conclude an agreement that limits liability for damages under Article 423, paragraph (1) of the Companies Act, as provided for in Article 427, paragraph (1) of the same Act, and has concluded a limited liability agreement with each of its external Directors. Pursuant to this agreement, the defined maximum amount of liability for damages, if the external Directors have acted in good faith and without gross negligence in performing their duties, shall be the minimum liability amount provided for under Article 425, paragraph (1) of the Companies Act.

(iii) Summary of details of liability insurance policy for Directors, etc.

The Company has entered into a liability insurance policy for Directors, etc. with an insurance company as provided for in Article 430-3, paragraph (1) of the Companies Act. Under the policy, the insured persons are the Directors and Audit & Supervisory Board Members of the Company and the consolidated subsidiaries listed below (including those who were working during the current fiscal year). In addition, a portion of the insurance premium is borne by the insured persons of Mitsuroko Group Holdings Co., Ltd. and Mitsuroko Vessel Co., Ltd.

In summary of the details of the insurance policy, the insurance company will compensate for damages that may occur as a result of the insured persons being liable for the performance of their duties or receiving a claim for pursuing the said liability. The insurance policy is updated every year.

MITSUROKO Co., Ltd.

Mitsuroko Vessel Co., Ltd.

Logitri Holdings Co., Ltd.

Mitsuroko Green Energy Co., Ltd.

Mitsuroko Voyagers Co., Ltd.

Carl's Jr. Japan Inc.

MITSUUROKO LEASE Co., Ltd.
Mitsuuuroko Creative Solutions Co., Ltd.
Mitsuuuroko Beverage Co., Ltd.
Shizuoka JA Foods Co., Ltd.
TRIFORCE INVESTMENTS PTE.LTD.
General Storage Company Pte. Ltd.

(iv) Remuneration for Directors, etc.

A. Policy on determining the remuneration, etc. for Officers

At the Board of Directors meeting held on January 20, 2021, the Company passed a resolution for a policy on determining the remuneration, etc. for each individual Director (excluding Directors who are Audit and Supervisory Committee Members; the same shall apply hereinafter).

In addition, the Board of Directors has confirmed that the method of determining the remuneration, etc. and the remuneration, etc. that were determined for each individual Director in the current fiscal year are consistent with the aforementioned policy, and are therefore judged to be in line with the policy.

The contents of the policy on determining the remuneration, etc. for each individual Director are as follows.

a. Basic policy

The basic policy of the Company is to determine the remuneration of Directors such that it is suitable and appropriate in light of Directors' roles and responsibilities, taking into consideration the business performance of the Company. Specifically, remuneration for Executive Directors consists of basic remuneration and a "Board Benefit Trust (BBT)," which is a form of performance-linked stock remuneration. Remuneration for External Directors, who are primarily responsible for supervisory functions, consists solely of basic remuneration in light of their duties.

b. Policy on determining basic remuneration (monetary remuneration)

Basic remuneration for the Company's Directors consists of fixed monthly remuneration and is determined after comprehensively taking into consideration such factors as remuneration levels at other companies, the business performance of the Company, and the levels of employee salaries, in addition to the positions, responsibilities, etc., of Directors.

c. Policy on determining performance-linked remuneration, etc., and non-monetary remuneration, etc.

At the 107th Ordinary General Meeting of Shareholders held on June 28, 2016, a resolution was adopted in relation to a "Board Benefit Trust (BBT)" as a form of performance-linked stock remuneration for Directors (excluding External Directors and Directors who are Audit and Supervisory Committee Members; hereinafter, referred to as the "Eligible Directors" in this and the following paragraph) (furthermore, the trust established based on this plan is hereinafter referred to as the "Trust").

As set forth in the resolution, Eligible Directors are granted several points for each fiscal year, determined after taking into consideration their position, the degree of achievement of business performance targets (the degree of achievement of the target for profit before income taxes on the consolidated statement of income), and other factors, in accordance with the Officer Share Benefit Regulations (the maximum total number of points granted to Eligible Directors per fiscal year shall be 100,000 points). Furthermore, when granting the Company's shares, etc., the points granted to Eligible Directors are converted at a rate of one share of the Company's common stock per point (however, in the event of a share split, gratis allotment of shares, consolidation of shares, etc., in relation to the Company's shares, the conversion ratio shall be reasonably adjusted according to the ratio thereof, etc.). The number of points for the Eligible Directors to be used as the basis for the granting of the Company's shares, etc., is calculated by aggregating the points granted to the Eligible Directors through the time of their retirement and then multiplying the result by a predetermined coefficient set for each reason for retirement (hereinafter, the points thus calculated are referred to as the "confirmed number of points").

If an Eligible Director retires and satisfies the beneficiary requirements set forth in the Officer Share Benefit Regulations, he or she will be granted a number of the Company's shares corresponding to the

“confirmed number of points” from the Trust after their retirement, when he or she completes the prescribed beneficiary confirmation procedures; provided, however, that in cases when the requirements provided for in the Officer Share Benefit Regulations are satisfied, the Eligible Director in question shall be paid cash equivalent to the market value of a certain percentage of the Company’s shares, in place of the granting of those shares of the Company. The amount of remuneration, etc., to be received by Eligible Directors shall be based on the amount obtained by multiplying the total number of points granted to each Eligible Director by the book value per share of the Company held in the Trust, at the time the points are granted (however, in the event of a share split, gratis allotment of shares, consolidation of shares, etc., in relation to the Company’s shares, the conversion ratio shall be reasonably adjusted according to the ratio thereof, etc.). In addition, if deemed appropriate, this amount shall be added to any money paid in accordance with the provisions of the Officer Share Benefit Regulations.

- d. Policy on determining the ratio of the amount of basic remuneration (monetary remuneration), performance-linked remuneration, etc., or non-monetary remuneration, etc., for the amount of individual remuneration, etc., for each Director

In addition to basic remuneration, Executive Directors receive performance-linked stock remuneration (BBT), classified as performance-linked remuneration, etc., and non-monetary compensation, etc. However, the ratio of basic remuneration, performance-linked remuneration, and non-monetary remuneration is not set in advance given the nature of performance-linked stock remuneration (BBT), such as the fact that, as described in item c. above, a number of points (a maximum of 100,000 points per fiscal year) are granted to Eligible Directors in accordance with the Officer Share Benefit Regulations for each fiscal year, taking into consideration their positions, the degree of achievement of business performance targets, and other factors, and a number of the Company’s shares, etc., that is equivalent to the confirmed number of points at the time of retirement is granted, as well as the fact that this plan was introduced in place of the payment of retirement benefits. However, basic remuneration shall be the principal remuneration for Executive Directors.

Remuneration for External Directors consists solely of basic remuneration, as described in item a. above.

- e. Matters concerning the determination of the contents of remuneration, etc. for individual Directors

Of remuneration, etc., for individual Directors, decisions concerning the specific amount of basic remuneration are delegated to the President and Representative Director, based on a resolution of the Board of Directors. This authority covers the setting of payment standards according to positions, responsibilities, etc., and the amount of basic remuneration for each individual based on such standards. To ensure that the President and Representative Director appropriately exercise this authority, the Representative Director shall make decisions concerning the establishment of payment standards in accordance with positions, responsibilities, etc., after consulting with and receiving reports from independent External Directors.

Furthermore, the specific content of performance-linked stock remuneration (BBT) for individual Executive Directors is determined in accordance with the Officer Stock Benefit Regulations.

B. Total amount of remuneration, etc. for the current fiscal year

Officer category	Total amount of remuneration, etc. (Millions of yen)	Total amount by type of remuneration, etc. (Millions of yen)		Number of target Officers (Persons)
		Basic remuneration	Performance-linked stock remuneration	
Directors (excluding Directors who are Audit and Supervisory Committee Members)	368	281	87	9
(External Directors within)	14	14	–	2
Directors who are Audit and Supervisory Committee Members	21	21	–	4
(External Directors within)	19	19	–	3
Total	390	302	87	13
(External Officers within)	34	34	–	5

- (Notes) 1. The amount of the above remuneration, etc. includes the provision for share awards of ¥87 million that was recorded in the current fiscal year.
2. The indicator of performance-linked remuneration is “profit before income taxes” in the consolidated statement of income. This is to allow all Directors to promote a way of management that gives consideration to the continual improvement of the corporate value of the Group, by sharing returns with shareholders with the cost of capital in mind. The target value for the indicator of performance-linked remuneration in the fiscal year under review was ¥6,200 million, while the actual value was ¥3,437 million. The target value for profit before income taxes in the fiscal year ending March 31, 2023 is ¥4,700 million.
3. At the 106th Ordinary General Meeting of Shareholders held on June 26, 2015, the amount of remuneration for Directors (excluding Directors who are Audit and Supervisory Committee Members) was resolved to be no more than ¥300 million per year (note that salary for employees is not included). The number of Directors at the conclusion of this General Meeting of Shareholders was nine (including two external Directors). In addition, separately from this, at the 107th Ordinary General Meeting of Shareholders held on June 28, 2016, a resolution was passed to adopt “Board Benefit Trust (BBT)” as performance-linked stock remuneration for Directors other than external Directors. The number of Directors (excluding external Directors and Directors who are Audit and Supervisory Committee Members) at the conclusion of this General Meeting of Shareholders was seven. The conditions for allocating performance-linked stock remuneration are as described in “A. Policy on determining the remuneration, etc. for Officers.”
4. At the 106th Ordinary General Meeting of Shareholders held on June 26, 2015, the amount of remuneration for Directors who are Audit and Supervisory Committee Members was resolved to be no more than ¥100 million per year. The number of Directors who are Audit and Supervisory Committee Members at the conclusion of this General Meeting of Shareholders was three.
5. The Board of Directors has passed a resolution that the remuneration for each Director be determined by Representative Director and President Kohei Tajima, as stated in “e. Matters concerning the determination of remuneration, etc. for each individual Director” on page 38, for the reason that Representative Director and President is eligible for evaluating the divisional performance that each Director undertakes, after considering the performance, etc. of the entire Group. Also, the total amount of performance-linked stock remuneration is reported to the Board of Directors every year through the company’s performance as soon as it is confirmed according to the prescribed rules.

(v) Matters concerning external Officers

- A. Significant concurrent positions as a business executor of another corporation, etc. and the relationship between the Company and the other corporation, etc.
- Director Katsuhisa Yanagisawa also serves as a full-time advisor to SANRIN Co., Ltd. The Company and SANRIN Co., Ltd. have a competitive relationship, although their business areas are different.
 - Director Kaori Matsui is the Representative Director of Japan Innovation & Succession Inc. and Eve Communications Inc. She is also the Representative Director of Japan Innovation & Succession Foundation. There is no special relationship between the Company and Japan Innovation & Succession Inc., Eve Communications Inc. and Japan Innovation & Succession Foundation.
 - Director who is an Audit and Supervisory Committee Member Hideo Sugahara is a Representative Certified Tax Accountant of Sugahara Accounting Office. There is no special relationship between the Company and the accounting office.
 - Director who is an Audit and Supervisory Committee Member Yoshiyuki Kawano is a doctor at Kobayashi Hospital. The Company and MITSUUROKO Co., Ltd. have entered into an agreement regarding industrial physicians with BLUFF45 GK, of which Mr. Kawano is the Representative Partner. However, the consignment fee therein is extremely small as it is less than 0.01% of the Group’s consolidated selling costs and general administrative costs. There are no other special interests between the Company and the said company.
 - Director who is an Audit and Supervisory Committee Member Kei Tajima is Representative Director and President of OrgoVere Co., Ltd. There is no special relationship between the Company and OrgoVere Co., Ltd.
- B. Significant concurrent positions as an external Officer of another corporation, etc. and the relationship between the Company and the other corporation, etc.
- Not applicable.

C. Status of main activities in the current fiscal year

Classification	Name	Status of attendance, status of remarks, and summary of duties performed for the expected roles of external Directors
External Directors	Katsuhisa Yanagisawa	Mr. Yanagisawa attended 13 of the 13 Board of Directors meetings held this fiscal year. With his abundant experience and wide-ranging viewpoints as a Corporate Manager, he has further strengthened the management system through means such as giving advice on management supervision and general management, and has also provided useful suggestions to enhance corporate governance, offered advice on the management of the Group, and supervised business administration from a practical and multifaceted standpoint.
	Kaori Matsui	Ms. Matsui attended 13 of the 13 Board of Directors meetings held this fiscal year. Having held numerous positions in corporate management, she is responsible for giving advice on managing the Group and supervising business administration with her practical and multifaceted perspective as a Corporate Manager. In addition, given her notable wealth of experience and knowledge pertaining to M&A, she has also provided useful suggestions regarding not only overall management, but also matters such as M&A and organizational restructuring, which play a part in improving corporate values over the medium to long term, and has made statements to ensure the fairness and legitimacy of the Board of Directors' decision-making from an objective and neutral standpoint.
External Directors who are Audit and Supervisory Committee Members	Hideo Sugahara	Mr. Sugahara attended 13 of the 13 Board of Directors meetings and 13 of the 13 Audit and Supervisory Committee Meetings held this fiscal year. With his professional perspective as a Certified Tax Accountant, he has worked to further strengthen the management system by supervising management from an independent standpoint, and has also made useful recommendations for enhancing compliance and corporate governance, and necessary remarks about the Company's accounting system and internal audits at the Audit and Supervisory Committee Meetings.
	Yoshiyuki Kawano	Mr. Kawano attended 13 of the 13 Board of Directors meetings and 13 of the 13 Audit and Supervisory Committee Meetings held this fiscal year. He has worked as a doctor for many years, and with his highly specialized expertise in the profession, he is affiliated with many medical societies and plays an active role in them. Since he also serves as an industrial physician to the Company, he has abundant experience, achievements, and insights in the position, and has provided highly effective advice and recommendations in a wide range of fields including general management and health management. At Audit and Supervisory Committee Meetings, he has also made appropriate and necessary remarks about the Company's compliance system and internal audits.
	Kei Tajima	Mr. Tajima attended ten of the ten Board of Directors meetings and ten of the ten Audit and Supervisory Committee Meetings held since assuming his position on June 18, 2021. He has supervised management and provided advice and recommendations for overall management based on his abundant experience and wide-ranging insights as a Corporate Manager. At Audit and Supervisory Committee Meetings, he has also made appropriate and necessary statements to ensure the legality of the Board of Directors' decision-making from an objective and neutral standpoint.

(Note) In the relevant fiscal year, the Board of Directors meeting was held 13 times (in addition, pursuant to the provisions of Article 370 of the Companies Act and Article 25, paragraph 2 of the Company's Articles of Incorporation, there were eight written resolutions that were deemed to have been resolved by the Board of Directors), and the Audit and Supervisory Committee Meeting was held 13 times.

(4) Status of Financial Auditor

(i) Name: KPMG AZSA LLC

(ii) Amount of remuneration, etc.

	Amount of remuneration, etc.
· Amount of remuneration, etc. for the Financial Auditor in the current fiscal year	¥46 million
· Total amount of monetary and other property benefits payable by the Company and its subsidiaries to the Financial Auditor	¥98 million

- (Notes)
1. In the audit agreement between the Company and the Financial Auditor, no distinction is made between the remuneration, etc. for audits based on the Companies Act and the remuneration, etc. for audits based on the Financial Instruments and Exchange Act, nor is such a distinction effectively possible. Therefore, the total amount of remuneration, etc. for both types of audits is stated as the amount of remuneration, etc. for the Financial Auditor in the current fiscal year.
 2. Following the “Practical Guidelines for Cooperation with Financial Auditors” that was published by the Japan Audit & Supervisory Board Members Association, the Audit and Supervisory Committee obtained necessary materials and received reports from Directors, related departments within the Company, and the Financial Auditor. After this, the committee checked the actual audit time spent for each audit item, along with changes in the remuneration amount, and the job performance status of the Financial Auditor in the audit plans of previous years. In addition, they then verified and reviewed the adequacy of the audit plan and amount of remuneration, etc. for the current fiscal year. As a result of these activities, the committee agreed to Article 399, paragraphs (1) and (3) of the Companies Act regarding the compensation of Financial Auditors.
 3. Among the major subsidiaries of the Company, the overseas subsidiaries have been audited by an audit corporation other than the Financial Auditor of the Company.

(iii) Details of non-audit duties

The Company entrusts its Financial Auditor with financial due diligence and tax due diligence, which are duties (non-audit duties) not part of Article 2, paragraph (1) of the Certified Public Accountants Act, and has paid a total of ¥7 million as consideration therefor.

(iv) Policy on determining whether to dismiss or not reelect the Financial Auditor

If the Financial Auditor is deemed to fall under any of the items stipulated in Article 340, paragraph (1) of the Companies Act, the Audit and Supervisory Committee may dismiss the Financial Auditor with the consent of all Audit and Supervisory Committee Members. In this case, the Audit and Supervisory Committee Members that are elected by the Audit and Supervisory Committee will report the dismissal of the Financial Auditor and the reasons for the dismissal at the first General Meeting of Shareholders held after the dismissal.

In addition, if it is deemed necessary to change the Financial Auditor in consideration of factors such as the Financial Auditor’s performance of duties and the Company’s audit system, the Audit and Supervisory Committee will determine the details of the proposal on the dismissal or non-reelection of the Financial Auditor that is to be submitted to the General Meeting of Shareholders.

(5) System for ensuring the adequacy of operations

At the Board of Directors meeting held on September 14, 2015, the Company passed a resolution for a basic policy on building a system that ensures the adequacy of the Company's operations (the "internal control system"), pursuant to the Companies Act and the Regulation for Enforcement of the Companies Act.

- (i) Systems to ensure that Directors and employees execute their duties in compliance with laws and regulations and the Articles of Incorporation

The Charter of Corporate Ethics and other rules concerning compliance systems shall constitute a code of conduct to ensure that the Board of Directors and employees comply with laws, regulations, the Articles of Incorporation, and social norms. In addition, to ensure the thorough implementation of these rules, the Legal & Secretary shall supervise compliance efforts across the Company, and it shall also play a central role in making reports to the Board of Directors and the Audit and Supervisory Committee. The Company will also establish and operate a compliance hotline for employees to directly provide information on legally questionable activities, etc. Furthermore, if any violation of laws, regulations or the Articles of Incorporation is discovered, it shall be reported to the Board of Directors in accordance with the Compliance Rules, and the Company shall subsequently endeavor to address the matter while cooperating with external experts as necessary.

- (ii) Systems for preserving and managing information on the execution of duties by Directors

In accordance with the Document Management Regulations, the Company records and preserves information pertaining to the execution of duties by Directors as documents or electromagnetic media (hereinafter, referred to as "documents"). The Board of Directors and Directors who are Audit and Supervisory Committee Members shall be able to inspect these documents at any time, in accordance with the Document Management Regulations.

- (iii) Rules and other systems for managing the risk of loss

With regard to risks related to compliance, disasters and accidents, the environment, quality, information security, and other factors, the respective departments in charge shall establish rules and guidelines, conduct training, prepare and distribute manuals, etc. The Board of Directors shall address newly occurring risks by promptly designating Directors who will act as managers responsible for a response. In addition, the Board of Directors verifies the risks associated with business execution every year and reviews risk management systems as necessary.

- (iv) Systems to ensure the efficient execution of duties by Directors

The Company clearly defines the methods by which it makes decisions in the Approval Regulations and makes decisions in ways suited to their importance. In addition, authorities and responsibilities related to the execution of duties are clearly defined in the Regulations on the Division of Duties, the Regulations on Operational Authority, and other internal regulations. In this way, duties are executed efficiently.

In addition, the Internal Auditing audits the status of the execution of these operations to ascertain their status and make improvements.

- (v) System for ensuring the appropriateness of the business operations of the corporate group consisting of the Company and its subsidiaries

In addition to appointing Directors responsible for the businesses of each segment in the Group and giving them the authority and responsibility to establish legal compliance and risk management systems, Finance & Control promotes and manages these across the Company.

- (1) In accordance with the Regulations on the Management of Affiliated Companies and other related regulations, the Company appoints Directors and departments to oversee subsidiaries, and subsidiaries provide reports on the execution of duties and the status of their businesses.

- (2) The Company takes steps to establish compliance systems for the Company and subsidiaries and conducts ongoing compliance education and training for officers and employees of the Company and subsidiaries.
 - (3) The Company and subsidiaries execute business operations according to the internal regulations of each company, and the internal regulations are revised as needed.
 - (4) Divisions in charge of risk management are established within the Company and each subsidiary with the Company as a direct parent company. Each company also cooperates in the sharing of information.
 - (5) The Company's Internal Auditing conducts audits of the overall operations of the Company and subsidiaries and provides verification, advice, etc.
- (vi) Systems for reporting matters pertaining to the execution of duties by Directors of subsidiary companies, etc., to the Company

In accordance with the Regulations on the Management of Affiliated Companies, the Company clearly defines the matters that require approval by the Company, matters that must be reported to the Company, etc., and monitors the status of the execution thereof, while respecting the autonomy of subsidiaries.

- (vii) Rules and other systems for managing the risk of loss at subsidiaries

- (1) The Company has established basic policies on risk management for the Group as a whole.
- (2) The Company will establish a department to supervise risk management for the Group as a whole and appoint responsible managers.
- (3) The General Managers of each business division manage risks for the division they are in charge of, in accordance with the basic policies on risk management.
- (4) Important subsidiaries establish basic policies on risk management and manage risks themselves. Important subsidiaries also provide reports to the Company on the status of risk management, at regular intervals or as necessary.
- (5) Subsidiaries under the Company's direct control oversee risk management for their subsidiaries.

- (viii) Systems to ensure the efficient execution of duties by Directors of subsidiaries, etc.

- (1) The Company reviews the organizational design and business execution systems of subsidiaries at regular intervals, taking into consideration factors such as the business and scale of the subsidiaries, and their position within the Group, and supervises them to ensure that systems are established for the efficient execution of their duties.
- (2) With regard to decision-making at subsidiaries, the Company has clarified the authorities and responsibilities of persons who execute business at subsidiaries in accordance with the subsidiaries' Board of Directors Regulations, the Regulations on Operational Authority, and various other regulations. The Company also provides guidance necessary to ensure the systematic and efficient execution of business operations.
- (3) The Company's Board of Directors verifies internal control plans for financial reporting reported annually by the Head of Finance & Control and shares this information with Group companies.

- (ix) System to ensure that the Directors, etc., and employees of subsidiaries execute their duties in compliance with laws and regulations and the Articles of Incorporation

- (1) The Company takes steps to disseminate the Group's Code of Corporate Conduct among the officers and employees of subsidiaries, to ensure that they comply with laws, regulations, the Articles of Incorporation, and internal regulations, and execute business operations honestly and fairly.
- (2) The Company has established basic policies on compliance for the Group.
- (3) Subsidiaries promote compliance themselves according to the Group Basic Compliance Policy.

- (4) Important subsidiaries also provide reports to the Company on compliance status at regular intervals or as necessary.
- (5) Subsidiaries promote the establishment of compliance systems suited to the content and scale of their businesses and other circumstances while referring to the Compliance Guidelines established by the Company.
- (x) Matters related to employees to assist Audit and Supervisory Committee Members in their duties, in cases when the Audit and Supervisory Committee has requested the assignment of such employees

If Directors who are Audit and Supervisory Committee Members request that employees be assigned to assist them with their duties, the Company will appoint persons deemed suitably qualified after consulting with Directors who are Audit and Supervisory Committee Members.

- (xi) Matters Concerning the independence of said employees from Directors

- (1) Directors who are Audit and Supervisory Committee Members may provide orders as necessary for audit services to employees providing assistance. If an employee providing assistance receives an order necessary for audit operations from a Director who is an Audit and Supervisory Committee Member, the employee in question will not accept any orders from Directors, the General Manager of the Internal Auditing Office, etc.
- (2) The consent of the Audit and Supervisory Committee is required for decisions concerning personnel transfers, personnel evaluations, etc., for employees providing assistance.

- (xii) Matters related to ensuring the effectiveness of instructions given by the Audit and Supervisory Committee to Directors and employees assisting them with their operational duties

Directors and employees cooperate in developing an audit environment where employees providing assistance can perform their operational duties without issue.

- (xiii) Systems for Directors (excluding Directors who are Audit and Supervisory Committee Members) and employees to make reports to the Audit and Supervisory Committee

The Company will establish systems to ensure that Directors and employees make prompt reports to the Audit and Supervisory Committee on statutory matters, as well as matters that significantly impact the Company and the Group, the implementation status of internal audits, and the status of reporting via the compliance hotline and the content thereof. The method of making these reports (persons to make reports, persons to receive reports, the timing of reports, etc.) shall be determined through consultation between the Board of Directors and the Audit and Supervisory Committee.

- (xiv) Systems for subsidiaries' Directors, Audit & Supervisory Board Members, Executive Officers, employees who execute business operations, other persons equivalent thereto, and employees, as well as persons who have received reports from these persons, to provide reports to the Audit and Supervisory Committee

- (1) The Company will establish systems in advance with its subsidiaries whereby the Directors, Audit & Supervisory Board Members, employees, etc., of subsidiaries, or persons who have received reports from these persons, may make reports to Directors, employees, etc., of the Company, either via the Board of Directors or Audit & Supervisory Board Members of the subsidiaries or directly.
- (2) The Company will establish a system in which a prompt report to the Audit and Supervisory Committee of the Company will be made when Directors, employees, etc., of the Company, receive reports from Directors, Audit & Supervisory Board Members, employees, etc., of subsidiaries, or persons who have received reports from these persons.

(xv) Systems to ensure that persons who make reports are not treated disadvantageously as a result of making the report

- (1) There shall be an attorney at the contact point for the internal reporting system, and if an internal report is made, the attorney shall promptly report the content of the case to the Audit and Supervisory Committee of the Company, excluding any matters that may identify the whistleblower.
- (2) The fact that a report was made may not be taken into consideration in any transfers, personnel evaluations, disciplinary actions, etc., related to the whistleblower, and the whistleblower may request the Audit and Supervisory Committee to investigate the reason for the transfer, personnel evaluation, disciplinary action, etc.
- (3) The Board of Directors receives regular reports on the status of internal reports and the details of cases and revises the internal reporting system after consulting with the Audit and Supervisory Committee.

(xvi) Matters concerning the procedures for advance payment or reimbursement of expenses incurred in the execution of duties by Audit and Supervisory Committee Members and other policies pertaining to the handling of expenses or obligations incurred in the execution of said duties

When an Audit and Supervisory Committee Member requests the advance payment of expenses incurred in the execution of his or her duties, the reimbursement of expenses paid, etc., or the repayment of obligations borne, the Company complies with the request unless it can be proven that such expenses, etc., did not arise in the execution of his or her duties as Audit and Supervisory Committee Member.

(xvii) Other systems to ensure that audits by the Audit and Supervisory Committee are conducted effectively

The Company establishes regular meetings to exchange opinions between the Audit and Supervisory Committee and the President and Representative Director.

(6) Summary of the implementation status of the system for ensuring adequacy of operations

The Company has a Board of Directors, an Audit and Supervisory Committee, and a Financial Auditor as its corporate governance system. Directors who are Audit and Supervisory Committee Members with voting rights in Board of Directors meetings have improved the effectiveness of audits and supervision, and further strengthened the supervisory function of the Board of Directors by conducting audits.

The main aspects of the implementation status of the system for ensuring adequacy of operations in the current fiscal year are as follows:

(i) Efforts for compliance

- In the Group, compliance training is regularly provided to all personnel from new employees to managers. Such training is offered under different levels and topics and includes “e-learning training on information management for all employees,” “compliance training for group managers,” “risk management training for group managers,” “management training for new administrators,” and “training for new employees.” In addition, efforts have also been made to facilitate understanding of the basic meaning and importance of compliance, and to raise awareness and knowledge about compliance.
- As part of compliance education, the Group has created a “Compliance Handbook” that summarizes the Code of Conduct that should be followed by Officers and employees by depicting specific examples of duties performed by the Group in comic form. After distributing the handbook to all employees, the Group has repeatedly held reading sessions for each department, which has in turn improved understanding of compliance.
- The Group conducts small group activities at least once a month to discuss topics related to compliance in each department. By giving employees the opportunity to think about compliance on their own, the Group has stimulated each employee’s sense of ownership and awareness of issues, and further improved their awareness of compliance.

- For the purpose of promoting compliance and risk management, the Group has set up a “Risk Management Committee” to supervise the risk management of the entire group, and has appointed an “Internal Control Manager,” “Internal Control Promoter,” and “Internal Control Promotion Committee Member” for each department to disseminate information related to compliance in each department, and to serve as a consultation contact point for employees on-site.
- The Group has received pledges from all administrators to not engage in improper accounting, intentional false reporting, and other fraudulent activities, as well as pledges from all employees to not create compliance violations. By building awareness about compliance among administrators and employees, the Group has prevented scandals and other such incidents from occurring.
- For the purpose of preventing and detecting organizational or personal violations of laws and regulations, fraudulent activities, and other such acts early on, the Group has set up a “Compliance Hotline” with Legal & Secretary of the Company, Internal Auditing, and external law firm as points of contact for consultations. In addition to protecting reporters, such as the company’s employees and business partners who reported/consulted about the violations, Internal Auditing is responsible for investigating facts, while Legal & Secretary takes corrective actions and recurrence prevention measures as necessary.
- For the purpose of responding promptly and minimizing damage when personal or internal information is lost, the Group has created an “Information Security Card” that all employees carry with them at all times. On the card, the Corporate Ethics Charter and the compliance test that urges for legal compliance are also stated, which works to raise awareness of compliance and prevent fraudulent activities, etc.

(ii) Efforts concerning the storage and management of information related to the execution of duties by Directors

In accordance with the Document Management Regulations, information related to the execution of duties by Directors, such as approval documents and minutes of various important meetings such as Board of Directors meetings, is recorded and stored in written or electronic media (“Documents, etc.”). Important minutes such as “minutes of General Meetings of Shareholders” and “minutes of Board of Directors meetings” are kept permanently regardless of the retention period designated by law.

In addition, Directors and Directors who are Audit and Supervisory Committee Members are able to view these Documents, etc. at all times under the Document Management Regulations.

(iii) Efforts for the risk of loss

- A Risk Management Committee has been established under the “Risk Management Rules” provided by the Board of Directors. In the current fiscal year, a Risk Management Committee Meeting was held three times.

The Risk Management Committee oversees manuals on anticipated risks, which are individually developed by each department of the Group, and provides advice on identifying and responding to risks. In order to manage and oversee risks comprehensively, the Risk Management Committee has determined a policy on developing and improving various rules related to risk management.

- For the management of quality-related risks, in order to clearly define the responsibilities for food quality, laws and regulations in particular, two Officers have been appointed as Food Quality Control Managers and are assuming the responsibilities thereof.

Further, for safety-related risks, the Executive Officer in Charge of Safety carries out risk management in cooperation with each department.

- For the protection of information, the “Information Management Regulations,” “Confidential Document Management Regulations,” “Document Management Regulations,” “Privacy Policy” and “Regulations on Protection of Specific Personal Information” have been formulated and implemented based on “Mitsuo Group’s Information Security Management Policy.” In addition, all employees carry with them at all times an “Information Security Card” that was created for the purpose of providing prompt response and minimizing damage when personal or internal information, etc. is lost.

The “Privacy Policy” is also posted on the Company website, which makes it possible to check the efforts being made to protect personal information and the purpose for using personal information.

(iv) Efforts to ensure the adequacy and efficiency of the execution of duties by Directors

- The decision-making method of the Company is clearly stated in the Internal Approval Regulations, and the Board of Directors makes decisions based on the Internal Approval Regulations and the Rules of the Board of Directors.

In addition, the Regulations on the Division of Duties, the Regulations on Operational Authority and other internal regulations are also clearly stated in writing, and operations are carried out adequately and efficiently based on these regulations.

- In order to make efficient decisions, the Company delegates some important business execution to the Directors based on the resolution of the Board of Directors. In the current fiscal year, a Board of Directors meeting was held 13 times over a one year span (in addition, there are eight written resolutions that are deemed to have been resolved by the Board of Directors pursuant to the provisions of Article 370 of the Companies Act and Article 25, paragraph (2) of the Company’s Articles of Incorporation). At the meetings, Directors discussed matters such as the formulation of a budget, M&A, capital investments, and the establishment and revision of rules based on a management strategy.

(v) Efforts to ensure the adequacy of operations in the Group

- Based on the Group’s Internal Approval Regulations, important matters concerning the Group’s management are approved by the Board of Directors of the Company.
- In addition to appointing Directors to be responsible for the business in each segment of the Group, and giving them the authority and responsibility to establish a legal compliance system and a risk management system, Finance & Control also promotes and manages these systems on a lateral basis.

Each Representative Director of the Group submits a “Monitoring Sheet for the Corporate Governance Code” to Finance & Control every month. Finance & Control manages the risks related to matters stated in the aforementioned sheet, such as “compliance,” “rule adherence and information sharing,” “personnel,” “financial accounting,” and “business.” Finance & Control reports to the Board of Directors of the Company on a monthly basis about the risks reported in the aforementioned sheet to prevent problems from occurring. In addition, related departments and Internal Auditing investigate the Group companies as necessary, and take corrective measures and recurrence prevention measures through the Company’s Finance & Control.

- Regarding the issues concerning the establishment and implementation of internal controls for financial reporting, the Head of Finance & Control of the Company conducts cross-sectional examinations and adjustments of the Group, and reports to the Board of Directors about the annual plan for internal controls related to financial reporting and the results thereof.
- For the purpose of improving work efficiency, preventing fraudulent activities, and promptly detecting them after they have occurred, Internal Auditing, pursuant to the Basic Internal Audit Plan, which is reported to the Board of Directors by the Head of Internal Auditing every year, conducts business audits on the Company’s subsidiaries at least once a year to gain a comprehensive understanding of the risks and to respond to them.

(vi) Efforts to ensure the effectiveness of the execution of duties by Audit and Supervisory Committee Members and audits by the Audit and Supervisory Committee

- The Company has an Audit and Supervisory Committee, and in principle, the Audit and Supervisory Committee meets once a month to resolve, report on, and discuss important matters related to audits.
- Audit and Supervisory Committee Members attend the Company’s Board of Directors meetings to confirm the establishment and implementation status of the internal control system.

- Audit and Supervisory Committee Members have a place to exchange information and opinions with the Representative Director and President. In addition, information and opinions are regularly exchanged with members of Internal Auditing and the Financial Auditor, etc. to improve the effectiveness and efficiency of audits.
- One employee has been assigned to serve concurrently as a staff member who assists with the duties of the Audit and Supervisory Committee and its members.
- In relation to the Financial Auditor, while monitoring the independence and adequacy of audits, the report on the audit plan (annual) and report on accounting audit results (each quarterly review and year-end settlement) were received, information and opinions were exchanged, and discussions were held on the election of a Financial Auditor.
- At the beginning of the fiscal year, a budget was secured for various costs related to audits based on the annual activity plan. In addition, there was no budget shortfall when audits were conducted for the current fiscal year.

(7) Policy on determination of dividends of surplus, etc.

The Company is aware that distributing profits to shareholders is one of its management goals and hence adheres to an annual payout ratio of 40%. In consideration of enriching internal reserves, which is necessary for consolidating the financial standing and making aggressive business development, the Company upholds a basic policy where measures for stable dividends are implemented. In addition, the Articles of Incorporation of the Company stipulate that matters listed in Article 459, paragraph (1), items of the Companies Act, including dividends of surplus, will be determined by a resolution of a Board of Directors meeting.

In the current fiscal year, profit attributable to owners of parent decreased due to the impact of soaring fuel prices and electricity procurement price, which surpassed the dividend payout ratio of 40%. However, in light of the current financial position, and from the perspective of boosting shareholder returns and implementing a stable dividend policy, the Company will pay a year-end dividend of ¥25 per share, an increase of ¥2 from the previous fiscal year.

As for the next year-dividend, the Company also plan to pay a dividend of ¥25 per share from the standpoint of maintaining the stable dividend policy.

(8) Basic policy on control of the Company

No notable matter to be stated.

Consolidated Balance Sheet

(As of March 31, 2022)

(Millions of yen)

Item	Amount
Assets	
Current assets	63,687
Cash and deposits	21,502
Notes receivable - trade	224
Accounts receivable - trade	28,112
Lease receivables and investments in leases	2,187
Merchandise and finished goods	5,331
Raw materials and supplies	631
Other	5,788
Allowance for doubtful accounts	(90)
Non-current assets	91,047
Property, plant and equipment	38,264
Buildings and structures	13,601
Machinery, equipment and vehicles	3,895
Land	15,979
Leased assets	1,120
Construction in progress	36
Other	3,630
Intangible assets	5,129
Goodwill	3,970
Other	1,158
Investments and other assets	47,654
Investment securities	35,193
Shares of subsidiaries and associates	3,723
Insurance funds	906
Deferred tax assets	1,669
Other	6,359
Allowance for doubtful accounts	(197)
Total assets	154,735

	(Millions of yen)
Item	Amount
Liabilities	
Current liabilities	40,751
Notes and accounts payable - trade	25,003
Short-term borrowings	2,420
Current portion of long-term borrowings	3,102
Lease liabilities	1,102
Income taxes payable	869
Accrued consumption taxes	720
Provision for bonuses	905
Provision for bonuses for directors (and other officers)	4
Asset retirement obligations	87
Other	6,533
Non-current liabilities	26,293
Long-term borrowings	7,852
Lease liabilities	3,004
Deferred tax liabilities	6,595
Provision for share awards	227
Retirement benefit liability	2,493
Provision for retirement benefits for directors (and other officers)	312
Asset retirement obligations	1,278
Other	4,528
Total liabilities	67,045
Net assets	
Shareholders' equity	74,949
Share capital	7,077
Capital surplus	320
Retained earnings	68,084
Treasury shares	(533)
Accumulated other comprehensive income	12,327
Valuation difference on available-for-sale securities	11,894
Deferred gains or losses on hedges	(121)
Foreign currency translation adjustment	572
Remeasurements of defined benefit plans	(19)
Non-controlling interests	413
Total net assets	87,689
Total liabilities and net assets	154,735

Consolidated Statement of Income

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

(Millions of yen)

Item	Amount
Net sales	250,033
Cost of sales	221,173
Gross profit	28,859
Selling, general and administrative expenses	28,036
Operating profit	823
Non-operating income	2,661
Interest income	21
Dividend income	1,068
Purchase discounts	41
Share of profit of entities accounted for using equity method	511
Insurance claim income	425
Compensation income	86
Gain on derivatives trading	51
Other	454
Non-operating expenses	560
Interest expenses	168
Commission expenses	348
Other	43
Ordinary profit	2,925
Extraordinary income	914
Gain on sale of non-current assets	5
Gain on sale of investment securities	768
Insurance claim income	140
Extraordinary losses	401
Loss on sale of non-current assets	2
Loss on retirement of non-current assets	93
Loss on disaster	127
Impairment losses	147
Loss on store closings	22
Loss on COVID-19	9
Profit before income taxes	3,437
Income taxes - current	2,040
Income taxes - deferred	(536)
Profit	1,933
Profit attributable to non-controlling interests	24
Profit attributable to owners of parent	1,909

Consolidated Statement of Changes in Equity

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

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance as of April 1, 2021	7,077	2,275	66,471	(1,160)	74,664
Cumulative effects of changes in accounting policies			1,120		1,120
Restated balance	7,077	2,275	67,591	(1,160)	75,784
Changes during period					
Dividends of surplus			(1,416)		(1,416)
Profit attributable to owners of parent			1,909		1,909
Capital increase of consolidated subsidiaries		(6)			(6)
Purchase of treasury shares				(1,321)	(1,321)
Cancellation of treasury shares		(1,947)		1,947	-
Net changes in items other than shareholders' equity					-
Total changes during period	-	(1,954)	492	626	(835)
Balance as of March 31, 2022	7,077	320	68,084	(533)	74,949

(Millions of yen)

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance as of April 1, 2021	18,481	(201)	0	(36)	18,243	382	93,289
Cumulative effects of changes in accounting policies					-		1,120
Restated balance	18,481	(201)	0	(36)	18,243	382	94,410
Changes during period							
Dividends of surplus					-		(1,416)
Profit attributable to owners of parent					-		1,909
Capital increase of consolidated subsidiaries					-		(6)
Purchase of treasury shares					-		(1,321)
Cancellation of treasury shares					-		-
Net changes in items other than shareholders' equity	(6,586)	80	572	16	(5,916)	30	(5,885)
Total changes during period	(6,586)	80	572	16	(5,916)	30	(6,720)
Balance as of March 31, 2022	11,894	(121)	572	(19)	12,327	413	87,689

Accounting Audit Report of the Consolidated Financial Statements

Audit Report of Independent Auditors

May 20, 2022

To the Board of Directors of Mitsuuroko Group Holdings Co., Ltd.

KPMG AZSA LLC
Tokyo Office

Hideki Yoneyama
Designated Engagement Partner
Certified Public Accountant

Yoshiko Imai
Designated Engagement Partner
Certified Public Accountant

Opinion

Pursuant to Article 444, paragraph (4) of the Companies Act, we have audited the Consolidated Financial Statements of Mitsuuroko Group Holdings Co., Ltd. and its consolidated subsidiaries (the “Group”), namely, Consolidated Balance Sheet as of March 31, 2022, Consolidated Statement of Income, and Consolidated Statement of Changes in Equity for the fiscal year from April 1, 2021 to March 31, 2022, and the Notes to Consolidated Financial Statements.

In our opinion, the above Consolidated Financial Statements are in accordance with accounting principles generally accepted in Japan, and that the status of assets, profits and losses for the period pertaining to the said Consolidated Financial Statements of the corporate group consisting of Mitsuuroko Group Holdings Co., Ltd. and its consolidated subsidiaries is fairly presented in all material respects.

Basis for Opinion

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

Other Information

Other Information refers to the Business Report and its Annexed Detailed Statements. The management’s responsibility lies in preparing and presenting Other Information. Moreover, the Audit and Supervisory Committee is responsible for overseeing the Directors’ execution of duties relating to the design and operating effectiveness of the processes of reporting Other Information.

Since our audit opinions do not cover Other Information in the Consolidated Financial Statements, we do not express opinions on Other Information.

Our responsibilities for the Consolidated Financial Statements lie in reading through Other Information in those statements, through such reading, examining whether there is any material discrepancy between Other Information and the Consolidated Financial Statements or our knowledge obtained through audit, and concentrating our attention on any possible indication of material errors in Other Information, besides such material discrepancy.

When we decided based on the work executed that Other Information contains a material error, we are required to report the fact to the Company.

There is no notable matter that we should report on Other Information.

Responsibilities of Management and the Audit and Supervisory Committee for the Consolidated Financial Statements

The responsibility of management is to prepare and fairly present the Consolidated Financial Statements in accordance with accounting principles generally accepted in Japan. This includes establishing and operating internal controls that management deems necessary for the preparation and fair presentation of the Consolidated Financial Statements, without material misstatement caused by fraud or error.

In preparing Consolidated Financial Statements, management is responsible for evaluating whether it is appropriate to prepare Consolidated Financial Statements based on an assumption of going concern, and disclosing matters related to going concern if it is necessary for them to do so in accordance with accounting principles generally accepted in Japan.

The Audit and Supervisory Committee is responsible for overseeing the Directors' execution of duties relating to the design and operating effectiveness of the controls over the financial reporting process.

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

Our objectives are 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 issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks. The procedures selected depend on the auditor's judgement. In addition, we obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtain, when performing risk assessment procedures, an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether the overall presentation and disclosures of the Consolidated Financial Statements are in accordance with accounting principles generally accepted in Japan, as well as the overall presentation, structure and contents of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit and Supervisory Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit and Supervisory Committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

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

Audit and Supervisory Committee's Audit Report for the Consolidated Financial Statements

Report on the Audit of the Consolidated Financial Statements

The Audit and Supervisory Committee has conducted an audit on the Consolidated Financial Statements (Consolidated Balance Sheet, Consolidated Statement of Income, Consolidated Statement of Changes in Equity, and Notes to Consolidated Financial Statements) for the 113th fiscal year from April 1, 2021 to March 31, 2022. The method and results of the audit will be reported as follows.

1. Audit method and details thereof

The Audit and Supervisory Committee, in accordance with regulations such as the Audit Policy and division of duties, received reports from Directors and other parties on the Consolidated Financial Statements, and requested explanations as necessary.

Moreover, in addition to monitoring and verifying whether the Financial Auditor was conducting the audit properly while maintaining an independent position, the Audit and Supervisory Committee received reports from the Financial Auditor on the status of his/her execution of duties and requested explanations as necessary.

Furthermore, the Audit and Supervisory Committee also received a notification from the Financial Auditor indicating that a "system to ensure appropriate performance of its duties" (the matters listed in the items of Article 131 of the Regulations on Corporate Accounting) had been established in accordance with the "Quality Control Standard for Audit" (October 28, 2005, Business Accounting Council), and requested explanations as necessary.

Hence, the Consolidated Financial Statements for the relevant fiscal year were examined based on the above method.

2. Audit results

We confirm that the auditing method and results of the Financial Auditor, KPMG AZSA LLC, are appropriate.

May 20, 2022

Audit and Supervisory Committee, Mitsuuroko Group Holdings Co., Ltd.	
Audit and Supervisory Committee Member	Hideo Sugahara (seal)
Audit and Supervisory Committee Member	Yoshiyuki Kawano (seal)
Audit and Supervisory Committee Member	Kei Tajima (seal)

(Note) Audit and Supervisory Committee Members Hideo Sugahara, Yoshiyuki Kawano, and Kei Tajima are external Directors as stipulated in Article 2, item (xv) and Article 331, paragraph (6) of the Companies Act.

Balance Sheet
(As of March 31, 2022)

	(Millions of yen)
Item	Amount
Assets	
Current assets	6,995
Cash and deposits	6,516
Accounts receivable - trade	69
Short-term loans receivable from subsidiaries and associates	41
Accounts receivable - other	71
Prepaid expenses	227
Other	69
Non-current assets	89,253
Property, plant and equipment	19,989
Buildings	7,466
Structures	156
Machinery and equipment	365
Vehicles	0
Tools, furniture and fixtures	119
Land	11,856
Leased assets	19
Construction in progress	5
Intangible assets	685
Software	53
Software in progress	495
Leasehold interests in land	130
Other	5
Investments and other assets	68,578
Investment securities	34,446
Shares of subsidiaries and associates	30,919
Long-term loans receivable from subsidiaries and associates	3,756
Guarantee deposits	714
Insurance funds	729
Other	101
Allowance for doubtful accounts	(2,088)
Total assets	96,248

	(Millions of yen)
Item	Amount
Liabilities	
Current liabilities	13,962
Short-term borrowings	200
Short-term borrowings from subsidiaries and associates	12,032
Current portion of long-term borrowings	849
Lease liabilities	4
Accounts payable - other	166
Accrued expenses	229
Income taxes payable	332
Provision for bonuses	24
Asset retirement obligations	87
Other	34
Non-current liabilities	11,813
Long-term borrowings	4,870
Lease liabilities	14
Deferred tax liabilities	5,785
Provision for share awards	227
Provision for retirement benefits	34
Guarantee deposits received	233
Asset retirement obligations	619
Other	26
Total liabilities	25,775
Net assets	
Shareholders' equity	58,655
Share capital	7,077
Capital surplus	379
Legal capital surplus	366
Other capital surplus	13
Retained earnings	51,676
Legal retained earnings	1,411
Other retained earnings	50,265
Reserve for tax purpose reduction entry of non-current assets	2,770
General reserve	37,742
Retained earnings brought forward	9,752
Treasury shares	(478)
Valuation and translation adjustments	11,817
Valuation difference on available-for-sale securities	11,817
Total net assets	70,473
Total liabilities and net assets	96,248

Statement of Income

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

(Millions of yen)

Item	Amount
Operating revenue	6,166
Operating expenses	3,927
Operating profit	2,239
Non-operating income	1,146
Interest and dividend income	1,089
Insurance claim income	3
Other	52
Non-operating expenses	392
Interest expenses	88
Commission expenses	136
Provision of allowance for doubtful accounts	159
Other	7
Ordinary profit	2,993
Extraordinary income	768
Gain on sale of non-current assets	0
Gain on sale of investment securities	768
Extraordinary losses	35
Loss on sale of non-current assets	0
Loss on retirement of non-current assets	34
Profit before income taxes	3,726
Income taxes - current	847
Income taxes - deferred	(56)
Profit	2,936

Statement of Changes in Equity
(From April 1, 2021 to March 31, 2022)

(Millions of yen)

	Shareholders' equity										
	Share capital	Capital surplus			Retained earnings					Treasury shares	Total shareholders' equity
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings			Total retained earnings		
						Reserve for tax purpose reduction entry of non-current assets	General reserve	Retained earnings brought forward			
Balance as of April 1, 2021	7,077	366	1,961	2,327	1,411	2,844	37,742	8,159	50,156	(1,104)	58,457
Changes during period											
Reversal of reserve for tax purpose reduction entry of non-current assets				-		(73)		73	-		-
Dividends of surplus				-				(1,416)	(1,416)		(1,416)
Profit				-				2,936	2,936		2,936
Purchase of treasury shares				-					-	(1,321)	(1,321)
Cancellation of treasury shares			(1,947)	(1,947)					-	1,947	-
Net changes in items other than shareholders' equity				-					-		-
Total changes during period	-	-	(1,947)	(1,947)	-	(73)	-	1,593	1,519	626	198
Balance as of March 31, 2022	7,077	366	13	379	1,411	2,770	37,742	9,752	51,676	(478)	58,655

(Millions of yen)

	Valuation and translation adjustments			Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Total valuation and translation adjustments	
Balance as of April 1, 2021	18,433	(3)	18,429	76,886
Changes during period				
Reversal of reserve for tax purpose reduction entry of non-current assets			-	-
Dividends of surplus			-	(1,416)
Profit			-	2,936
Purchase of treasury shares			-	(1,321)
Cancellation of treasury shares			-	-
Net changes in items other than shareholders' equity	(6,615)	3	(6,612)	(6,612)
Total changes during period	(6,615)	3	(6,612)	(6,413)
Balance as of March 31, 2022	11,817	-	11,817	70,473

Accounting Audit Report of the Financial Statements

Audit Report of Independent Auditors

May 20, 2022

To the Board of Directors of Mitsuuroko Group Holdings Co., Ltd.

**KPMG AZSA LLC
Tokyo Office**

Hideki Yoneyama
Designated Engagement Partner
Certified Public Accountant

Yoshiko Imai
Designated Engagement Partner
Certified Public Accountant

Opinion

Pursuant to Article 436, paragraph (2), item (i) of the Companies Act, we have audited the Non-consolidated Financial Statements of Mitsuuroko Group Holdings Co., Ltd. (the “Company”) namely, Balance Sheet as of March 31, 2022, Statement of Income, Statement of Changes in Equity, Notes to Non-consolidated Financial Statements, and Annexed Detailed Statements thereof (“Non-consolidated Financial Statements, Etc.”) for the 113th fiscal year from April 1, 2021 to March 31, 2022.

In our opinion, the above Non-consolidated Financial Statements, Etc. are in accordance with accounting principles generally accepted in Japan, and that the status of assets, profits and losses for the period pertaining to the said Non-consolidated Financial Statements, Etc. is fairly presented in all material respects.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the “Auditor’s Responsibilities for the Audit of the Non-consolidated Financial Statements, Etc.” section of our report. We are independent of the Company in accordance with the provisions of the Code of Professional Ethics in Japan, and we have fulfilled our other ethical responsibilities as auditors. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Other Information refers to the Business Report and its Annexed Detailed Statements. The management’s responsibility lies in preparing and presenting Other Information. Moreover, the Audit and Supervisory Committee is responsible for overseeing the Directors’ execution of duties relating to the design and operating effectiveness of the processes of reporting Other Information.

Since our audit opinions do not cover Other Information in the Non-consolidated Financial Statements, Etc., we do not express opinions on Other Information.

Our responsibilities for the Non-consolidated Financial Statements, Etc. lie in reading through Other Information in those statements, through such reading, examining whether there is any material discrepancy between Other Information and the Non-consolidated Financial Statements, Etc. or our knowledge obtained through audit, and concentrating our attention on any possible indication of material errors in Other Information, besides such material discrepancy.

When we decided based on the work executed that Other Information contains a material error, we are required to report the fact to the Company.

There is no notable matter that we should report on Other Information.

Responsibilities of Management and the Audit and Supervisory Committee for the Non-consolidated Financial Statements, Etc.

The responsibility of management is to prepare and fairly present the Non-consolidated Financial Statements, Etc. in accordance with accounting principles generally accepted in Japan. This includes establishing and operating internal controls that management deems necessary for the preparation and proper

display of Financial Statements, Etc., without material misstatement caused by fraud or error.

In preparing Non-consolidated Financial Statements, Etc., management is responsible for evaluating whether it is appropriate to prepare Non-consolidated Financial Statements, Etc. based on an assumption of going concern, and disclosing matters related to going concern if it is necessary for them to do so in accordance with accounting principles generally accepted in Japan.

The Audit and Supervisory Committee is responsible for overseeing the Directors' execution of duties relating to the design and operating effectiveness of the controls over the financial reporting process.

Auditor's Responsibilities for the Audit of the Non-consolidated Financial Statements, Etc.

Our objectives are to obtain reasonable assurance about whether the Non-consolidated Financial Statements, Etc. as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Non-consolidated Financial Statements, Etc.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Non-consolidated Financial Statements, Etc., whether due to fraud or error, design and perform audit procedures responsive to those risks. The procedures selected depend on the auditor's judgement. In addition, we obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtain, when performing risk assessment procedures, an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Non-consolidated Financial Statements, Etc. or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate whether the overall presentation and disclosures of the Financial Statements, Etc. are in accordance with accounting principles generally accepted in Japan, as well as the overall presentation, structure and contents of the Non-consolidated Financial Statements, Etc., including the disclosures, and whether the Non-consolidated Financial Statements, Etc. represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Audit and Supervisory Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit and Supervisory Committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

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

Audit and Supervisory Committee's Audit Report

Audit Report

This audit report was prepared following the discussions based on the respective audit reports of each Audit and Supervisory Committee Member concerning the conduct of the Directors in the performance of their duties during the 113th fiscal year from April 1, 2021 to March 31, 2022. The Audit and Supervisory Committee submits its report as follows.

1. Audit method and details thereof

The Audit and Supervisory Committee received regular reports from Directors and employees, etc. about the details of the resolution of the Board of Directors regarding the matters listed in Article 399-13, paragraph (1), item (i) (b) and (c) of the Companies Act, and the status of their construction and operation of the system (internal control system) established based on the said resolution. In addition, the Audit and Supervisory Committee also requested explanations as necessary, expressed their opinion, and conducted an audit through the following method.

- (i) Following regulations such as the Audit Policy and division of duties that they had established, the Audit and Supervisory Committee, in cooperation with the Internal Control Department of the Company, attended important meetings, received reports from Directors and employees, etc. on matters related to their execution of duties, requested explanations as necessary, inspected important approval documents, etc., and examined the status of operations and property at the headquarters and main offices.
- (ii) Each Audit and Supervisory Committee Member monitored and verified whether the Financial Auditor, KPMG AZSA LLC, maintained independence and conducted proper audit, received reports from the Financial Auditor regarding the status of the performance of its duties, and requested explanations as necessary. The Audit and Supervisory Committee Members also received the notification from the Financial Auditor that it had established a "system to ensure appropriate performance of its duties" (the matters listed in the items of Article 131 of the Regulations on Corporate Accounting) in accordance with the "Quality Control Standard for Audit" (October 28, 2005, Business Accounting Council), and requested explanation as necessary.

Based on the above-mentioned methods, the Audit and Supervisory Committee examined the Business Report and its Annexed Detailed Statement, along with the Non-consolidated Financial Statements (Balance Sheet, Statement of Income, Statement of Changes in Equity, and Notes to Non-consolidated Financial Statements) and their Annexed Detailed Statements for the fiscal year under review.

2. Audit results

(1) Audit results of the Business Report, etc.

We confirm as follows:

- (i) The Business Report and its Annexed Detailed Statements present the Company's situation correctly in accordance with laws and regulations, and the Articles of Incorporation of the Company.
- (ii) There was no improper behavior, or serious violation of any applicable laws and regulations or of the Articles of Incorporation of the Company concerning the Directors' performance of their duties.
- (iii) The details of the Board of Directors resolutions concerning the internal control system were appropriate and adequate. Furthermore, there was no matter we must point out, regarding the description of the internal control system in the Business Report and the Directors' performance of their duties concerning the internal control system.

(2) Audit results of the Non-consolidated Financial Statements and their Annexed Detailed Statements

We confirm that the auditing method and results of the Financial Auditor, KPMG AZSA LLC, are appropriate.

May 20, 2022

Audit and Supervisory Committee, Mitsuuroko Group Holdings Co., Ltd.	
Audit and Supervisory Committee Member	Hideo Sugahara (seal)
Audit and Supervisory Committee Member	Yoshiyuki Kawano (seal)
Audit and Supervisory Committee Member	Kei Tajima (seal)

(Note) Audit and Supervisory Committee Members Hideo Sugahara, Yoshiyuki Kawano, and Kei Tajima are external Directors as stipulated in Article 2, item (xv) and Article 331, paragraph (6) of the Companies Act.