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(Stock Exchange Code 3232)  
June 1, 2022

**To Shareholders with Voting Rights:**

Yasushi Hara  
President and Representative Director  
**Mie Kotsu Group Holdings, Inc.**  
1-1, Chuo, Tsu City, Mie

**NOTICE OF  
THE 16TH ORDINARY GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

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

The 16th Ordinary General Meeting of Shareholders of Mie Kotsu Group Holdings, Inc. (the “Company”) will be held as described below.

From the perspective of preventing the spread of the novel coronavirus disease (COVID-19), we would fully appreciate your considering not visiting the meeting.

Please review the attached Reference Documents for the General Meeting of Shareholders and exercise your voting rights in writing or via the Internet, etc. by 6:00 p.m., on Wednesday, June 22, 2022, the Japan standard time.

- 1. Date and Time:** Thursday, June 23, 2022 at 10:00 a.m. Japan standard time
- 2. Place:** Mie Center for the Arts  
1234, Isshinden-kozubeta, Tsu City, Mie, Japan
  - \* The venue has been changed from the previous year's venue.
  - \* The progress of the Meeting will be live-streamed on the Internet. For more details such as instructions on how to view the live stream, please see page 6 to page 7 of the Japanese version of this Notice. (Japanese language only)
- 3. Meeting Agenda:**
  - Matters to be reported:**
    1. The Business Report, Consolidated Financial Statements for the Company’s 16th Fiscal Year (April 1, 2021 - March 31, 2022) and results of audits by the Accounting Auditor and the Audit & Supervisory Board of the Consolidated Financial Statements
    2. Non-consolidated Financial Statements for the Company’s 16th Fiscal Year (April 1, 2021 - March 31, 2022)
  - Proposals to be resolved:**
    - Proposal 1:** Appropriation of Surplus
    - Proposal 2:** Partial Amendment to the Articles of Incorporation
    - Proposal 3:** Election of Fifteen (15) Directors
    - Proposal 4:** Revision in the Amount of Compensation for Outside Directors
- 4. Other:**

Of the documents required to be appended to this Notice as attachments, the Necessary Corporate Systems to Ensure the Appropriateness of Business Operations and the Summary of Operational Status of the Systems to be stated in the Business Report, the Consolidated Statement of Changes in Net Assets and the Notes to the Consolidated Financial Statements, which are part of the Consolidated Financial Statements, and the Statement of Changes in Net Assets and the Notes to the Non-consolidated Financial Statements, which are part of the Non-consolidated Financial Statements, have been posted on the Company’s website (<https://holdings.sanco.co.jp/>) in accordance with laws and regulations and Article 15 of the Articles of

Incorporation of the Company, and are therefore not included in the attached documents.

Therefore, the documents appended to this Notice are part of the Business Report, the Consolidated Financial Statements, and the Non-consolidated Financial Statements audited by the Audit & Supervisory Board Members in preparing their Audit Reports, and the Consolidated Financial Statements and the Non-consolidated Financial Statements audited by the Accounting Auditor in preparing their Accounting Audit Reports.

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1. When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk. Please also bring this Notice with you.
  2. If exercising your voting rights by proxy, you may authorize one (1) other shareholder with voting rights to attend the meeting as your proxy, provided that such proxy shall submit to the Company a document evidencing his or her power of representation.
  3. Any updates to the Reference Documents for the General Meeting of Shareholders and the Attached Documents will be posted on the Company's website (<https://holdings.sanco.co.jp/>). (Japanese only)

# Reference Documents for the General Meeting of Shareholders

## Proposals and References

**Proposal 1:** Appropriation of Surplus

### **Matters concerning year-end dividends**

With respect to the year-end dividends for the 16th fiscal year, it is proposed that the year-end dividends be appropriated as follows, taking into account the financial results for the fiscal year and future business developments.

These year-end dividends, combined with the interim dividends of ¥4 distributed earlier in the fiscal year, bring the annual dividends for the 16th fiscal year to ¥8 per share.

1. Type of dividend property  
Cash
2. Allocation of dividend property to shareholders and total amount thereof  
¥4 per share of common stock of the Company  
Total amount of dividends: ¥398,693,988
3. Effective date of distribution of dividends of surplus  
June 24, 2022

**Proposal 2: Partial Amendment to the Articles of Incorporation**

1. Reasons for the amendment

The amended provisions specified in the proviso of Article 1 of the supplementary provisions of the “Act Partially Amending the Companies Act” (Act No. 70 of 2019) will be enforced on September 1, 2022. Accordingly, the Company proposes amendments to the Articles of Incorporation of the Company as follows in order to prepare for the introduction of the system for electronic provision of materials for general meetings of shareholders.

- (1) The Company establishes the proposed Article 15 (Measures for Electronic Provision, Etc.), Paragraph 1, as it will be mandatory to stipulate in the Articles of Incorporation that information contained in the reference documents for the general meeting of shareholders, etc. will be provided electronically.
- (2) Among the matters to be provided electronically, which are information contained in the reference documents for the general meeting of shareholders, etc., in order to limit the scope of matters to be included in the paper copy to be sent to shareholders who have requested it to the extent specified by the Ordinance of the Ministry of Justice, the Company establishes proposed Article 15 (Measures for Electronic Provision, Etc.), Paragraph 2.
- (3) Subject to the introduction of the system for electronic provision of materials for general meetings of shareholders, the present provisions of Article 15 (Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, Etc.) of the Articles of Incorporation will become unnecessary and will therefore be deleted.
- (4) Supplementary provisions related to the effectiveness of the above establishment and deletion of the provisions shall be established. These supplementary provisions shall be deleted after the lapse of certain date.

2. Details of the amendment

The details of the amendment are as follows.

(Underlined portions are amended.)

Present Articles of Incorporation	Proposed Amendment
<p><u>(Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, Etc.)</u></p> <p><u>Article 15</u></p> <p><u>The Company may, when convening a general meeting of shareholders, deem that it has provided information to shareholders pertaining to matters to be described or indicated in the reference documents for the general meeting of shareholders, business report, non-consolidated financial statements, and consolidated financial statements, by disclosing such information through the internet in accordance with the provisions provided in the Ordinance of the Ministry of Justice.</u></p> <p style="text-align: center;">&lt;Newly established&gt;</p>	<p style="text-align: center;">&lt;Deleted&gt;</p> <p style="text-align: center;"><u>(Measures for Electronic Provision, Etc.)</u></p> <p><u>Article 15</u></p> <p><u>1. The Company shall, when convening a general meeting of shareholders, provide information contained in the reference documents for the general meeting of shareholders, etc. electronically.</u></p> <p><u>2. Among the matters to be provided electronically, the Company may choose not to include all or part of the matters stipulated in the Ordinance of the Ministry of Justice in the paper copy to be sent to shareholders who have requested it by the record date for voting rights.</u></p>

Present Articles of Incorporation	Proposed Amendment
<p>&lt;Newly established&gt;</p>	<p>(Supplementary provisions)</p> <ol style="list-style-type: none"> <li data-bbox="810 271 1406 685">1. <u>The deletion of the present Article 15 (Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, Etc.) of the Articles of Incorporation and the establishment of the proposed Article 15 (Measures for Electronic Provision, Etc.) shall come into effect on September 1, 2022, which is the date of enforcement of the amended provisions specified in the proviso of Article 1 of the supplementary provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019) (the “Effective Date”).</u></li> <li data-bbox="810 689 1406 846">2. <u>Notwithstanding the provisions of the preceding paragraph, the present Article 15 of the Articles of Incorporation shall remain in force with respect to a general meeting of shareholders to be held on a date by the end of February 2023.</u></li> <li data-bbox="810 869 1406 1025">3 <u>These supplementary provisions shall be deleted after the lapse of six months from the Effective Date or the lapse of three months from the date of the general meeting of shareholders set forth in the preceding paragraph, whichever is later.</u></li> </ol>

**Proposal 3: Election of Fifteen (15) Directors**

The terms of office of all Directors will expire at the conclusion of this Ordinary General Meeting of Shareholders. We hereby propose to elect fifteen (15) Directors, increasing the number of Outside Directors by one (1) to strengthen the management and oversight functions of the Board of Directors and enhance corporate governance of the Company.

The candidates for Director are as follows:

No.	Name	Current position and responsibility at the Company
1	Reappointment Naoyuki Okamoto	Chairman and Representative Director
2	Reappointment Yasushi Hara	President and Representative Director
3	Reappointment Kenichi Takeya	Vice President and Representative Director
4	Reappointment Toshiya Shibata	Director Responsible for Planning Office Responsible for Accounting, Accounting Group
5	Reappointment Hiroyuki Taniguchi	Director Responsible for General Affairs and Human Resources Group Responsible for Information System, Accounting Group Responsible for Internal Control Office
6	Reappointment Noriyuki Kawamura	Director
7	Reappointment Takayuki Muto	Director
8	Reappointment Yoko Murata	Director
9	Reappointment Michitaka Nakamura	Director
10	Reappointment Outside Director Independent Director Atsumasa Uchida	Director
11	Reappointment Outside Director Independent Director Yoshiyuki Kusui	Director
12	Reappointment Outside Director Takashi Tsuji	Director
13	Reappointment Outside Director Independent Director Ayako Tanaka	Director
14	Reappointment Outside Director Independent Director Izumi Takamiya	Director
15	New candidate Outside Director Independent Director Takashi Ueda	

No.	Name	Attendance at the Board of Directors meetings	Main areas of skills and experience of candidates for Director (*)					
			Management	Finance / accounting	Human resource / labor affairs	Legal affairs / risk management	Digital / ICT	Gender / other elements of diversity
1	Naoyuki Okamoto	11/11	●		●	●		
2	Yasushi Hara	11/11	●		●	●		
3	Kenichi Takeya	11/11	●		●	●		
4	Toshiya Shibata	11/11		●		●	●	
5	Hiroyuki Taniguchi	11/11	●		●			●
6	Noriyuki Kawamura	11/11	●		●	●		
7	Takayuki Muto	11/11	●		●	●		
8	Yoko Murata	11/11	●				●	●
9	Michitaka Nakamura	11/11	●	●		●		
10	Atsumasa Uchida	11/11	●		●	●		
11	Yoshiyuki Kusui	11/11	●	●		●		
12	Takashi Tsuji	10/11	●		●	●		
13	Ayako Tanaka	9/9 (After the appointment on June 23, 2021)	●			●		●
14	Izumi Takamiya	9/9 (After the appointment on June 23, 2021)				●	●	●
15	Takashi Ueda	—	●		●	●		

\* The list shows only three areas of skills and experience at maximum for each candidate.

No.	Name (Date of birth)	Past experience, positions and significant concurrent positions	Number of shares of the Company held
1	Naoyuki Okamoto (December 29, 1946)  (Reappointment)	April 1970    Joined Kintetsu Corporation (current Kintetsu Group Holdings Co., Ltd.) June 2003    Director of Kintetsu Corporation June 2005    Senior Managing Director of Kintetsu Corporation June 2007    Vice President and Representative Director of Kintetsu Corporation June 2010    President and Representative Director of the Company June 2010    Chairman and Representative Director of Mie Kotsu Co., Ltd. June 2010    Chairman and Representative Director of Sanco Real Estate Co., Ltd. June 2010    Chairman and Representative Director of Meihankintetsu Bus Co., Ltd. June 2016    Chairman and Representative Director of the Company (current position)	166,600
<p>&lt;Reason for nomination as a candidate for Director&gt;            Mr. Naoyuki Okamoto has been working for Kintetsu Corporation (current Kintetsu Group Holdings Co., Ltd.) since 1970 and has gained a wealth of business experience through his involvement in public relations, personnel affairs, and the real estate business. He became Director of Kintetsu Corporation in 2003 and has in-depth knowledge and a wealth of experience of corporate management. He has been engaged in the Group's management as the President and Representative Director of the Company since 2010 and as the Chairman and Representative Director since 2016. The Company believes that he can contribute to strengthening the effectiveness of the decision-making and control function of the Board of Directors by utilizing his experience and insight at the Board of Directors. Thus, the Company nominates him as a candidate for Director.</p>			



No.	Name (Date of birth)	Past experience, positions and significant concurrent positions	Number of shares of the Company held	
2	Yasushi Hara (December 31, 1961)  (Reappointment)	April 1984	Joined Kintetsu Corporation (current Kintetsu Group Holdings Co., Ltd.)	68,000
		June 2018	Executive Officer of Kintetsu Railway Co., Ltd.	
		June 2019	Director and Managing Executive Officer of Kintetsu Railway Co., Ltd.	
		June 2020	President and Representative Director of the Company (current position)	
		June 2020	Chairman and Representative Director of Mie Kotsu Co., Ltd. (current position)	
		June 2020	Chairman and Representative Director of Sanco Real Estate Co., Ltd. (current position)	
		June 2020	Chairman and Representative Director of Meihankintetsu Bus Co., Ltd. (current position)	
		[Significant concurrent positions]	Chairman and Representative Director of Mie Kotsu Co., Ltd. Chairman and Representative Director of Sanco Real Estate Co., Ltd. Chairman and Representative Director of Meihankintetsu Bus Co., Ltd.	
<p>&lt;Reason for nomination as a candidate for Director&gt; Mr. Yasushi Hara has been working for Kintetsu Corporation (current Kintetsu Group Holdings Co., Ltd.) since 1984 and has gained a wealth of business experience through his involvement in railway business. He became Executive Officer of Kintetsu Railway Co., Ltd. in 2018 and Director and Managing Executive Officer of Kintetsu Railway Co., Ltd. in 2019, and has in-depth knowledge and a wealth of experience of corporate management. He has been engaged in the Group's management as President of the Company since 2020. The Company believes that he can contribute to strengthening the effectiveness of the decision-making and control function of the Board of Directors by utilizing his experience and insight at the Board of Directors of the Company. Thus, the Company nominates him as a candidate for Director.</p>				
3	Kenichi Takeya (July 28, 1956)  (Reappointment)	April 1979	Joined Mie Kotsu Co., Ltd.	94,000
		June 2009	Director of Mie Kotsu Co., Ltd.	
		June 2011	Managing Director of Mie Kotsu Co., Ltd.	
		June 2013	Director of the Company	
		June 2013	Senior Managing Director of Mie Kotsu Co., Ltd.	
		June 2017	Vice President and Representative Director of Mie Kotsu Co., Ltd.	
		June 2019	President and Representative Director of Mie Kotsu Co., Ltd. (current position)	
		June 2019	Vice President and Representative Director of the Company (current position)	
		[Significant concurrent position]	President and Representative Director of Mie Kotsu Co., Ltd.	
<p>&lt;Reason for nomination as a candidate for Director&gt; Mr. Kenichi Takeya has been working for the Group since 1979 and has gained a wealth of business experience through his involvement in the bus business and as a Director of a Group company. He also has been engaged in the Group's management as a Director of the Company since 2013. The Company believes that he can contribute to strengthening the effectiveness of the decision-making and control function of the Board of Directors by utilizing his experience and insight at the Board of Directors of the Company. Thus, the Company nominates him as a candidate for Director.</p>				

No.	Name (Date of birth)	Past experience, positions and significant concurrent positions	Number of shares of the Company held
4	Toshiya Shibata (December 30, 1962)  (Reappointment)	<p>April 1986      Joined Kintetsu Corporation (current Kintetsu Group Holdings Co., Ltd.)</p> <p>November 2008      General Manager of Planning and Accounting Group (responsible for Corporate Planning) (current Planning Office) of the Company</p> <p>July 2011      General Manager of General Affairs and Human Resources Group (responsible for Corporate Communications) of the Company</p> <p>June 2017      Director of Mie Kotsu Co., Ltd.</p> <p>June 2017      Director of the Company (current position)</p> <p>June 2018      Managing Director of Mie Kotsu Co., Ltd.</p> <p>[Responsibilities at the Company] Responsible for Planning Office Responsible for Accounting, Accounting Group</p>	55,100
		<p>&lt;Reason for nomination as a candidate for Director&gt; Mr. Toshiya Shibata worked for Kintetsu Corporation (current Kintetsu Group Holdings Co., Ltd.) since 1986 and was mainly engaged in railway business and planning. He has been engaged in the Group's management as a Director of the Company since 2017. The Company believes that he can contribute to strengthening the effectiveness of the decision-making and control function of the Board of Directors by utilizing his experience and insight at the Board of Directors of the Company. Thus, the Company nominates him as a candidate for Director.</p>	
5	Hiroyuki Taniguchi (April 8, 1963)  (Reappointment)	<p>April 1987      Joined Mie Kotsu Co., Ltd.</p> <p>June 2016      Director of Mie Kotsu Co., Ltd.</p> <p>June 2018      Managing Director of Mie Kotsu Co., Ltd.</p> <p>June 2019      Representative Director of Mie Kyuko Jidosha Co., Ltd.</p> <p>June 2019      Representative Director of Happu Bus Co., Ltd.</p> <p>June 2020      Senior Managing Director of Mie Kotsu Co., Ltd. (current position)</p> <p>June 2020      Director of the Company (current position)</p> <p>[Responsibilities at the Company] Responsible for General Affairs and Human Resources Group Responsible for Information System, Accounting Group Responsible for Internal Control Office</p> <p>[Significant concurrent positions] Senior Managing Director of Mie Kotsu Co., Ltd.</p>	42,500
		<p>&lt;Reason for nomination as a candidate for Director&gt; Mr. Hiroyuki Taniguchi has been working for the Group since 1987 and has gained a wealth of business experience through his involvement in the bus business and planning and as a Director of companies in the Group. He has been engaged in the Group's management as a Director of the Company since 2020. The Company believes that he can contribute to strengthening the effectiveness of the decision-making and control function of the Board of Directors by utilizing his experience and insight at the Board of Directors of the Company. Thus, the Company nominates him as a candidate for Director.</p>	

No.	Name (Date of birth)	Past experience, positions and significant concurrent positions	Number of shares of the Company held
6	Noriyuki Kawamura (January 9, 1953)  (Reappointment)	April 1975      Joined Mie Kotsu Co., Ltd. June 2007      Director of Mie Kotsu Co., Ltd. June 2009      Managing Director of Mie Kotsu Co., Ltd. June 2011      Senior Managing Director of Mie Kotsu Co., Ltd. June 2011      Director of the Company (current position) June 2013      President and Representative Director of Mie Isuzu Motor Co., Ltd. (current position)	100,600
		[Significant concurrent position] President and Representative Director of Mie Isuzu Motor Co., Ltd.	
<p>&lt;Reason for nomination as a candidate for Director&gt;  Mr. Noriyuki Kawamura has been working for the Group since 1975 and has gained a wealth of business experience through his involvement in personnel affairs and general affairs. He has been engaged in the Group's management as a Director of the Company since 2011. The Company believes that he can contribute to strengthening the effectiveness of the decision-making and control function of the Board of Directors by utilizing his experience and insight at the Board of Directors of the Company. Thus, the Company nominates him as a candidate for Director.</p>			
7	Takayuki Muto (October 4, 1960)  (Reappointment)	April 1984      Joined Mie Kotsu Co., Ltd. June 2014      Director of Mie Kotsu Co., Ltd. June 2016      Managing Director of Mie Kotsu Co., Ltd. June 2017      President and Representative Director of Toba Seaside Hotel Co., Ltd. June 2018      Director of the Company (current position) June 2019      Vice President and Representative Director of Sanco Creative Life Co., Ltd. June 2019      President and Representative Director of Sanco CL 2 Co., Ltd. (current position) June 2020      President and Representative Director of Sanco Creative Life Co., Ltd. (current position)	54,700
		[Significant concurrent positions] President and Representative Director of Sanco Creative Life Co., Ltd. President and Representative Director of Sanco CL 2 Co., Ltd.	
<p>&lt;Reason for nomination as a candidate for Director&gt;  Mr. Takayuki Muto has been working for the Group since 1984 and has gained a wealth of business experience through his involvement in the bus business and as a Director of companies in the Group. He has been engaged in the Group's management as a Director of the Company since 2018. The Company believes that he can contribute to strengthening the effectiveness of the decision-making and control function of the Board of Directors by utilizing his experience and insight at the Board of Directors of the Company. Thus, the Company nominates him as a candidate for Director.</p>			

No.	Name (Date of birth)	Past experience, positions and significant concurrent positions	Number of shares of the Company held	
8	Yoko Murata (January 29, 1972)  (Reappointment)	April 1994 June 2016 June 2017 June 2020 June 2020	Joined Mie Kotsu Co., Ltd. General Manager of General Affairs and Human Resources Group of the Company General Manager of Planning Office of the Company President and Representative Director of Sanco Inn Co., Ltd. (current position) Director of the Company (current position)	27,200
		[Significant concurrent position] President and Representative Director of Sanco Inn Co., Ltd.		
<p>&lt;Reason for nomination as a candidate for Director&gt; Ms. Yoko Murata has been working for the Group since 1994 and has gained a wealth of business experience through her involvement in the bus business and general affairs. She has been engaged in the Group's management as Director of the Company since 2020. The Company believes that she can contribute to strengthening the effectiveness of the decision-making and control function of the Board of Directors by utilizing her experience and insight at the Board of Directors of the Company. Thus, the Company nominates her as a candidate for Director.</p>				
9	Michitaka Nakamura (March 14, 1963)  (Reappointment)	April 1987 July 2010  June 2014 June 2016 June 2018 June 2021  June 2021	Joined Mie Kotsu Co., Ltd. General Manager of Planning and Accounting Group (responsible for Corporate Planning) (current Planning Office) of the Company Director of Sanco Real Estate Co., Ltd. Managing Director of Sanco Real Estate Co., Ltd. Senior Managing Director of Sanco Real Estate Co., Ltd. President and Representative Director of Sanco Real Estate Co., Ltd. (current position) Director of the Company (current position)	73,600
		[Significant concurrent position] President and Representative Director of Sanco Real Estate Co., Ltd.		
<p>&lt;Reason for nomination as a candidate for Director&gt; Mr. Michitaka Nakamura has been working for the Group since 1987 and has gained a wealth of business experience through his involvement in accounting and planning and as a Director of a Group company. The Company believes that he can contribute to strengthening the effectiveness of the decision-making and control function of the Board of Directors by utilizing his experience and insight at the Board of Directors of the Company. Thus, the Company nominates him as a candidate for Director.</p>				

No.	Name (Date of birth)	Past experience, positions and significant concurrent positions	Number of shares of the Company held
10	Atsumasa Uchida (February 19, 1947)  (Outside Director) (Independent Director) (Reappointment)	September 1977 Institutional Assistant, National Defense Medical College May 1980 Lecturer, National Defense Medical College October 1995 Assistant Professor, Faculty of Medicine, Osaka University May 1996 Professor, Faculty of Medicine, Mie University April 2005 Director of Mie University Hospital April 2009 President of Mie University April 2015 Adviser to the President of Mie University (current position) June 2015 Outside Director of the Company (current position)  [Significant concurrent position] Adviser to the President of Mie University	1,600
	<p>&lt;Reason for nomination as a candidate for Outside Director and outline of expected role&gt; Mr. Atsumasa Uchida has experience in university management through his service as President of Mie University in addition to his career as a university professor. Although he has never engaged in corporate management in the past except as an outside officer, he has deep insight and a wealth of experience gained in the course of his career. For the reasons above, the Company expects that he is capable of providing accurate advice on management of the Company from an objective viewpoint and that he can contribute to further strengthening the effectiveness of the decision-making and control function of the Board of Directors and to the enhancement of the Group's corporate value over the medium to long term. Thus, the Company nominates him as a candidate for Outside Director.</p>		
11	Yoshiyuki Kusui (May 14, 1954)  (Outside Director) (Independent Director) (Reappointment)	April 1980 Joined Mie Prefectural Government April 1985 Registered as attorney-at-law January 1992 Opened Kusui Law Office June 2014 Outside Audit & Supervisory Board Member of the Company June 2016 Outside Director of the Company (current position) June 2021 Registered as a tax accountant  [Significant concurrent positions] Attorney-at-law Tax accountant	20,400
	<p>&lt;Reason for nomination as a candidate for Outside Director and outline of expected role&gt; Mr. Yoshiyuki Kusui has served as an Outside Audit &amp; Supervisory Board Member of the Company for two years since 2014 and has been engaged in audits of the Company to ascertain whether performance of duties of management is appropriate and reasonable. Although he has never engaged in corporate management in the past except as an outside officer, he has wealth of knowledge and experience cultivated as an attorney-at-law. For the reasons above, the Company expects that he is capable of providing accurate advice on management of the Company from an objective viewpoint and that he can contribute to further strengthening the effectiveness of the decision-making and control function of the Board of Directors and to the enhancement of the Group's corporate value over the medium to long term. Thus, the Company nominates him as a candidate for Outside Director.</p>		

No.	Name (Date of birth)	Past experience, positions and significant concurrent positions	Number of shares of the Company held
12	Takashi Tsuji (August 26, 1957)  (Outside Director) (Reappointment)	<p>April 1982    Joined Kintetsu Corporation (current Kintetsu Group Holdings Co., Ltd.)</p> <p>January 2015    Executive Officer of Kintetsu Division Preparation Company (current Kintetsu Railway Co., Ltd.)</p> <p>June 2016    Director and Managing Executive Officer of Kintetsu Railway Co., Ltd.</p> <p>June 2019    Director of Kintetsu Group Holdings Co., Ltd.</p> <p>June 2019    President and Representative Director of Kintetsu Railway Co., Ltd. (current position)</p> <p>June 2020    Outside Director of the Company (current position)</p> <p>June 2021    Group Officer of Kintetsu Group Holdings Co., Ltd. (current position)</p> <p>[Significant concurrent positions] Group Officer of Kintetsu Group Holdings Co., Ltd. President and Representative Director of Kintetsu Railway Co., Ltd.</p>	0
<p>&lt;Reason for nomination as a candidate for Outside Director and outline of expected role&gt; Mr. Takashi Tsuji has been working for Kintetsu Corporation (current Kintetsu Group Holdings Co., Ltd.) since 1982 and has gained a wealth of business experience through his involvement in railway business. He became Executive Officer of Kintetsu Division Preparation Company (current Kintetsu Railway Co., Ltd.) in 2015 and President and Representative Director of Kintetsu Railway Co., Ltd. in June 2019, and has in-depth knowledge and a wealth of experience of corporate management. The Company expects that he can contribute to further strengthening the effectiveness of the decision-making and control function of the Board of Directors and to the enhancement of the Group's corporate value over the medium to long term by utilizing his experience and insight to manage the Company. Thus, the Company nominates him as a candidate for Outside Director.</p>			
13	Ayako Tanaka (April 30, 1950)  (Outside Director) (Independent Director) (Reappointment)	<p>October 1973    Joined Suzuka Public Health Center, Mie Prefecture</p> <p>April 1978    Joined Shiokawa Hospital</p> <p>April 1988    Director of Shiokawa Hospital, Medical Corporation Seijinkai</p> <p>May 1997    Executive Director of Social Welfare Corporation Hakuikai</p> <p>December 1998    President of Medical Corporation Seijinkai (current position)</p> <p>June 2010    President of Social Welfare Corporation Hakuikai (current position)</p> <p>June 2021    Outside Director of the Company (current position)</p> <p>[Significant concurrent position] President of Medical Corporation Seijinkai President of Social Welfare Corporation Hakuikai</p>	100
<p>&lt;Reason for nomination as a candidate for Outside Director and outline of expected role&gt; Although Ms. Ayako Tanaka has never engaged in corporate management in the past in other ways than serving as an outside director, she has deep insight and a wealth of experience as an executive of a medical institution, etc. For the reason above, the Company expects that she can provide accurate advice on management of the Company from an objective viewpoint and that she can contribute to further strengthening the effectiveness of the decision-making and control function of the Board of Directors and to the enhancement of the Group's corporate value over the medium to long term. Thus, the Company nominates her as a candidate for Outside Director.</p>			

No.	Name (Date of birth)	Past experience, positions and significant concurrent positions	Number of shares of the Company held
14	Izumi Takamiya (July 22, 1958)  (Outside Director) (Independent Director) (Reappointment)	<p>May 1989 Research Associate of School of Humanities and Social Sciences, Waseda University</p> <p>April 2001 Lecturer of Faculty of Literature, Arts and Cultural Studies, Kindai University</p> <p>April 2005 Assistant Professor of Faculty of Literature, Arts and Cultural Studies, Kindai University</p> <p>April 2007 Associate Professor of Faculty of Literature, Arts and Cultural Studies, Kindai University</p> <p>April 2011 Professor of Faculty of Literature, Arts and Cultural Studies, Kindai University (current position)</p> <p>October 2016 Dean of Faculty of Literature, Arts and Cultural Studies, Kindai University</p> <p>November 2017 Vice President of Kindai University (current position)</p> <p>June 2021 Outside Director of the Company (current position)</p> <p>[Significant concurrent position] Vice President and Professor of Faculty of Literature, Arts and Cultural Studies of Kindai University</p>	1,800
<p>&lt;Reason for nomination as a candidate for Outside Director and outline of expected role&gt; Ms. Izumi Takamiya has experience in university management through her service as Vice President of Kindai University in addition to her career as a university professor. Although she has never engaged in corporate management in the past in other ways than serving as an outside director, she has deep insight and a wealth of experience gained in the course of her career. For the reasons above, the Company expects that she can provide accurate advice on management of the Company from an objective viewpoint and that she can contribute to further strengthening the effectiveness of the decision-making and control function of the Board of Directors and to the enhancement of the Group's corporate value over the medium to long term. Thus, the Company nominates her as a candidate for Outside Director.</p>			
15	Takashi Ueda (May 1, 1952)  (Outside Director) (Independent Director) (New candidate)	<p>April 1975 Joined Mie Prefectural Government</p> <p>April 2007 General Manager of Tokyo Office, Mie Prefectural Government</p> <p>April 2009 General Manager of Department of General Affairs, Mie Prefectural Government</p> <p>April 2012 Vice Governor, Mie Prefectural Government</p> <p>June 2016 Chairman, Mie Credit Guarantee Association</p> <p>June 2021 President, Mie Prefecture Tomonokai Foundation (current position)</p> <p>[Significant concurrent position] President, Mie Prefecture Tomonokai Foundation</p>	0
<p>&lt;Reason for nomination as a candidate for Outside Director and outline of expected role&gt; Mr. Takashi Ueda has many years of experience as a responsible person of administrative bodies, including his service as Vice Governor of Mie Prefectural Government. Although he has never engaged in corporate management in the past in other ways than serving as an outside director, he has deep insight and a wealth of experience gained in the course of his career. For the reasons above, the Company expects that he can provide accurate advice on management of the Company from an objective viewpoint and that he can contribute to further strengthening the effectiveness of the decision-making and control function of the Board of Directors and to the enhancement of the Group's corporate value over the medium to long term. Thus, the Company nominates him as a candidate for Outside Director.</p>			

(Notes)

1. There are no special interests between each of the candidates and the Company.
2. Mr. Atsumasa Uchida, Mr. Yoshiyuki Kusui, Mr. Takashi Tsuji, Ms. Ayako Tanaka, Ms. Izumi Takamiya and Mr. Takashi Ueda are candidates for Outside Director. Mr. Atsumasa Uchida will have served as Outside Director for seven years, Mr. Yoshiyuki Kusui for six years, Mr. Takashi Tsuji for two years, and Ms. Ayako Tanaka and Ms. Izumi Takamiya for one year at the conclusion of this Ordinary General Meeting of Shareholders.
3. The Company has registered Mr. Atsumasa Uchida, Mr. Yoshiyuki Kusui, Ms. Ayako Tanaka and Ms. Izumi Takamiya as Independent Directors with the Tokyo Stock Exchange and the Nagoya Stock Exchange. The Company will also register Mr. Takashi Ueda as an Independent Director with these Exchanges.
4. In accordance with the provisions of Article 427, Paragraph 1 of the Companies Act and Article 28 of the Articles of Incorporation, the Company has entered into agreements with Mr. Atsumasa Uchida, Mr. Yoshiyuki Kusui, Mr. Takashi Tsuji, Ms. Ayako Tanaka and Ms. Izumi Takamiya that limit their liability for damages provided in Article 423, Paragraph 1 of the Companies Act. The maximum amount of liability pursuant to the agreement is the amount stipulated by laws and regulations. If their reappointment is approved, the Company intends to continue the said agreements with them. Furthermore, if the appointment of Mr. Takashi Ueda is approved, the Company will enter into the same agreement with him.
5. The Company has executed with an insurance company a directors and officers liability insurance agreement stipulated in Article 430-3, Paragraph 1, of the Companies Act that covers Directors, Audit & Supervisory Board Members, executive officers and major employees of the Company and its consolidated subsidiaries as the insured to compensate the insured for damages, litigation costs, and any other relevant costs and expenses that may arise in the event that the insured are held liable, or receive a claim for such liability, with regard to the performance of their duties. The insurance premiums are fully borne by the Company. If the appointment of each candidate is approved, the candidate will be covered by the said liability insurance agreement as the insured. The liability insurance agreement will be renewed during the candidates' term of office.
6. Mr. Noriyuki Kawamura is scheduled to take office as President and Representative Director of Sanco Community Co., Ltd. on June 23, 2022, and to retire as President and Representative Director of Mie Isuzu Motor Co., Ltd. on June 24, 2022.



**Proposal 4:** Revision in the Amount of Compensation for Outside Directors

The amount of compensation for Directors of the Company has been set at a maximum of ¥252 million per year (of which, up to ¥30 million for Outside Directors) in accordance with the approval for the amount of compensation for Directors resolved at the 12th Ordinary General Meeting of Shareholders held on June 21, 2018.

To prepare for an increase in the number of Outside Directors with an aim to strengthen the management and oversight functions of the Board of Directors and enhance corporate governance, it is proposed that the amount of compensation for Outside Directors be up to ¥50 million per year, while leaving unchanged the amount of compensation for Directors (¥252 million per year).

This proposal was determined by the Board of Directors after the deliberation by the Personnel and Remuneration Advisory Committee, taking into account the Company's management system, the number of Directors and future development, etc. We therefore determined that this proposal is appropriate. The Company's decision-making policy on details of individual compensation of Directors is as described in "3. (2) Compensation of Directors and Audit & Supervisory Board Members for the fiscal year under review" of the Business Report.

If Proposal 3 is approved and resolved as originally proposed, the number of Directors will be 15, including six Outside Directors.

[Reference]

**Criteria for Independence of Outside Directors/Audit & Supervisory Board Members**

Mie Kotsu Group Holdings, Inc. (hereinafter the “Company”) defines the criteria for independence of Outside Directors/Audit & Supervisory Board Members of the Company as stated below. If an Outside Director/Audit & Supervisory Board Member (including a candidate) does not fall under any of the following attributes, the Company judges that he/she is highly independent from the Company.

1. A person executing operations of the Company or consolidated subsidiaries of the Company (hereinafter the “Group”) \*1
2. A major shareholder of the Company\*2 or a person executing operations thereof
3. The person executing operations of a principal business partner\*3 of the Group
4. The person executing operations of a principal lender\*4 to the Group
5. A certified public accountant who belongs to the accounting firm that is the accounting auditor of the Group
6. An attorney, a certified public accountant, a tax accountant, a consultant, etc. who has received an amount of money or other property exceeding ¥10 million a year from the Group
7. A person executing operations of an organization that has received a donation exceeding ¥10 million a year from the Group
8. The person executing operations of a company that has an officer dispatched from the Group
9. An immediate family member of a person who comes under any of 1 to 8 above \*5
10. Any person who may have potential conflicts of interest with general shareholders of the Company

(Notes)

1. A “person executing operations” means an executive director, an executive officer, a senior executive and an employee with similar power (including a person who was a person executing operations in the past 10 years).
2. A major shareholder means a shareholder that holds 10% or more of the total voting rights of the Company.
3. A principal business partner means a customer or a supplier of the Group whose annual transaction amount with the Group exceeds 2% of consolidated net sales of the Company or such party in the most recent fiscal year or in any of the three fiscal years preceding such fiscal year.
4. A principal lender means a financial institution that cannot be substituted in the Group’s financing.
5. An immediate family member means the spouse of the person or a relative in the second degree of kinship or a relative residing together with the person.

- END -

- END -

## Business Report

(April 1, 2021 - March 31, 2022)

### 1. Current state of the corporate group

#### (1) Business progress and results

The Japanese economy during the fiscal year ended March 31, 2022 (hereinafter, “the fiscal year under review”) was under the prolonged effects of COVID-19. Despite signs of recovery seen for a short period, economic activities were restricted again due to the resurgence of infections caused by new variants, and the economy remained in a severe condition, coupled with rising costs of resource and raw materials due to the growing tension in Ukraine and increasing demand in line with the recovery trend of the global economy.

Under such a situation, the Group started construction of the No. 2 Nagoya Sanco Building (tentative name) in the leasing division in January 2022. We also acquired the site of an existing commercial facility located in Yokkaichi City, Mie Prefecture, and promoted construction of rental condominiums for sale in Nagoya City. In the business hotel division, we started management of apartment hotels on consignment, capitalizing on our know-how. In this way, we promoted operations centering on the areas of focus, while reviewing capital investment and reducing costs in an effort to improve profitability.

As a result, for the fiscal year under review, the Group posted operating revenue of 84,351 million yen, up 3.9% year on year. Operating profit came to 2,996 million yen, or up 642.2%, ordinary profit was 4,180 million yen, or up 109.7%, and profit attributable to owners of parent came to 2,210 million yen.

The Company applies the Accounting Standard for Revenue Recognition (ASBJ No. 29, March 31, 2020) from the fiscal year under review.

Results by segment are as follows:

#### Transportation segment

In the transit bus division, operation was less affected by school closures and restrictions on commuting to work. In addition, as people started to go out again after the relaxation of behavioral restrictions, operating revenue increased.

In the charter bus division, despite cancellation of the Tokowaka National Sports Festivals in Mie Prefecture, operating revenue increased. This was due to the acquisition of demand for transportation from Olympic and Paralympic officials and from student groups going on a school trip, etc.

In the taxi division, as demand for business use, etc. recovered, operating revenue increased.

As a result, operating revenue in the Transportation segment increased by 5.8% year on year to 19,706 million yen, but operating loss of 291 million yen was posted.

#### Real Estate segment

In the condominium and housing sale division, operating revenue decreased due mainly to a decline in the number of condominium units sold.

In the leasing division, operating revenue increased as we acquired assets for lease in Yokkaichi City, Mie Prefecture.

In the construction division, due to increase in the number of completed works for custom-built houses and renovation works, operating revenue increased.

In the environmental energy division, electricity sales income from Tsu Mega Solar Mori no Machi Chusei Bypass Power Plant that we started operation in August 2020 has contributed to the operating result throughout the fiscal year, causing operating revenue to increase.

In the real estate management division in which we provide management and other services for buildings and condominiums, operating revenue increased thanks to orders for new properties.

In the brokerage division, operating revenue increased as we traded a large-scale business property.

As a result, operating revenue in the Real Estate segment decreased by 0.2% year on year, to 33,983

million yen, while operating profit increased by 15.6% to 6,075 million yen owing mainly to the contribution of the leasing division.

### Distribution segment

In the petroleum products sales division, operating revenue increased due to higher sales prices of gasoline, etc., caused by a steep rise in crude oil prices.

In the household goods sales division, we terminated operations of Tokyu Hands ANNEX store that we operated as a franchisee in October 2021. As a result of this and other factors, operating revenue decreased.

In the automobile sales division, despite favorable performance in car maintenance service and sales of used cars and auto parts, the number of new vehicles sold decreased on account of a global shortage of semiconductors, causing operating revenue to decrease.

As a result, operating revenue in the Distribution segment increased by 5.2% year on year to 28,528 million yen, but operating loss of 677 million yen was posted.

### Leisure Services segment

In the business hotel division, operating revenue increased as we focused on sale of products adapting to the pandemic, amid a recovery trend in demand.

In the resort hotel division, we obtained Hospitality Facility Certification certified by Mie Prefecture as part of thorough countermeasures against infections, and captured demand for school trips, etc. As a result of these efforts, operating revenue increased.

In the drive-in division, we operated sales booths at event venues and sold products based on collaboration with a travel agency. Despite these efforts, operating revenue decreased due mainly to the application of the Accounting Standard for Revenue Recognition, etc.

In the cable car (ropeway) division, customer footfall during the winter season remained strong and operating revenue increased.

As a result, operating revenue in the Leisure Services segment increased by 12.9% year on year to 7,331 million yen, but operating loss of 2,198 million yen was posted.

## (2) Issues to be addressed

The business environment surrounding the Group is in the midst of change to a new phase. New normal lifestyle during the Covid-19 pandemic are taking root in people's lifestyles along with the rapid adoption of digital technology, and efforts to address environmental issues are accelerating around the world.

Under such a situation, guided by the fundamental principles of "aiming to enrich the lives of our customers and contribute to the development of society," the Group will strive to capture demand keeping in mind the people's post-pandemic behaviors. At the same time, we work to achieve sustainable growth and the enhancement of corporate value with the use of ICT, AI and other technologies.

The five basic policies under the Mid-term Management Plan (2019-2022) with FY2019 being the first year, issues to be addressed by each segment and concrete initiatives are as described below.

#### — Basic policies —

1. Providing safe, secure, stable, and comfortable services
2. Deepening and creating growing fields
3. Striving for sustainable and stable management
4. Building a business model adapting to changes in market
5. Effectively using ICT and AI

#### (Transportation segment)

As our primary mission in the Transportation segment is securing safety, we continue to provide to employees thorough education and health management. We will further strengthen our operation control system and continue with infection preventive measures so that we can offer services that bring peace of mind to consumers.

In the transit bus division, we strive to increase productivity by establishing new routes and reviewing unprofitable routes. We also work to improve convenience with the wider adoption of bus location systems, etc. In addition, we will conduct a study of self-driving bus, MaaS and other

forward-looking initiatives in cooperation with related parties concerned.

In the charter bus division, we will build a system commensurate with demand to streamline our operation. In addition, efforts will be made together with the travel division to exploit tourism stimulus measures implemented by the national government and local governments, striving to create demand and secure revenue.

In the contracted passenger transportation division, we will continue to ensure safe operations to earn the trust and confidence of our customers.

(Real Estate segment)

In the Real Estate segment, we will strengthen our recurring revenue business to build a more stable management structure.

In the condominium and housing sale division, we will advance the timing of sales of long-term condominium and housing sale projects, while promoting planned sales of properties built on carefully selected sites, in an effort to secure revenue.

In the leasing division, we continue with the construction of the No. 2 Nagoya Sanco Building (tentative name) began in January 2022. We also work to secure profit by acquiring new properties and improving occupancy rate of existing facilities.

In the environmental energy division, we will streamline the management of existing solar power generation facilities, while making a study about renewable energy sources other than sunlight.

In the real estate management division, administration and sales systems will be strengthened to improve profitability with an aim to acquire new orders.

(Distribution segment)

In the Distribution segment, as consumption behaviors are growing diversified, we will not only strengthen competitiveness of existing stores, but will also open new stores and build an efficient operation system.

In the petroleum products sales division, we will adopt store strategies tailored to the area in which we operate. At the same time, going beyond the sales of petroleum products, we will enhance our total solution for automobiles with a car maintenance service and sales of automobiles, thereby building a stable earnings base.

In the household goods sales division, under the Tokyu Hands brand we operate as a franchisee, we will offer a product lineup catering to new lifestyles and create attractive stores to customers in order to strengthen profitability.

In the automobile sales division, we strive to increase profitability by expanding sales of both new and used cars, and acquiring more orders for the maintenance service.

(Leisure Services segment)

In the Leisure Services segment, we will provide safe and secure services, while working to increase customer satisfaction, based on understanding of customer needs in times of pandemic and in the post-pandemic future.

In the business hotel division, we will strengthen member services by offering discount plans and enhanced lodging privileges. We will also implement fine-tuned sales strategies and pricing so as to improve profitability.

The resort hotel division aims to improve its ability to attract customers by creating various plans, capitalizing on its facility scale.

For Gozaisho Ropeway of the cable car (ropeway) division, we will plan various events for all seasons to convey the appeal of Mt. Gozaisho. We also enhance the lineup of menus and products to be offered at its scenic restaurants and stores at the foot of the mountain, working to expand revenue.

For Mie Country Club of the golf course division, we work to increase the customer footfall by holding events targeted at a wide range of customers in and outside of the prefecture, taking advantage of its excellent traffic accessibility.

In the driving school division, we strive to expand revenue opportunities by enhancing training programs for senior drivers.

(Group companies)

The spread of COVID-19 has deeply affected the operating environment for the Group. Nonetheless, we will continue taking actions by placing utmost priority on safety and security. In order for the Group to remain as a corporate group that is trusted by shareholders and investors, as well as customers, local communities, business partners and other various stakeholders, the Group

strives to fulfill its social responsibility pursuant to the Management Guidelines and the Group Compliance Code of Conduct. On the financial front, we strive to strengthen our financial standing by reducing interest-bearing liabilities through a cash management system we utilize for the effective use of funds within the Group.

Initiatives have been underway across the globe to realize a sustainable society. In November 2021, the Group formulated the Group Sustainability Basic Policies comprising of five key themes, namely, “Environmental conservation,” “Respect for human rights,” “Creation of motivating workplace and human resource development,” “Fair and proper transactions,” and “Crisis management.” Based on these policies, we will tackle various social issues through our business operations, aiming to increase corporate value over the medium to long term.

(3) Capital investments

- 1) Major construction and other work completed during the fiscal year under review  
Acquisition of land for leasing business in Fuji-cho, Yokkaichi City
- 2) New vehicles manufactured during the fiscal year under review  
Transit buses: 10 vehicles
- 3) Major construction and other work underway at the end of the fiscal year under review  
Construction of the No. 2 Nagoya Sanco Building (tentative name)

(4) Financing

The Group took out loans from financial institutions as needed to cover capital investments and other expenses.

Outstanding balance of borrowings on a consolidated basis as of the end of the fiscal year under review decreased by 3,136 million yen from the end of the previous fiscal year to 82,310 million yen.

## (5) Assets and income

Item	13th fiscal year ended March 31, 2019	14th fiscal year ended March 31, 2020	15th fiscal year ended March 31, 2021	16th fiscal year ended March 31, 2022 (the fiscal year under review)
Total assets (million yen)	160,770	170,921	165,692	165,153
Net assets (million yen)	48,852	50,487	47,750	48,394
Net assets per share (yen)	490.26	505.84	477.14	482.59
Operating revenue (million yen)	106,244	103,926	81,179	84,351
Transportation segment (million yen)	26,180	25,935	18,634	19,706
Real Estate segment (million yen)	35,768	36,010	34,066	33,983
Distribution segment (million yen)	37,134	35,864	27,120	28,528
Leisure Services segment (million yen)	12,920	12,087	6,495	7,331
Elimination (million yen)	(5,759)	(5,970)	(5,137)	(5,198)
Profit (loss) attributable to owners of parent (million yen)	4,551	3,760	(1,746)	2,210
Basic earnings (loss) per share (yen)	45.93	37.89	(17.57)	22.19

- (Notes)
- Factors that contributed to the operating results for the fiscal year under review are as stated in "Business progress and results."
  - Net assets per share are calculated based on the total number of outstanding shares at the end of each fiscal year, which is the number after deducting the number of treasury shares.
  - Basic earnings per share are calculated on the average number of outstanding shares during the period for each fiscal year, which is the number after deducting the number of treasury shares.
  - The Company applies the Accounting Standard for Revenue Recognition (ASBJ No. 29, March 31, 2020) and other standards from the fiscal year under review. Assets and income for the fiscal year under review are presented in figures after the application of these Accounting Standards, etc.

## (6) Significant subsidiaries (as of March 31, 2022)

## (i) Significant subsidiaries

Company name	Share capital	Voting rights ratio	Principal business
	(Million yen)	(%)	
Mie Kotsu Co., Ltd.	4,017	100.00	Businesses related to motor transportation
Sanco Real Estate Co., Ltd.	3,800	100.00	Real estate business
Mie Isuzu Motor Co., Ltd.	105	56.76 (90.58)	Sales of automobiles
Mie Kotsu Shoji Co., Ltd.	99	100.00	Sales of petroleum products
Meihankintetsu Bus Co., Ltd.	90	100.00	Motor transportation business
Sanco Creative Life Co., Ltd.	50	100.00	Sales of household goods
Sanco Inn Co., Ltd.	10	100.00	Operation of business hotels

(Note) Figures in parentheses include share capital contributed by subsidiaries of the Company.

## (ii) Specified wholly-owned subsidiaries

Company name	Address	Total sum of book value	Total assets of the Company
		(Million yen)	(Million yen)
Mie Kotsu Co., Ltd.	1-1 Chuo, Tsu-shi, Mie	6,065	25,061
Sanco Real Estate Co., Ltd.	9-18 Marunouchi, Tsu-shi, Mie	8,418	

## (7) Principal business (as of March 31, 2022)

## (i) The Company

Planning and execution of consolidated management of the Group through ownership of shares in operating companies engaged in the transportation business, real estate business, distribution business, and leisure services business

## (ii) The Group

Segment	Description of business
Transportation business	Operation of buses and operation of taxis
Real estate business	Sales, leasing, brokerage, and management of real estate, construction contractor business, and environmental energy business
Distribution business	Sales of petroleum products, sales of household goods, and sales of automobiles
Leisure services business	Operation of business hotels, operation of resort hotels, operation of drive-in commercial facilities, cable car business, operation of golf courses, travel agency business, operation of driving schools, landscaping business, and nursing care business



(8) Principal business locations (as of March 31, 2022)

1) The Company

Head Office: Tsu City, Mie

2) Business locations and facilities of principal subsidiaries

Company name	Locations (Prefecture)
Mie Kotsu Co., Ltd.	Mie, Aichi
Sanco Real Estate Co., Ltd.	Mie, Aichi, Tokyo, Osaka
Mie Isuzu Motor Co., Ltd.	Mie
Mie Kotsu Shoji Co., Ltd.	Mie, Aichi, Wakayama
Meihankintetsu Bus Co., Ltd.	Aichi, Gifu, Mie
Sanco Creative Life Co., Ltd.	Aichi
Sanco Inn Co., Ltd.	Aichi, Mie, Shizuoka, Tokyo, Osaka, Kyoto

(9) Employees (as of March 31, 2022)

Segment	Number of employees	
		(Persons)
Transportation business	1,751	(1,126)
Real estate business	409	(698)
Distribution business	506	(309)
Leisure services business	488	(326)
Group-wide affairs (across segments)	30	(5)
Total	3,184	(2,464)

- (Notes)
1. Number of employees indicates the number of persons working.
  2. Number of temporary employees, calculated as the average number over the year and not included in the number of employees, is stated within parentheses.
  3. Number of employees stated under "Group-wide affairs" is the number of employees of the Company.
  4. Executive officers are not included in the number of employees.

(10) Principal lenders (as of March 31, 2022)

Lender	Balance of borrowings
	(Million yen)
San ju San Bank, Ltd.	22,765
The Hyakugo Bank, Ltd.	19,544
JA Mie Shinren	8,713

## 2. Shares in the Company (as of March 31, 2022)

- (1) Total number of authorized shares 300,000,000 shares
- (2) Total number of outstanding shares 99,673,497 shares  
(excluding 7,628,086 treasury shares)
- (3) Number of shareholders 14,055  
(Increase of 814 from the end of the previous fiscal year)

### (4) Major shareholders

Shareholder name	Number of shares held	Shareholding ratio
	(Thousand shares)	(%)
The Master Trust Bank of Japan, Ltd. (Retirement Benefit Trust Account for Kintetsu Railway Co., Ltd.)	24,000	24.08
Kintetsu Group Holdings Co., Ltd.	14,222	14.27
The Hyakugo Bank, Ltd.	3,987	4.00
San ju San Bank, Ltd.	3,987	4.00
The Master Trust Bank of Japan, Ltd. (Trust Account)	3,571	3.58
Cosmo Oil Property Service CO., LTD.	2,357	2.37
Custody Bank of Japan, Ltd. (Trust Account 4)	2,077	2.08
Mie Kotsu Group Employee Shareholding Association	1,677	1.68
JA Mie Shinren	1,200	1.20
Meiji Yasuda Life Insurance Company	1,140	1.14

- (Notes)
1. The Company holds 7,628,086 treasury shares, but it is excluded from the above list of major shareholders.
  2. Shareholding ratio is calculated after deducting treasury shares.
  3. Kintetsu Railway Co., Ltd. reserves the right to give instructions regarding voting rights on 24,000 thousand shares held by The Master Trust Bank of Japan, Ltd. (Retirement Benefit Trust Account for Kintetsu Railway Co., Ltd.) as its trustor.

(5) Shares delivered to Company officers during the fiscal year under review as compensation for execution of duties

Details of shares delivered during the fiscal year under review as compensation for execution of duties are as follows.

- Total shares delivered to Directors and other officers by category

Category	Number of shares	Number of recipients
	(Shares)	(Persons)
Directors of the Company (excluding Outside Directors)	48,400	9
Outside Directors	0	0
Audit & Supervisory Board Members	0	0

- Details of shares (restricted stock) delivered

- 1) Transfer restriction period: 30 years
- 2) Conditions for lifting of the transfer restriction

The Company shall lift the transfer restriction for the whole of the restricted shares that have been allotted (hereinafter referred to as the “Allotted Shares”) at the expiry of the transfer restriction period, on condition that the relevant Director of the Company who is not an Outside Director (hereinafter referred to as the “Eligible Director”) has, during the transfer restriction period, remained uninterrupted in his/her post as Director, Audit & Supervisory Board Member, or employee of the Company or its subsidiaries, or any other posts equivalent thereto.

- 3) Handling in case an Eligible Director resigns or retires during the transfer restriction period due to the expiration of term of office, death, or any other reasons recognized as reasonable by the Board of Directors of the Company
  - a. Timing of lifting the transfer restriction

The Company shall lift the transfer restriction immediately after the resignation or retirement of the relevant Eligible Director. In case of resignation or retirement due to death, the Company shall lift the transfer restriction at a timing separately determined by the Board of Directors of the Company after the death of the Eligible Director.

- b. Number of shares for which the transfer restriction will be lifted

The transfer restriction shall be lifted for the number of shares obtained by multiplying the number of Allotted Shares held as of the resignation or retirement stipulated in a. by the number of months from July of the year that includes the payment due date for the Allotted Shares through the month that includes the date of resignation or retirement divided by twelve (or 1, if the result of division exceeds 1); provided, however, that shares less than one unit arising from the calculation shall be rounded down.

- 4) Acquisition by the Company without consideration

The Company shall automatically acquire without consideration the Allotted Shares for which the transfer restriction is not lifted upon the expiry of the transfer restriction period or upon the lifting of the transfer restriction as stipulated in the above 3).

If an Eligible Director resigns or retires from all of the positions stipulated in the above 2) during the transfer restriction period, unless it is due to the expiration of term of office, death, or any other reasons recognized as reasonable by the Board of Directors of the Company, the Company shall automatically acquire all of the Allotted Shares without consideration upon such resignation or retirement. In addition, if an Eligible Director is in a position stipulated in the above 2) immediately before the expiry of the transfer restriction period, the Company shall automatically acquire all of the Allotted Shares without consideration.

- 5) Handling at organizational restructuring

If a merger agreement in which the Company becomes the absorbed company, a stock exchange agreement or stock transfer plan in which the Company becomes a wholly-owned subsidiary, or any other matter related to its organizational restructuring is approved at the General Meeting of Shareholders of the Company (or at the Board of Directors of the Company, if such organizational restructuring does not require an approval of the General Meeting of Shareholders of the Company)

during the transfer restriction period, the Company shall lift the transfer restriction based on the resolution of the Board of Directors of the Company, immediately before the business day prior to the effective date of such organizational restructuring, for the number of shares obtained by multiplying the number of Allotted Shares held as of the applicable event by the number of months from July of the year that includes the payment due date for the Allotted Shares through the month that includes the date of such approval divided by twelve (or 1, if the result of division exceeds 1); provided, however, that shares less than one unit arising from the calculation shall be rounded down.

Immediately after the lifting of the transfer restriction, the Company shall automatically acquire without consideration all of the Allotted Shares for which the transfer restriction has not been lifted.

### 3. Company Officers

#### (1) Directors and Audit & Supervisory Board Members (as of March 31, 2022)

Position	Name	Responsibilities and significant concurrent positions
Chairman and Representative Director	Naoyuki Okamoto	
President and Representative Director	Yasushi Hara	Chairman and Representative Director of Mie Kotsu Co., Ltd. Chairman and Representative Director of Sanco Real Estate Co., Ltd. Chairman and Representative Director of Meihankintetsu Bus Co., Ltd.
Vice President and Representative Director	Kenichi Takeya	President and Representative Director of Mie Kotsu Co., Ltd.
Director	Toshiya Shibata	Responsible for Planning Office Responsible for Accounting, Accounting Group
Director	Hiroyuki Taniguchi	Responsible for General Affairs and Human Resources Group Responsible for Information Systems, Accounting Group Responsible for Internal Control Office Senior Managing Director of Mie Kotsu Co., Ltd.
Director	Noriyuki Kawamura	President and Representative Director of Mie Isuzu Motor Co., Ltd.
Director	Takayuki Muto	President and Representative Director of Sanco Creative Life Co., Ltd. President and Representative Director of Sanco CL 2 Co., Ltd.
Director	Yoko Murata	President and Representative Director of Sanco Inn Co., Ltd.
Director	Michitaka Nakamura	President and Representative Director of Sanco Real Estate Co., Ltd.
Director	Atsumasa Uchida	Outside Director Independent Director Adviser to the President of Mie University
Director	Yoshiyuki Kusui	Outside Director Independent Director Attorney-at-law, Tax Accountant
Director	Takashi Tsuji	Outside Director Group Officer of Kintetsu Group Holdings Co., Ltd. President and Representative Director of Kintetsu Railway Co., Ltd.

Position	Name		Responsibilities and significant concurrent positions
Director	Ayako Tanaka	Outside Director Independent Director	President of Medical Corporation Seijinkai President of Social Welfare Corporation Hakuaiikai
Director	Izumi Takamiya	Outside Director Independent Director	Vice President and Professor of Faculty of Literature, Arts and Cultural Studies of Kindai University
Audit & Supervisory Board Member (full-time)	Kei Kumoi		
Audit & Supervisory Board Member (full-time)	Shinya Nakagawa		
Audit & Supervisory Board Member	Katsu Kobayashi	Outside Audit & Supervisory Board Member Independent Audit & Supervisory Board Member	Certified Public Accountant, Tax Accountant Representative Partner of Kobayashi Tax Accountant Office
Audit & Supervisory Board Member	Takashi Wakai	Outside Audit & Supervisory Board Member	Director and Senior Managing Executive Officer of Kintetsu Group Holdings Co., Ltd. Audit & Supervisory Board Member of Kintetsu Department Store Co., Ltd.

- (Notes)
1. Mr. Atsumasa Uchida, Mr. Yoshiyuki Kusui, Mr. Takashi Tsuji, Ms. Ayako Tanaka and Ms. Izumi Takamiya are Outside Directors.
  2. Mr. Katsu Kobayashi and Mr. Takashi Wakai are Outside Audit & Supervisory Board Members.
  3. Mr. Katsu Kobayashi is a Certified Public Accountant and Tax Accountant, and Mr. Shinya Nakagawa and Mr. Takashi Wakai have experience in accounting. They are therefore Audit & Supervisory Board Members with considerable knowledge of finance and accounting.
  4. In accordance with the provisions of Article 427, Paragraph 1 of the Companies Act and Articles 28 and 37 of the Articles of Incorporation, the Company has entered into agreements with all Outside Directors and Outside Audit & Supervisory Board Members that limit their liability for damages provided in Article 423, Paragraph 1 of the Companies Act. The maximum amount of liability pursuant to the agreement is the amount stipulated by laws and regulations.
  5. The Company has executed with an insurance company a directors and officers liability insurance agreement stipulated in Article 430-3, Paragraph 1, of the Companies Act that covers all Directors, Audit & Supervisory Board Members, executive officers and major employees of the Company and its consolidated subsidiaries as the insured.  
The insurance policy compensates the insured for litigation costs and damages that may be borne by the insured in the event of third-party actions, shareholder suits and corporate litigation. The insurance premiums are fully borne by the Company. However, there are grounds for exemptions. For example, losses or damage resulting from willful act or gross negligence will not be covered.
  6. The Company has designated Directors Atsumasa Uchida, Yoshiyuki Kusui, Ayako Tanaka and Izumi Takamiya as Independent Directors and Audit & Supervisory Board Member Katsu Kobayashi as an Independent Audit & Supervisory Board Member as prescribed by the Tokyo Stock Exchange and the Nagoya Stock Exchange and submitted a notification of their appointment to these Exchanges.

7. Changes in positions of officers are as follows:

June 23, 2021

Name	New position	Former position
Michitaka Nakamura	Director	(Appointment)
Ayako Tanaka	Director	(Appointment)
Izumi Takamiya	Director	(Appointment)

On the same date, Messrs. Manabu Takabayashi, Shigehisa Fujiwara, Ryutaro Yabumoto, Takayuki Ito and Hideaki Tabata retired from the position of Director due to the expiry of their term of office.

8. Changes in responsibilities and significant concurrent positions of officers are as follows:

June 23, 2021

Name	New position	Former position
Kenichi Takeya	President and Representative Director of Mie Kotsu Co., Ltd.	Responsible for Planning Office President and Representative Director of Mie Kotsu Co., Ltd.
Toshiya Shibata	Responsible for Planning Office Responsible for Accounting, Accounting Group	Responsible for Planning Office Responsible for General Affairs, Secretariat and Corporate Communications, General Affairs and Human Resources Group Responsible for Accounting Group Managing Director of Mie Kotsu Co., Ltd.
Hiroyuki Taniguchi	Responsible for General Affairs and Human Resources Group Responsible for Information Systems, Accounting Group Responsible for Internal Control Office Senior Managing Director of Mie Kotsu Co., Ltd.	Responsible for Human Resources, General Affairs and Human Resources Group Responsible for Internal Control Office Senior Managing Director of Mie Kotsu Co., Ltd. Representative Director of Mie Kyuko Jidosha Co., Ltd. Representative Director of Happu Bus Co., Ltd.
Michitaka Nakamura	President and Representative Director of Sanco Real Estate Co., Ltd.	Senior Managing Director of Sanco Real Estate Co., Ltd.

On June 18, 2021, Mr. Takashi Tsuji retired from the position of Director of Kintetsu Group Holdings Co., Ltd. and assumed the post of Executive Officer of the same company, and Mr. Takashi Wakai assumed the post of Director and Senior Managing Executive Officer of the same company.  
Mr. Yoshiyuki Kusui registered as a tax accountant on June 22, 2021.

(2) Compensation of Directors and Audit & Supervisory Board Members for the fiscal year under review

1) Decision-making policy on details of individual compensation of Directors

- Method for determining the policy and its outline

The Company has established a decision-making policy on details of individual compensation of Directors by a resolution of the Board of Directors. An outline of the policy is as follows.

Compensation of Directors (excluding Outside Directors) is comprised of fixed compensation, performance-linked compensation, and restricted stock compensation. Fixed compensation is mainly based on duties, responsibilities, and experience of each Director, while performance-linked compensation primarily reflects the Company's performance and results for each fiscal year. Restricted stock compensation is paid for the purpose of providing an incentive for Directors to achieve the Group's sustainable growth and improvement of corporate value over the mid- to long-term and facilitating their sense of sharing value with shareholders.

Compensation of Outside Directors solely consists of fixed compensation in light of their duties and responsibilities.

a. Fixed compensation

Monetary payment is made on a monthly basis, the amount of which is determined based on each Director's position and the number of years in the current position. For Directors other than Outside Directors, their contribution to the Company's performance is also considered.

b. Performance-linked compensation

Monetary payment is made on a monthly basis. The ratio of performance-linked compensation to basic compensation (total of fixed compensation and performance-linked compensation) is set for each position within the range of 10% to 30%, and the amount is calculated by multiplying the rate of year-on-year change, using the consolidated operating profit and profit attributable to owners of parent as indicators to ensure the sharing of value with shareholders.

c. Restricted stock compensation

Monetary compensation claims for granting restricted stock are provided every year around the same time (within one month after the conclusion of the Ordinary General Meeting of Shareholders for the year). The ratio of restricted stock compensation to total compensation is set for each position roughly within the range of 15% to 20%, and the amount is determined by taking into consideration each Director's position, the number of years in the current position, and other factors.

Restricted stock is granted within one month after the provision of the relevant monetary compensation claim.

The Chairman and Representative Director and the President and Representative Director upon discussions between the two (or the President and Representative Director, if the position of Chairman and Representative Director is vacant) make decisions on individual compensation of Directors, as the relevant decision-making is delegated to them pursuant to a resolution of the Board of Directors. The Chairman and Representative Director and the President and Representative Director (or the President and Representative Director in the abovementioned case) are given the authority to determine the amounts of basic compensation (total of fixed compensation and performance-linked compensation) and monetary compensation claims for restricted stock compensation.

To ensure the abovementioned authority is appropriately exercised, a draft proposal on individual compensation of Directors is provided to the Personnel and Compensation Advisory Committee, which is comprised of inside Directors and Independent Outside Directors, for consultation. The Chairman and Representative Director and the President and Representative Director (or the President and Representative Director, if the position of Chairman and Representative Director is vacant), who have been delegated the task by the Board of Directors which receives a report from the Personnel and Compensation Advisory Committee, makes decisions as described above based on this report.



- Reasons why the Board of Directors has determined the details of individual compensation are consistent with the decision-making policy

The Board of Directors has determined the details of individual compensation of Directors are consistent with the abovementioned decision-making policy, because they were determined in accordance with the procedures established under the abovementioned decision-making policy and reported to and confirmed by the Personnel and Compensation Advisory Committee.

2) Resolutions of the General Meeting of Shareholders on compensation of Directors and Audit & Supervisory Board Members

The amount of basic compensation for Directors is up to 252 million yen per year, of which up to 30 million yen is for Outside Directors (resolution at the 12th Ordinary General Meeting of Shareholders held on June 21, 2018). In addition, the amount of compensation for granting restricted stock to Directors who are not Outside Directors is up to 60 million yen per year (resolution at the 12th Ordinary General Meeting of Shareholders held on June 21, 2018). (Each annual amount does not include employee salaries for Directors concurrently serving as employees.) The number of Directors at the conclusion of this Ordinary General Meeting of Shareholders was 17, including three Outside Directors.

Furthermore, the amount of basic compensation for Audit & Supervisory Board Members is up to 57.6 million yen per year (resolution at the 12th Ordinary General Meeting of Shareholders held on June 21, 2018). The number of Audit & Supervisory Board Members at the conclusion of this Ordinary General Meeting of Shareholders was four.

3) Delegation of decisions on individual compensation of Directors

- a. Names of parties who have been delegated the decision-making and their positions and responsibilities at the Company as of the date on which decisions were made

Chairman and Representative Director      Naoyuki Okamoto

President and Representative Director      Yasushi Hara

- b. Delegated authority

As stated under the heading of “Method for determining the policy and its outline” in 1) above.

- c. Reasons for delegating the authority

The Board of Directors has determined that it is optimal for these two parties to make decisions through discussions, as they have a comprehensive understanding of the Group’s overall business performance and state of business execution by individual Directors.

- d. Measures to ensure the delegated authority is appropriately exercised

As stated under the heading of “Method for determining the policy and its outline” in 1) above.

4) Total amounts of compensation of Directors and Audit & Supervisory Board Members

Category	Amount of compensation (million yen)	Amount of compensation by category (million yen) and number of recipients (persons)					
		Fixed compensation		Performance-linked compensation		Non-monetary compensation (Restricted stock)	
		Number of recipients	Total amount	Number of recipients	Total amount	Number of recipients	Total amount
Directors (excluding Outside Directors)	125	14	78	14	24	9	22
Audit & Supervisory Board Members (excluding Outside Audit & Supervisory Board Members)	29	2	29	-	-	-	-
Outside officers	Outside Directors	24	5	24	-	-	-
	Outside Audit & Supervisory Board Members	8	2	8	-	-	-
Total	188	23	141	14	24	9	22

- (Notes)
- The above amounts of fixed compensation and performance-linked compensation include those for five Directors who retired at the conclusion of 15th Ordinary General Meeting of Shareholders held on June 23, 2021.
  - In addition to the above, the amount of compensation (excluding employee salaries) from subsidiaries at which they hold concurrent positions is as follows.  
162 million yen (Directors: 154 million yen, Audit & Supervisory Board Members: 8 million yen)
  - Details of the above performance-linked compensation are as stated in 3. (2) 1 “Decision-making policy on details of individual compensation of Directors,” and consolidated operating profit and profit attributable to owners of parent for the fiscal year under review, which are indicators used in these calculations, are as stated in 1. (1) “Business progress and results.”
  - Details of restricted stock that comprises the above non-monetary compensation and the state of delivering such shares are as stated in 2. (5) “Shares delivered to Company officers during the fiscal year under review as compensation for execution of duties.”

## (3) Outside officers

(i) Relationships between the Company and organizations at which outside officers hold significant concurrent positions (as of March 31, 2022)

Category	Name	Organization at which concurrent position is held	Description of concurrent position
Director	Atsumasa Uchida	Mie University	Adviser to the President
Director	Yoshiyuki Kusui	Attorney-at-law, Tax accountant	–
Director	Takashi Tsuji	Kintetsu Group Holdings Co., Ltd.	Group Officer
		Kintetsu Railway Co., Ltd.	President and Representative Director
Director	Ayako Tanaka	Medical Corporation Sejinkai	President
		Social Welfare Corporation Hakuaiikai	President
Director	Izumi Takamiya	Kindai University	Vice President and Professor of Faculty of Literature, Arts and Cultural Studies
Audit & Supervisory Board Member	Katsu Kobayashi	Certified Public Accountant, Tax Accountant	–
		Kobayashi Tax Accountant Office	Representative Partner
Audit & Supervisory Board Member	Takashi Wakai	Kintetsu Group Holdings Co., Ltd.	Director and Senior Managing Executive Officer
		Kintetsu Department Store Co., Ltd.	Audit & Supervisory Board Member

- (Notes) 1. Kintetsu Group Holdings Co., Ltd., at which Director Takashi Tsuji and Audit & Supervisory Board Member Takashi Wakai hold concurrent positions, as well as Kintetsu Railway Co., Ltd., at which Director Takashi Tsuji holds a concurrent position, are major shareholders of the Company.
2. Other than the above, there are no special relationships between the Company and organizations at which outside officers of the Company hold significant concurrent positions.

## (ii) Main activities of outside officers

Category	Name	Main activities
Director	Atsumasa Uchida	Mr. Uchida attended all 11 meetings of the Board of Directors held during the fiscal year under review and expressed his opinions as needed, mainly based on his deep insight and a wealth of experience in university management. In addition to the above, he strived to supervise management such as by providing reports and advice to the Board of Directors from an independent and objective standpoint through attendance at the Outside Officer Liaison Meeting and as a member of the Personnel and Compensation Advisory Committee, which deliberates on personnel affairs and compensation of the Company's Directors. He has therefore fulfilled his roles as expected by the Company.
Director	Yoshiyuki Kusui	Mr. Kusui attended all 11 meetings of the Board of Directors held during the fiscal year under review and expressed his opinions as needed, mainly based on his professional expertise as an attorney-at-law. In addition to the above, he strived to supervise management such as by providing reports and advice to the Board of Directors from an independent and objective standpoint through attendance at the Outside Officer Liaison Meeting and as a member of the Personnel and Compensation Advisory Committee, which deliberates on personnel affairs and compensation of the Company's Directors. He has therefore fulfilled his roles as expected by the Company.
Director	Takashi Tsuji	Mr. Tsuji attended 10 of 11 meetings of the Board of Directors held during the fiscal year under review and expressed his opinions as needed, mainly based on his in-depth knowledge and a wealth of experience in corporate management. In addition to the above, he strived to supervise management such as by stating his opinions to the Board of Directors from an objective standpoint through attendance at the Outside Officer Liaison Meeting. He has therefore fulfilled his roles as expected by the Company.
Director	Ayako Tanaka	Ms. Tanaka attended all 9 meetings of the Board of Directors held after her assumption of office as Director and expressed her opinions as needed, mainly based on her deep insight and a wealth of experience as an executive of a medical institution, etc. In addition to the above, she strived to supervise management such as by providing reports and advice to the Board of Directors from an independent and objective standpoint through attendance at the Outside Officer Liaison Meeting and as a member of the Personnel and Compensation Advisory Committee, which deliberates on personnel affairs and compensation of the Company's Directors. She has therefore fulfilled her roles as expected by the Company.
Director	Izumi Takamiya	Ms. Takamiya attended all 9 meetings of the Board of Directors held after her assumption of office as Director and expressed her opinions as needed, mainly based on her deep insight and a wealth of experience in university management. In addition to the above, she strived to supervise management such as by providing reports and advice to the Board of Directors from an independent and objective standpoint through attendance at the Outside Officer Liaison Meeting and the Personnel and as a member of Compensation Advisory Committee, which deliberates on personnel affairs and compensation of the Company's Directors. She has therefore fulfilled her roles as expected by the Company.

Category	Name	Main activities
Audit & Supervisory Board Member	Katsu Kobayashi	Mr. Kobayashi attended all 11 meetings of the Board of Directors and all 11 meetings of the Audit & Supervisory Board held during the fiscal year under review and expressed his opinions as needed, mainly based on his professional expertise as a certified public accountant, tax accountant, and real estate appraiser.
Audit & Supervisory Board Member	Takashi Wakai	Mr. Wakai attended all 11 meetings of the Board of Directors and all 11 meetings of the Audit & Supervisory Board held during the fiscal year under review and expressed his opinions as needed, mainly based on his in-depth knowledge and a wealth of experience in finance and accounting.

#### 4. Accounting Auditor

(1) Name of Accounting Auditor

Isuzu Audit Corporation

(2) Compensation of Accounting Auditor for the fiscal year under review

1) Amount of compensation	32 million yen
2) Total amount of monetary and other economic benefits to be paid by the Company and its subsidiaries	45 million yen

- (Notes)
1. The amount stated in 1) includes the amount of compensation for audits pursuant to the Financial Instruments and Exchange Act, because the audit agreement between the Company and the Accounting Auditor does not distinguish between the amounts of compensation for audits pursuant to the Companies Act and compensation for audits pursuant to the Financial Instruments and Exchange Act.
  2. The Audit & Supervisory Board verifies the appropriateness of the details of the audit plan prepared by the Accounting Auditor, state of execution of the accounting audit duties, basis for calculating the compensation estimates, etc., based on the Practical Guidelines on Coordination with Accounting Auditor published by the Japan Audit & Supervisory Board Members Association. Upon due consideration, the Audit & Supervisory Board has given its consent stipulated in Article 399, Paragraph 1 of the Companies Act regarding the amount of compensation of the Accounting Auditor.

(3) Policy for decisions on dismissal or non-reappointment of Accounting Auditor

The Audit & Supervisory Board will consider and deliberate on dismissal or non-reappointment of the Accounting Auditor if the Accounting Auditor has violated the Companies Act, the Certified Public Accountants Act, or other laws and regulations, and also if the Audit & Supervisory Board has determined the Accounting Auditor's audit quality, independence, overall competence, or another aspect is inadequate.

#### 5. Company Systems and Policies

Policy for decisions on dividends of surplus

The Company considers returning profits to shareholders to be an important management policy. With regard to dividends, our basic policy is to provide stable returns to shareholders while striving to establish a stable management platform over the long term and while taking into consideration the changes in operating results and the internal reserves required for the future.

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In this Business Report, amounts stated in millions of yen are rounded down to the nearest million yen, and numbers of shares stated in thousands of shares are rounded down to the nearest thousand shares.

## Consolidated Balance Sheet

(As of March 31, 2022)

(Thousand yen)

Account	Amount	Account	Amount
(Assets)	165,153,110	(Liabilities)	116,758,300
Current assets	42,022,380	Current liabilities	48,236,383
Cash and deposits	7,383,315	Notes and accounts payable - trade	5,546,325
Notes and accounts receivable – trade	6,841,965	Short-term borrowings	10,665,000
Merchandise and finished goods	2,830,253	Current portion of long-term borrowings	21,218,788
Real estate for sale	21,641,004	Lease obligations	28,065
Work in process	226,310	Income taxes payable	1,255,793
Raw materials and supplies	263,435	Provision for bonuses	835,678
Other	2,847,640	Provision for product warranties	12,295
Allowance for doubtful accounts	(11,545)	Other	8,674,437
Non-current assets	123,130,730	Non-current liabilities	68,521,917
Property, plant and equipment	103,812,663	Long-term borrowings	50,426,896
Buildings and structures	24,894,832	Lease obligations	44,724
Machinery, equipment and vehicles	21,910,178	Deferred tax liabilities	1,023,836
Tools, furniture and fixtures	832,380	Deferred tax liabilities for land revaluation	2,442,693
Land	54,985,120	Retirement benefit liability	2,289,289
Leased assets	65,746	Provision for redemption of gift certificates of travel	156,132
Construction in progress	1,124,404	Provision for repairs	233,418
Intangible assets	439,279	Asset retirement obligations	1,766,688
Other	439,279	Long-term guarantee deposits	8,742,529
Investments and other assets	18,878,787	Other	1,395,708
Investment securities	10,310,330	(Net assets)	48,394,810
Retirement benefit asset	1,257,633	Shareholders' equity	40,890,838
Deferred tax assets	789,987	Share capital	3,000,000
Other	6,633,496	Capital surplus	10,422,305
Allowance for doubtful accounts	(112,660)	Retained earnings	28,165,160
		Treasury shares	(696,626)
		Accumulated other comprehensive income	7,210,347
		Valuation difference on available-for-sale securities	3,738,072
		Revaluation reserve for land	3,338,085
		Remeasurements of defined benefit plans	134,189
		Non-controlling interests	293,623
<b>Total assets</b>	<b>165,153,110</b>	<b>Total liabilities and net assets</b>	<b>165,153,110</b>

(Note) Amounts stated are rounded down to the nearest thousand yen.

## Consolidated Statement of Income

(April 1, 2021 - March 31, 2022)

(Thousand yen)

Account	Amount	
Operating revenue		
Passenger transportation	25,767,146	
Net sales of goods	58,584,494	84,351,640
Operating expenses		
Operating expenses and cost of sales of transportation	25,420,027	
Cost of goods sold	37,051,792	
Selling, general and administrative expenses	18,883,296	81,355,116
Operating profit		2,996,524
Non-operating income		
Interest income	2,343	
Dividend income	122,563	
Subsidy income	1,221,973	
Other	212,020	1,558,902
Non-operating expenses		
Interest expenses	343,601	
Share of loss of entities accounted for using equity method	9,324	
Other	22,395	375,320
Ordinary profit		4,180,105
Extraordinary income		
Subsidy income	68,828	
Compensation income	300,000	
Other	25,272	394,100
Extraordinary losses		
Impairment losses	471,507	
Loss on disposal of non-current assets	382,486	
Loss on tax purpose reduction entry of non-current assets	68,828	
Other	12,063	934,885
Profit before income taxes		3,639,321
Income taxes - current	1,615,936	
Income taxes - deferred	(204,693)	1,411,242
Profit		2,228,078
Profit attributable to non-controlling interests		17,879
Profit attributable to owners of parent		2,210,198

(Note) Amounts stated are rounded down to the nearest thousand yen.



## Non-Consolidated Balance Sheet

(As of March 31, 2022)

(Thousand yen)

Account	Amount	Account	Amount
(Assets)	25,061,029	(Liabilities)	1,699,752
Current assets	7,185,699	Current liabilities	1,699,752
Cash and deposits	2,412	Accounts payable - other	812,733
Deposits paid	5,275,248	Income taxes payable	829,676
Accounts receivable - other	1,883,667	Accrued consumption taxes	13,795
Raw materials and supplies	3,469	Accrued expenses	5,072
Prepaid expenses	14,752	Deposits received	27,823
Other	6,149	Provision for bonuses	10,651
Non-current assets	17,875,330	(Net assets)	23,361,276
Investments and other assets	17,875,330	Shareholders' equity	23,361,276
Shares of subsidiaries and associates	17,852,622	Share capital	3,000,000
Deferred tax assets	5,953	Capital surplus	12,347,893
Other	16,753	Legal capital surplus	750,000
		Other capital surplus	11,597,893
		Retained earnings	9,202,203
		Other retained earnings	9,202,203
		Retained earnings brought forward	9,202,203
		Treasury shares	(1,188,820)
<b>Total assets</b>	<b>25,061,029</b>	<b>Total liabilities and net assets</b>	<b>25,061,029</b>

(Note) Amounts stated are rounded down to the nearest thousand yen.

## Non-Consolidated Statement of Income

(April 1, 2021 - March 31, 2022)

(Thousand yen)

Account	Amount	
Operating revenue		
Dividends from subsidiaries and associates	1,512,252	
Commissions from subsidiaries and associates	1,006,820	2,519,072
Operating expenses		
General and administrative expenses	1,034,535	1,034,535
Operating profit		1,484,536
Non-operating income		
Interest income	4,589	
Other	3,426	8,016
Non-operating expenses		
Other	359	359
Ordinary profit		1,492,193
Extraordinary losses		
Loss on valuation of shares of subsidiaries and associates	276,135	276,135
Profit before income taxes		1,216,058
Income taxes - current	31,055	
Income taxes - deferred	(2,812)	28,243
Profit		1,187,815

(Note) Amounts stated are rounded down to the nearest thousand yen.

## Independent Auditor's Report

May 9, 2022

To the Board of Directors  
Mie Kotsu Group Holdings, Inc.

Isuzu Audit Corporation  
Tsu Office

Hironobu Yasui, CPA  
Designated Partner, Engagement Partner

Kazuya Shimozu, CPA  
Designated Partner, Engagement Partner

Tadashi Hashiji, CPA  
Designated Partner, Engagement Partner

### Opinion

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

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

### Basis for the Opinion

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

### Other Information

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

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

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

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

We have nothing to report in this regard.

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

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

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

Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for monitoring the execution of Directors' duties related to designing and operating the financial reporting process.

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

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

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

- Identify and assess the risks of material misstatement, whether due to fraud or error. Design and implement audit procedures to address the risks of material misstatement. The audit procedures shall be selected and applied as determined by the auditor. In addition, sufficient and appropriate audit evidence shall be obtained to provide a basis for the audit opinion.
- In making those risk assessments, the auditor considers internal control relevant to the entity's audit in order to design audit procedures that are appropriate in the circumstances, although the purpose of the audit of the consolidated financial statements is not to express an opinion on the effectiveness of the entity's internal control.
- Assess the appropriateness of accounting policies adopted by management and the method of their application, as well as the reasonableness of accounting estimates made by management and the adequacy of related notes.
- Determine whether it is appropriate for management to prepare the consolidated financial statements on the premise of a going concern and, based on the audit evidence obtained, determine whether there is a significant uncertainty in regard to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If there is a significant uncertainty concerning the premise of a going concern, the auditor is required to call attention to the notes to the consolidated financial statements in the audit report, or if the notes to the consolidated financial statements pertaining to the significant uncertainty are inappropriate, issue a modified opinion on the consolidated financial statements. While the conclusions of the auditor are based on the audit evidence obtained up to the date of the audit report, depending on future events or conditions, an entity may be unable to continue as a going concern.
- Besides assessing whether the presentation of and notes to the consolidated financial statements are in accordance with accounting principles generally accepted in Japan, assess the presentation, structure, and content of the consolidated financial statements including related notes, and whether the consolidated financial statements fairly present the transactions and accounting events on which they are based.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the Company and its consolidated subsidiaries in order to express an opinion on the consolidated financial statements. The auditor is responsible for instructing, supervising, and implementing the audit of the consolidated financial statements, and is solely responsible for the audit opinion.

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

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

## Interest

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

## Independent Auditor's Report

May 9, 2022

To the Board of Directors  
Mie Kotsu Group Holdings, Inc.

Isuzu Audit Corporation  
Tsu Office

Hironobu Yasui, CPA  
Designated Partner, Engagement Partner

Kazuya Shimozu, CPA  
Designated Partner, Engagement Partner

Tadashi Hashiji, CPA  
Designated Partner, Engagement Partner

### Opinion

Pursuant to Article 436, Paragraph 2, Item 1 of the Companies Act, we have audited the accompanying financial statements, which comprise the balance sheet, statement of income, statement of changes in net assets, and notes to the non-consolidated financial statements, and the accompanying supplementary schedules of Mie Kotsu Group Holdings, Inc. (the "Company") for the 16th fiscal year from April 1, 2021 through March 31, 2022.

In our opinion, the financial statements and the accompanying supplementary schedules referred to above present fairly, in all material respects, the financial position of the Company as of March 31, 2021, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in Japan.

### Basis for the Opinion

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

### Other Information

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

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

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

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

We have nothing to report in this regard.

Responsibilities of Management, Audit & Supervisory Board Members and the Audit & Supervisory Board for the Financial Statements and the Accompanying Supplementary Schedules

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

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

Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for monitoring the execution of Directors' duties related to designing and operating the financial reporting process.

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

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

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

- Identify and assess the risks of material misstatement, whether due to fraud or error. Design and implement audit procedures to address the risks of material misstatement. The audit procedures shall be selected and applied as determined by the auditor. In addition, sufficient and appropriate audit evidence shall be obtained to provide a basis for the audit opinion.
- In making those risk assessments, the auditor considers internal control relevant to the entity's audit in order to design audit procedures that are appropriate in the circumstances, although the purpose of the audit of the financial statements and the accompanying supplementary schedules is not to express an opinion on the effectiveness of the entity's internal control.
- Assess the appropriateness of accounting policies adopted by management and the method of their application, as well as the reasonableness of accounting estimates made by management and the adequacy of related notes.
- Determine whether it is appropriate for management to prepare the financial statements and the accompanying supplementary schedules on the premise of a going concern and, based on the audit evidence obtained, determine whether there is a significant uncertainty in regard to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If there is a significant uncertainty concerning the premise of a going concern, the auditor is required to call attention to the notes to the financial statements and the accompanying supplementary schedules in the audit report, or if the notes to the financial statements and the accompanying supplementary schedules pertaining to the significant uncertainty are inappropriate, issue a modified opinion on the financial statements and the accompanying supplementary schedules. While the conclusions of the auditor are based on the audit evidence obtained up to the date of the audit report, depending on future events or conditions, an entity may be unable to continue as a going concern.
- Besides assessing whether the presentation of and notes to the financial statements and the accompanying supplementary schedules are in accordance with accounting principles generally accepted in Japan, assess the presentation, structure, and content of the financial statements and the accompanying supplementary schedules including related notes, and whether the financial statements and the accompanying supplementary schedules fairly present the transactions and accounting events on which they are based.

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

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

## Interest

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



## Audit Report

The Audit & Supervisory Board has prepared this Audit Report on the execution of duties by Directors for the 16th fiscal year from April 1, 2021 to March 31, 2022 upon deliberations based on audit reports prepared by each Audit & Supervisory Board Member, and hereby reports as follows.

### 1. Methods and Descriptions of Audits by Audit & Supervisory Board Members and the Audit & Supervisory Board

- (1) The Audit & Supervisory Board established auditing policies, allocation of duties, and other matters, and received reports from each Audit & Supervisory Board Member on the status of conducting audits and results thereof. In addition, the Audit & Supervisory Board received reports from Directors and other personnel as well as the Accounting Auditor on the status of execution of their duties, and requested explanations as necessary.
- (2) Each Audit & Supervisory Board Member, in accordance with the auditing policies, allocation of duties, and other matters established by the Audit & Supervisory Board, strived to collect information and develop an auditing environment by communicating with Directors, the Internal Control Office, other employees, etc., and conducted audits by the following methods.
  - 1) Audit & Supervisory Board Members attended meetings of the Board of Directors and other important meetings, received reports from Directors, employees, and other personnel on the status of execution of their duties, requested explanations as necessary, reviewed important approval documents and other materials, and studied the status of operations and assets at the head office. In addition, with regard to subsidiaries, Audit & Supervisory Board Members worked to communicate and exchange information with Directors, Audit & Supervisory Board Members, and other personnel of subsidiaries, and received reports from subsidiaries on their businesses as necessary.
  - 2) With regard to the contents of resolutions by the Board of Directors on the development of the system to ensure that Directors perform their duties in compliance with laws, regulations and the Articles of Incorporation and other systems stipulated in Article 100, Paragraph 1 and Paragraph 3 of the Regulations for Enforcement of the Companies Act as those required to ensure the properness of operations conducted by the corporate group comprised of a listed company and its subsidiaries, as well as the systems developed based on the said resolutions (internal control systems), which are described in the Business Report, Audit & Supervisory Board Members periodically received reports from Directors, employees, etc. on the status of their establishment and operation, requested explanations as necessary, and expressed their opinions.
  - 3) Audit & Supervisory Board Members monitored and verified whether the Accounting Auditor is maintaining an independent position and conducting proper audits. In addition, Audit & Supervisory Board Members received reports from the Accounting Auditor on the status of execution of its duties, and requested explanations as necessary. Furthermore, Audit & Supervisory Board Members were notified by the Accounting Auditor that it has developed "systems for ensuring that the performance of the duties is being carried out correctly" (matters stipulated in each item 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 other standards, and requested explanations as necessary.

Based on the above methods, Audit & Supervisory Board Members examined the Business Report and its supplementary schedules, the non-consolidated financial statements (the non-consolidated balance sheet, non-consolidated statement of income, non-consolidated statement of changes in net assets, and notes to the non-consolidated financial statements) and their supplementary schedules, and the consolidated financial statements (the consolidated balance sheet, consolidated statement of income, consolidated statement of changes in net assets, and notes to the consolidated financial statements) for the fiscal year under review.

## 2. Results of Audit

### (1) Results of Audit of the Business Report and Other Relevant Documents

- 1) In our opinion, the Business Report and its supplementary schedules fairly represent the Company's condition in accordance with laws and regulations and the Articles of Incorporation.
- 2) With regard to the execution of duties by Directors, we have found no evidence of wrongful action or material facts in violation of laws and regulations or the Articles of Incorporation.
- 3) In our opinion, the contents of the resolutions by the Board of Directors related to the internal control systems are fair and reasonable. In addition, we have found no matters to be noted with regard to the descriptions in the Business Report or the execution of duties by Directors related to such internal control systems.

### (2) Results of Audit of Non-Consolidated Financial Statements and Supplementary Schedules

In our opinion, the audit methods employed and results rendered by Isuzu Audit Corporation, the Accounting Auditor, are fair and reasonable.

### (3) Results of Audit of Consolidated Financial Statements

In our opinion, the audit methods employed and results rendered by Isuzu Audit Corporation, the Accounting Auditor, are fair and reasonable.

May 11, 2022

The Audit & Supervisory Board, Mie Kotsu Group Holdings, Inc.

Audit & Supervisory Board Member (full-time)	Kei Kumoi
Audit & Supervisory Board Member (full-time)	Shinya Nakagawa
Audit & Supervisory Board Member	Katsu Kobayashi
Audit & Supervisory Board Member	Takashi Wakai

(Note) Audit & Supervisory Board Members Katsu Kobayashi and Takashi Wakai are Outside Audit & Supervisory Board Members as stipulated in Article 2, Item 16 and Article 335, Paragraph 3 of the Companies Act.