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Securities code: 9099

June 8, 2023

(Date of commencement of measures for electronic provision: June 6, 2023)

**To Shareholders with Voting Rights:**

Hiromasa Aya  
Representative Director, President and Chief  
Executive Officer  
Chilled & Frozen Logistics Holdings Co., Ltd.  
33-8, Wakamatsu-cho, Shinjuku-ku,  
Tokyo, Japan

**NOTICE OF THE CONVOCAION OF  
THE 8th ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

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

We hereby inform you that the 8th Annual General Meeting of Shareholders of Chilled & Frozen Logistics Holdings Co., Ltd. (the “Company”) will be held as described below.

In convening this General Meeting of Shareholders, the Company has taken measures for providing information in electronic format (“measures for electronic provision”) and has posted matters subject to measures for electronic provision on the following website.

The Company website : <https://www.cflogi.co.jp/en/ir/2023/>

In addition to the Company’s website, the matters subject to measures for electronic provision are also posted on the following website.

Tokyo Stock Exchange (TSE) website (Listed Company Search)  
<https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>

\* To view the information, please enter the issue name (Chilled & Frozen Logistics Holdings) or securities code (9099), and click on “Search,” and then click on “Basic Information” and select “Documents for public inspection/PR information.”

Online convocation service *Net de Shoshu*: <https://s.srdb.jp/9099/> (in Japanese only)

**If you are unable to attend the meeting, you may exercise your voting rights via the Internet or in writing by mail. Please review the Reference Documents for the General Meeting of Shareholders posted in the matters subject to measures for electronic provision and exercise your voting rights by 6:00 p.m. on Tuesday, June 27, 2023.**

- 1. Date and Time:** Wednesday, June 28, 2023 at 10:00 a.m. (Reception opens at 9:00 a.m.)
- 2. Place:** Room “Yukyu,” 2nd floor, Main building, Hotel Metropolitan Edmont Tokyo  
10-8, Iidabashi 3-chome, Chiyoda-ku, Tokyo
- 3. Meeting Agenda:**
  - Matters to be reported:**
    1. Business Report and Consolidated Financial Statements for the Company’s 8th Fiscal Year (April 1, 2022–March 31, 2023) and results of audits by the Accounting Auditor and the Audit and Supervisory Committee of the Consolidated Financial Statements
    2. Non-consolidated Financial Statements for the Company’s 8th Fiscal Year (April 1, 2022–March 31, 2023)
  - Proposals to be resolved:**
    - Proposal 1:** Appropriation of Surplus
    - Proposal 2:** Election of Six (6) Directors (excluding Directors Who Are Audit and Supervisory Committee Members)
    - Proposal 3:** Election of Four (4) Directors Who Are Audit and Supervisory Committee Members
- 4. Matters Determined for Convocation**
  - (1) If neither approval nor disapproval for each proposal is indicated on the voting rights exercise form, the Company will deem that you indicated your approval for the proposal.
  - (2) If you exercise your voting rights both via the Internet and in writing, only the vote made via the Internet will be deemed valid.
  - (3) If you exercise your voting rights multiple times via the Internet, only the most recent vote will be deemed valid.

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- When you attend the meeting, please kindly submit the enclosed voting right exercise form at the reception desk.
  - The Reference Documents for the General Meeting of Shareholders are sent to shareholders who have not requested the delivery of the documents.
  - The following matters are not included in the documents sent to shareholders who requested the delivery of the documents, pursuant to laws and regulations and provisions of Article 15 of the Articles of Incorporation of the Company. Accordingly, the documents are a subset of documents audited by the Audit and Supervisory Committee and the Accounting Auditor in the preparation of their respective audit reports.
    - “Systems to Ensure Appropriateness of Business Operations and Its Implementation Status” in the Business Report
    - “Consolidated Statement of Changes in Equity” and “Notes to Consolidated Financial Statements” in the Consolidated Financial Statements
    - “Non-consolidated Statement of Changes in Equity,” and “Notes to Non-consolidated Financial Statements” in the Non-consolidated Financial Statements
    - If any amendments are made to the matters subject to measures for electronic provision, such amendments will be posted on the respective websites where the matters are posted.

# Reference Documents for the General Meeting of Shareholders

## Proposals and Reference Matters

### Proposal 1: Appropriation of Surplus

The Company considers financial strategies, including shareholder return measures, to be basic management strategies and important measures, and has adopted a policy of implementing flexible shareholder return measures in the 3rd Medium-Term Management Plan to increase shareholder value. Based on this policy, the Company proposes to pay a year-end dividend for the current fiscal year as follows:

Matters related to year-end dividend

(1) Type of asset distributed as dividend

We will pay in cash.

(2) Matters concerning the allocation of assets distributed as dividends to shareholders and the total amount thereof

The Company proposes a dividend of 14 yen per share.

In this case, the total amount of dividends will be 344,471,820 yen.

Accordingly, the annual dividend for the period will be 28 yen per share including the interim dividend of 14 yen per share.

(3) Effective date of dividends from surplus

We propose the effective date of dividend to be June 29, 2023.

**Proposal 2:** Election of Six (6) Directors (excluding Directors Who Are Audit and Supervisory Committee Members)

The terms of office of all current five (5) Directors (excluding Directors who are Audit and Supervisory Committee Members; hereinafter the same in this proposal) will expire at the close of this Annual General Meeting of Shareholders. To ensure management transparency and further strengthen corporate governance, the Company proposes to increase the number of Outside Directors by one (1) and select six (6) Directors.

The candidates for Directors are as follows:

Candidate No.	Name	
1	[Reappointment]	Hiromasa Aya
2	[Reappointment]	Akihiro Muto
3	[Reappointment]	Ichiro Yata
4	[Reappointment]	Toru Agui
5	[Reappointment]	Akihiro Mizutani [Outside] [Independent]
6	[New Appointment]	Takeshi Tanaka [Outside] [Independent]

\*For reasons for nomination of each candidate for Director, please see the career summary of each candidate.

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions		Number of shares of the Company held
1	Hiromasa Aya (May 13, 1956)  [Reappointment]	<p>April 1980      Joined The Norinchukin Bank</p> <p>July 2006      Manager, Corporate Business Division V of The Norinchukin Bank</p> <p>April 2008      Joined Hutch norin Co., Ltd. Strategic Advisor</p> <p>June 2008      Managing Director; General Manager, Administrative Headquarters of Hutech norin Co., Ltd.</p> <p>June 2012      Senior Managing Director; General Manager, Administrative Headquarters; and Manager, Finance and Accounting Department of Hutech norin Co., Ltd.</p> <p>June 2014      President and Representative Director of Hutech norin Co., Ltd.</p> <p>October 2015   Vice President and Director in charge of sales of the Company</p> <p>June 2019      Vice President and Representative Director in charge of sales of the Company</p> <p>October 2020   President and Representative Director of the Company</p> <p>June 2021      Representative Director, President and Chief Executive Officer (current position)</p>		14,612
<p>[Reasons for nomination as a candidate for Director]</p> <p>Mr. Hiromasa Aya served in key positions in the administration division at Hutech norin Co., Ltd., a major operating company of the Group, and then assumed the position of President and Representative Director in June 2014, where he has worked to expand the company's business. Since the foundation of the Company in 2015, he has been engaged in overall management of the Group as Vice President and Director as well as Vice President and Representative Director and has been in charge of sales based on his experience at the operating company. Accordingly, he has considerable knowledge regarding the Group and extensive experience in corporate management. Since assuming the position of President and Representative Director in October 2020, he has introduced the executive officer system to speed up management decision-making and has promoted further strengthening of the governance system. He also has exercised strong leadership in realizing the management plan that the Group is aiming for.</p> <p>Based on these factors, the Company expects him to continue to lead the further development and value enhancement of the Group in the future, and nominates him again as a candidate for Director.</p>				

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
2	Akihiro Muto (November 2, 1954)  [Reappointment]	<p>March 1977      Joined Renown Incorporated</p> <p>February 1999      Manager, Accounting Department of Renown Incorporated</p> <p>March 2006      Director; Executive Officer; and General Manager, Corporate Planning Office of Renown Incorporated</p> <p>September 2010      Joined Meito Transportation Co., Ltd. Manager, Accounting Department</p> <p>June 2011      Director; Manager, Accounting Department; and Manager, Corporate Planning Department of Meito Transportation Co., Ltd.</p> <p>June 2014      Full Time Audit &amp; Supervisory Board Member of Meito Transportation Co., Ltd.</p> <p>June 2015      Director; Manager, Corporate Planning Department; and Manager, Overseas Business Department of Meito Transportation Co., Ltd.</p> <p>October 2015      Managing Director in charge of corporate planning and management; and Manager, Corporate Planning Department of the Company</p> <p>April 2017      Senior Managing Director in charge of corporate planning and management; and Manager, Corporate Planning Department of the Company</p> <p>June 2020      President and Representative Director of C&amp;F Support Service Co., Ltd. (current position)</p> <p>October 2020      Representative Senior Managing Director in charge of corporate planning and management; and Manager, Corporate Planning Department of the Company</p> <p>April 2021      Representative Senior Managing Director in charge of corporate planning and management of the Company</p> <p>June 2021      Representative Director, Senior Managing Executive Officer in charge of corporate planning and management of the Company (current position)</p> <p>[Significant concurrent positions] President and Representative Director of C&amp;F Support Service Co., Ltd.</p>	2,400
<p>[Reasons for nomination as a candidate for Director]</p> <p>Mr. Akihiro Muto served in key positions in the administration and other divisions at Meito Transportation Co., Ltd., a major operating company of the Group. Since the foundation of the Company in 1915, he has been engaged in overall management of the Group as Managing Director as well as Senior Managing Director and has been in charge of corporate planning and management based on his broad insight. Accordingly, he has considerable knowledge regarding the Group and extensive experience in corporate management. Since assuming the position of Representative Senior Managing Director in October 2020, he has promoted the integration of personnel systems in the administration division and review of financial strategies. He also has exercised strong leadership in realizing the management plan that the Group is aiming for.</p> <p>Based on these factors, the Company expects him to continue to lead the further development and value enhancement of the Group in the future, and nominates him again as a candidate for Director.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
3	Ichiro Yata (July 15, 1958) [Reappointment]	<p>April 1985      Joined Meito Transportation Co., Ltd.</p> <p>September 2012      Manager, Eastern Japan Sales Department of Meito Transportation Co., Ltd.</p> <p>April 2014      Manager, Wide-Area Business Department; and Manager, Eastern Japan Sales Department of Meito Transportation Co., Ltd.</p> <p>June 2014      Director; Manager, Wide-Area Business Department; and Manager, Eastern Japan Sales Department of Meito Transportation Co., Ltd.</p> <p>April 2016      Managing Director; General Manager, Sales Headquarters; and Manager, Wide-Area Business Department of Meito Transportation Co., Ltd.</p> <p>April 2018      Managing Director; and General Manager, Sales Headquarters of Meito Transportation Co., Ltd.</p> <p>April 2019      Senior Managing Director; and General Manager, Sales Headquarters of Meito Transportation Co., Ltd.</p> <p>October 2020      President and Representative Director; and General Manager, Sales Headquarters of Meito Transportation Co., Ltd. (current position)</p> <p>June 2021      Director of the Company (current position)</p> <p>[Significant concurrent positions] President and Representative Director; and General Manager, Sales Headquarters of Meito Transportation Co., Ltd.</p>	10,900
<p>[Reasons for nomination as a candidate for Director]</p> <p>Mr. Ichiro Yata served in key positions in the sales division at Meito Transportation Co., Ltd., a major operating company of the Group. Then, he assumed the position of President and Representative Director in October 2020 and has been striving to expand the business of the Group. He has also been involved in the overall management of the Group as the Director of the Company since June 2021. Accordingly, he has considerable knowledge regarding the Group and extensive experience in corporate management.</p> <p>Since assuming the position of Director of the Company, he has focused on strengthening the Group's capabilities and has promoted measures to strengthen the earnings base as the person in charge of whole business at the operating company. He also has exercised strong leadership in the realization.</p> <p>Based on these factors, the Company expects him to continue to lead the further development and value enhancement of the Group in the future, and nominates him again as a candidate for Director.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
4	Toru Agui (October 18, 1965)  [Reappointment]	<p>April 1987      Joined Hutech norin Co., Ltd.</p> <p>April 2004      Manager, Sales Development Department of Hutech norin Co., Ltd.</p> <p>June 2006      Executive Officer; and Manager, Sales Development Department of Hutech norin Co., Ltd.</p> <p>April 2016      Director; General Manager, Sales Headquarters; and Manager, Kanto Sales Department of Hutech norin Co., Ltd.</p> <p>June 2018      Managing Director; General Manager, Sales Headquarters; and Manager, Kanto Sales Department of Hutech norin Co., Ltd.</p> <p>April 2019      Senior Managing Director; General Manager, Sales Headquarters; and Manager, Kanto Sales Department of Hutech norin Co., Ltd.</p> <p>April 2020      Senior Managing Director; and General Manager, Sales Headquarters of Hutech norin Co., Ltd.</p> <p>October 2020    President and Representative Director; and General Manager, Sales Headquarters of Hutech norin Co., Ltd. (current position)</p> <p>June 2021      Director of the Company (current position)</p> <p>[Significant concurrent positions] President and Representative Director; and General Manager, Sales Headquarters of Hutech norin Co., Ltd.</p>	7,800
<p>[Reasons for nomination as a candidate for Director]</p> <p>Mr. Toru Agui served in key positions in the sales division at Hutech norin Co., Ltd., a major operating company of the Group. Then he assumed the position of President and Representative Director in October 2020 and has been striving to expand the business of the Group. He has also been involved in the overall management of the Group as the Director of the Company since June 2021. Accordingly, he has considerable knowledge regarding the Group and extensive experience in corporate management.</p> <p>Since assuming the position of Director of the Company, he has focused on strengthening the Group's capabilities and has promoted measures to strengthen the earnings base as the person in charge of whole business at the operating company. He also has exercised strong leadership in the realization.</p> <p>Based on these factors, the Company expects him to continue to lead the further development and value enhancement of the Group in the future, and nominates him again as a candidate for Director.</p>			



No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions		Number of shares of the Company held
5	Akihiro Mizutani (December 27, 1942)  [Reappointment] [Outside]	April 1965	Joined Meito Sangyo Co., Ltd.	—
		June 1999	Director; and Manager, Food Development Department of Meito Sangyo Co., Ltd.	
		June 2001	Director; and Manager, General Affairs Department of Meito Sangyo Co., Ltd.	
		October 2002	Managing Director; and Manager, General Affairs Department of Meito Sangyo Co., Ltd.	
		April 2003	Representative Director; and Manager, General Affairs Department of Meito Sangyo Co., Ltd.	
		June 2003	President and Representative Director of Meito Sangyo Co., Ltd.	
		June 2014	Chairman and Director of Meito Sangyo Co., Ltd. Outside Director of Meito Transportation Co., Ltd.	
		June 2015	Senior Advisor of Meito Sangyo Co., Ltd.	
		October 2015	Outside Director of the Company (current position)	
[Reasons for nomination as a candidate for Outside Director and overview of expected roles] Mr. Akihiro Mizutani has long extensive experience and deep insight as top management of a food manufacturer and provides advice for improvement of logistics and other recommendations to ensure the validity and appropriateness of decision-making by the Board of Directors. The Company believes that as an Outside Director he will continue to utilize his experience and knowledge to realize the management plan envisioned by the Group and contribute to enhancing the decision-making and supervisory functions of the Board of Directors, and nominates him again as a candidate for Outside Director. He will have served as Outside Director for seven (7) years and nine (9) months at the close of this General Meeting of Shareholders.				

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
6	Takeshi Tanaka (February 2, 1954)  [New Appointment] [Outside]	<p>April 1977      Joined Nosan Corporation</p> <p>April 2000      Manager, Iodine-enriched Egg Department; and Manager, Processed Food Department of Nosan Corporation</p> <p>April 2003      Manager, Biotechnology Department of Nosan Corporation</p> <p>April 2006      Manager, Corporate Planning Office of Nosan Corporation</p> <p>April 2007      Executive Officer, Manager, Corporate Planning Office of Nosan Corporation</p> <p>May 2008      Executive Officer, Manager, Corporate Planning Office; and Manager, Overseas Business Office of Nosan Corporation</p> <p>June 2009      Managing Director in charge of Corporate Planning/Overseas Business/R&amp;D/LifeTech Business of Nosan Corporation</p> <p>April 2011      Representative Director, President and CEO of Nosan Corporation</p> <p>April 2015      Director, Advisor of Nosan Corporation</p> <p>June 2015      Advisor of Nosan Corporation</p> <p>April 2017      Independent Consultant (current position)</p>	—
<p>[Reasons for nomination as a candidate for Outside Director and overview of expected roles]</p> <p>Mr. Takeshi Tanaka has long extensive experience and deep insight in corporate planning and overseas business, in addition to a wealth of accomplishments and experience as a corporate executive over many years. Based on his past experience and knowledge, the Company believes that he will be able to provide accurate suggestions and advice from an objective and professional perspective to realize the management plan envisioned by the Group, thereby strengthening our corporate governance. The Company also believes that he will contribute to ensuring the adequacy and appropriateness of decision-making at the Board of Directors, and nominates him as a candidate for Outside Director.</p>			

- Notes:
1. There is no special interest between each of the candidates for Directors and the Company.
  2. Mr. Akihiro Mizutani and Mr. Takeshi Tanaka are candidates for Outside Director.  
The Company has designated Mr. Akihiro Mizutani as an independent officer as stipulated by the rules of the Tokyo Stock Exchange and has notified the said exchange of his appointment. If the election of Mr. Akihiro Mizutani is approved as proposed, the Company plans to continue to notify the said exchange of his reappointment as an independent officer. If the election of Mr. Takeshi Tanaka is approved, the Company plans to notify the said exchange of his appointment as an independent officer.
  3. Pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, the Company has entered into an agreement with Mr. Akihiro Mizutani to limit his liability for damage stipulated in Article 423, Paragraph 1 of the said Act. The limit of liability for damage under the agreement is the minimum liability amount stipulated in laws and regulations. If the election of Mr. Akihiro Mizutani is approved, the Company plans to continue the liability limitation agreement with him. If the election of Mr. Takeshi Tanaka is approved, the Company plans to enter into the same liability limitation agreement with him.
  4. The Company has entered into a directors and officers liability insurance policy pursuant to the provisions of Article 430-3, Paragraph 1 of the Companies Act with an insurance company. The insureds of the policy include all Directors and Executive Officers of the Company and all Directors and Audit and Supervisory Board Members of the Company's consolidated subsidiaries. The policy will cover damages, litigation costs, and other expenses incurred by the insured in cases where the insured receives a claim for damages arising from an act or an omission committed by the insured in his or her capacity as a director or officer of the company. The full amount of the insurance premiums is borne by the Company. If each candidate is elected and assumes the position of Director, such Director will become an insured person under the insurance policy. In addition, the Company plans to renew the insurance policy under the same terms and conditions at the next renewal.

■ Opinion of the Audit and Supervisory Committee

Regarding the election and compensation of Directors (excluding Directors who are Audit and Supervisory Committee Members) of the Company, all four (4) Audit and Supervisory Committee Members participate in deliberations at meetings as members of the Nomination and Compensation Committee, which has been voluntarily established. As a result of discussions based on the deliberations by the Nomination and Compensation Committee, the Audit and Supervisory Committee has determined that there are no matters to be particularly pointed out with respect to either the election or the compensation.

**Proposal 3:** Election of Four (4) Directors Who Are Audit and Supervisory Committee Members

The terms of office of all current four (4) Directors Who Are Audit and Supervisory Committee Members will expire at the close of this Annual General Meeting of Shareholders. It is proposed that four (4) Directors Who Are Audit and Supervisory Committee Members be elected.

The Company has obtained approval from the Audit and Supervisory Committee with respect to this proposal.

The candidates for Directors Who Are Audit and Supervisory Committee Members are as follows:

Candidate No.	Name		
1	[Reappointment]	Kenichi Sugita	[Outside]
2	[Reappointment]	Nobuyuki Takagi	[Outside] [Independent]
3	[Reappointment]	Michiho Tachi (professionally goes by Michiho Takamura)	[Outside] [Independent]
4	[Reappointment]	Shiro Toba	[Outside] [Independent]

\*For reasons for nomination of each candidate for Director Who Is Audit and Supervisory Committee Member, please see the career summary of each candidate.

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
1	Kenichi Sugita (July 31, 1963)  [Reappointment] [Outside]	<p>April 1987      Joined The Norinchukin Bank</p> <p>January 2002    Senior Manager, New York Branch of The Norinchukin Bank</p> <p>February 2005   Senior Manager, Bond Investment Division of The Norinchukin Bank</p> <p>July 2008        Seconded to Norinchukin Zenkyoren Asset Management Co., Ltd.</p> <p>July 2011        Deputy General Manager, Corporate Business Division II of The Norinchukin Bank</p> <p>August 2011     Deputy General Manager, Corporate Business Division II; and Deputy General Manager, Corporate Planning Division of The Norinchukin Bank</p> <p>January 2012    Deputy General Manager, Corporate Business Division II of The Norinchukin Bank</p> <p>July 2014        General Manager, New York Branch of The Norinchukin Bank</p> <p>June 2017        Audit and Supervisory Board Member of Hutech norin Co., Ltd. (current position)</p> <p>June 2017        Audit &amp; Supervisory Board Member of Meito Transportation Co., Ltd.</p> <p>June 2018        Outside Audit and Supervisory Board Member of the Company</p> <p>June 2019        Outside Director (Full Time Audit and Supervisory Committee Member) (current position) Audit &amp; Supervisory Board Member of Meito Transportation Co., Ltd. (current position) Audit and Supervisory Board Member of C&amp;F Support Service Co., Ltd. (current position)</p> <p>[Significant concurrent positions] Audit and Supervisory Board Member of Hutech norin Co., Ltd. Audit &amp; Supervisory Board Member of Meito Transportation Co., Ltd. Audit and Supervisory Board Member of C&amp;F Support Service Co., Ltd.</p>	1,400
<p>[Reasons for nomination as a candidate for Audit and Supervisory Committee Member and summary of expected role]</p> <p>Mr. Kenichi Sugita has long experience and extensive knowledge in financial institutions and plays an appropriate role in decision-making and supervision of business execution from a neutral and objective standpoint. He also serves as Audit and Supervisory Board Member of major operating companies, contributing to strengthening the governance of the Group. Based on these factors, the Company believes that he will continue to contribute to the improvement of soundness, transparency, and compliance in the management of the Group, and nominates him again as a candidate for Outside Director Who is Audit and Supervisory Committee Member. He will have served as Outside Director Who is Audit and Supervisory Committee Member for four (4) years at the close of this General Meeting of Shareholders.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
2	Nobuyuki Takagi (February 25, 1953)  [Reappointment] [Outside]	<p>April 1977      Joined Nomura Securities Co., Ltd.</p> <p>February 2009      Managing Research Director, Global Research Division of Nomura Securities Co., Ltd.</p> <p>March 2009      Visiting Professor, Risk Research Center, Faculty of Economics, Shiga University</p> <p>April 2009      Part-time Lecturer, Graduate School of Engineering Management, Shibaura Institute of Technology</p> <p>March 2013      Outside Audit &amp; Supervisory Board Member of ELAN Corporation</p> <p>June 2013      Outside Audit &amp; Supervisory Board Member of Meito Transportation Co., Ltd.</p> <p>October 2015      Outside Audit and Supervisory Board Member of the Company</p> <p>February 2016      Outside Director of Lacto Japan Co., Ltd.</p> <p>May 2017      Advisor of LOTTE CO., LTD.</p> <p>March 2019      Outside Director of NAKANO REFRIGERATORS CO., LTD. (current position)</p> <p>June 2019      Outside Director (Audit and Supervisory Committee Member) of the Company (current position)</p> <p>March 2020      Outside Director (Audit &amp; Supervisory Committee Member) of ELAN Corporation (current position)</p> <p>[Significant concurrent positions] Outside Director of NAKANO REFRIGERATORS CO., LTD. Outside Director (Audit &amp; Supervisory Committee Member) of ELAN Corporation</p>	—
<p>[Reasons for nomination as a candidate for Audit and Supervisory Committee Member and summary of expected role]</p> <p>Mr. Nobuyuki Takagi has expert knowledge of the relevant laws and regulations of listed companies based on his extensive work experience as an outside officer at a securities company and other companies. He also plays an appropriate role in decision-making and supervision of business execution from a neutral and objective standpoint based on the broad knowledge he has gained from his experience as a university lecturer. He will continue to play an important role in strengthening the soundness and transparency in the management of the Group and further enhancing the corporate governance system based on the insights he has gained in various fields. In addition, the Company believes that he will contribute to improving compliance, and nominates him again as a candidate for Outside Director Who is Audit and Supervisory Committee Member. He will have served as Outside Director Who is Audit and Supervisory Committee Member for four (4) years at the close of this General Meeting of Shareholders.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
3	<p>Michiho Tachi (professionally goes by Michiho Takamura) (July 14, 1974)</p> <p>[Reappointment] [Outside]</p>	<p>October 2006 Registered as an Attorney at Law (Daiichi Tokyo Bar Association) Joined Shitara Sakamoto Law Office (current position)</p> <p>September 2007 Audit and Supervisory Board Member of Coop Meat Co., Ltd. (current position)</p> <p>June 2015 Outside Audit and Supervisory Board Member of Hutech norin Co., Ltd.</p> <p>June 2015 Outside Audit and Supervisory Board Member of Zen-Noh Energy Co., Ltd. (current position)</p> <p>October 2015 Outside Audit and Supervisory Board Member of the Company</p> <p>June 2019 Outside Director (Audit and Supervisory Committee Member) of the Company (current position)</p> <p>[Significant concurrent positions] Attorney at Law, Shitara Sakamoto Law Office Audit and Supervisory Board Member of Coop Meat Co., Ltd. Outside Audit and Supervisory Board Member of Zen-Noh Energy Co., Ltd.</p>	–
<p>[Reasons for nomination as a candidate for Director] Mr. Michiho Tachi has sufficient insight in corporate legal affairs based on his expert knowledge and experience as an attorney and plays an appropriate role in decision-making and supervision of business execution from a neutral and objective standpoint. The Company believes that his expertise in legal matters will contribute to improving the soundness, transparency, and compliance in the management of the Group, and nominates him again as a candidate for Outside Director Who is Audit and Supervisory Committee Member. He will have served as Outside Director Who is Audit and Supervisory Committee Member for four (4) years at the close of this General Meeting of Shareholders.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
4	Shiro Toba (March 21, 1967)  [Reappointment] [Outside]	<p>October 1989      Joined Chuo Shinko Audit Corporation</p> <p>July 1991        Joined Chuo Coopers &amp; Lybrand International Tax Office (currently PwC Tax Japan)</p> <p>January 1994      Joined Chuo Audit Corporation</p> <p>January 1997      Representative of Toba Public Accounting Office (current position)</p> <p>April 2004        Director of Majestic, Inc. (current position)</p> <p>January 2005      Representative Director of Minori Accounting Co., Ltd. (current position)</p> <p>May 2005        Supervisory Director of Kenedix Realty Investment Corporation (currently Kenedix Office Investment Corporation) (current position)</p> <p>June 2005        Audit and Supervisory Board Member of Skymark Airlines, Inc.</p> <p>May 2009        Director of Keystone Partners Co., Ltd. (current position)</p> <p>June 2019        Outside Director (Audit and Supervisory Committee Member) of the Company (current position)</p> <p>[Significant concurrent positions] Representative of Toba Public Accounting Office Representative Director of Minori Accounting Co., Ltd. Director of Majestic, Inc. Director of Keystone Partners Co., Ltd.</p>	—
<p>[Reasons for nomination as a candidate for Director] Mr. Shiro Toba has a wide range of knowledge based on his extensive work experience as a certified public accountant and an officer of other companies and plays an appropriate role in decision-making and supervision of business execution from a neutral and objective standpoint. The Company believes that his expertise in accounting will contribute to improving the soundness, transparency, and compliance in the management of the Group, and nominates him again as a candidate for Outside Director Who is Audit and Supervisory Committee Member. He will have served as Outside Director Who is Audit and Supervisory Committee Member for four (4) years at the close of this General Meeting of Shareholders.</p>			

- Notes:
1. There is no special interest between each of the candidates for Directors Who Are Audit and Supervisory Committee Members and the Company.
  2. Candidates for Directors Who Are Audit and Supervisory Committee Members are candidates for Outside Directors. The Company has designated Mr. Nobuyuki Takagi, Mr. Michiho Tachi, and Mr. Shiro Toba as independent officers as stipulated by the rules of the Tokyo Stock Exchange and has notified the said exchange of their appointment. If the election of Mr. Nobuyuki Takagi, Mr. Michiho Tachi, and Mr. Shiro Toba is approved, the Company plans to continue to notify the said exchange of their appointment as independent officers.
  3. Pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, the Company has entered into an agreement with candidates for Directors Who Are Audit and Supervisory Committee Members to limit their liability for damages stipulated in Article 423, Paragraph 1 of the said Act. The limit of liability for damages under the agreement is the minimum liability amount stipulated in laws and regulations. If the election of candidates for Directors Who Are Audit and Supervisory Committee Members is approved, the Company plans to continue the liability limitation agreement with them.



4. The Company has entered into a directors and officers liability insurance policy pursuant to the provisions of Article 430-3, Paragraph 1 of the Companies Act with an insurance company. The insureds of the policy include all Directors and Directors Who Are Audit and Supervisory Committee Members of the Company and all Directors and Audit and Supervisory Board Members of the Company's consolidated subsidiaries. The policy will cover damages, litigation costs, and other expenses incurred by the insured in cases where the insured receives a claim for damages arising from an act or an omission committed by the insured in his or her capacity as a director or officer of the company. The full amount of the insurance premiums is borne by the Company. If each candidate is elected and assumes the position of Director Who Is Audit and Supervisory Committee Member, such Director will become an insured person under the insurance policy. In addition, the Company plans to renew the insurance policy under the same terms and conditions at the next renewal.

<<Reference>>

(1) Main experience and skills of Directors of the Company (Skill Matrix)

If Proposal 2 and Proposal 3 are approved as proposed, the Skill Matrix will be as follows.

Name	Outside	Nomination and Compensation Committee Member	Basic skills					Industry skills	
			Corporate management	Finance and Accounting	Personnel and Labor	Legal and Compliance	Internationality	Logistics business	Safety and Quality
Hiromasa Aya		○	●	●	●	●	●	●	
Akihiro Muto			●	●	●	●	●	●	
Ichiro Yata			●			●		●	●
Toru Agui			●			●		●	●
Akihiro Mizutani	○	○	●			●			
Takeshi Tanaka	○	○	●			●	●		
Kenichi Sugita	○	○		●		●	●	●	
Nobuyuki Takagi	○	○		●		●			
Michiho Tachi	○	○			●	●			
Shiro Toba	○	○		●		●			

(Note) The list of skill matrix indicates the main experience or skills that each Director has in the management structure (planned) after this Annual General Meeting of Shareholders. We will continue to examine the expertise and composition balance of Directors in the future.

(2) Views on the skill items for the Company's Board of Directors

- 1) The skills of "finance and accounting," "personnel and labor," and "legal and compliance" are the basic skills that the Board of Directors should possess. Global knowledge, or the so-called "internationality" skills, are also essential because the Group operates in the country of Vietnam.
- 2) The industry skill that the Board of Directors should possess is an understanding of the cold chain logistics industry (the logistics business) in which the Group operates to properly make important decisions on and supervise business execution. We also consider "safety and quality" initiatives to be important, given that the Group's management philosophy states that "ensuring safety shall be the basis of all our operations."
- 3) We expect Outside Directors (Directors who are not Audit and Supervisory Committee Members) to have "corporate management" skills. We also expect Directors who are Audit and Supervisory Committee Members to have expertise skills in "finance and accounting," "legal and compliance," and other relevant fields.

## **Business Report**

(April 1, 2022 - March 31, 2023)

### **I. Overview of the Group**

#### **1. Business Progress and Results**

During the fiscal year under review, the Japanese economy showed signs of recovery in economic activities and consumer behavior along with easing restrictions caused by COVID-19 pandemic. On the other hand, outlooks remain uncertain due to an increase in prices and rapid fluctuation in exchange rate.

In the cold chain logistics for food products industry, which is the Group's principal focus, while the demand for chilled and frozen foods continues to grow supported by lifestyle changes, consumption behavior has changed in the wake of COVID-19 pandemic and cargo movements for commercial food products returned to upward trend. However, the general demand for chilled and frozen foods did not fully recover, including demand by inbound tourists. In addition, against the background of the rise in energy costs due to the surge in crude oil prices and the rise in labor costs in order to promote work style reform, each company, including manufacturer and retailer, was forced to respond to uncertain business conditions due to sluggish consumption although it decided to raise the prices.

Amid these rapid changes in social environment, the Group drew up and began its new Medium-Term Management Plan. Setting as a basic policy "Achieving sustainable low temperature zone logistics, meeting the needs of new cold-chains," the Company strives to develop specific measures to sustain the food lifelines and to realize the prosperous society. The Group advanced into new fields of business: E-commerce logistics and pharmaceutical logistics, which are growing business areas. As for E-commerce logistics, the Group started logistics business for low-temperature food products with its existing resources, and as for pharmaceutical logistics, the Group steadily expanded transportation business and built up the performance achieved. However, under current circumstances, the more-than-expected surge in energy costs continues and results in the rise of operating costs such as electricity in warehouse operation and fuel in truck operation, as well as the rise in labor costs in preparation for "2024 issues" on logistics industry, ending up a decrease in its profit.

As a result of the above, operating revenue was ¥113,350 million (up 2.2% year-on-year), operating profit was ¥4,403 million (down 1.8% year-on-year), and ordinary profit was ¥4,935 million (down 3.3% year-on-year). Profit attributable to owners of parent amounted to ¥3,057 million (down 7.8% year-on-year).

#### **2. Capital Investment**

The total amount of the Group's capital investment, including leased assets, was ¥6,674 million for the fiscal year under review and major capital investments are as follows.

Major capital investment projects during the fiscal year under review

Hutech norin Co., Ltd.

Construction for expanding Tohoku branch 2<sup>nd</sup> center.

Construction of the new Minoh-Shinmachi branch in Osaka, etc.

Other major capital investments include purchase of vehicles.

#### **3. Financing**

The above investments were self-financed as well as financed through borrowings.

#### 4. Issues to Be Addressed

Environmental and social issues are becoming apparent worldwide, and awareness of sustainability issues is rapidly increasing. In order for a company to conduct business activities sustainably, it is necessary to contribute to the resolution of various issues through its core business so as to make the environment and society, which are the foundation of the company itself, sustainable.

In the cold chain logistics for food products, which is the Group's principal focus, stable growth in demand for frozen and chilled foods continues in the context of lifestyle changes. At the same time, however, demand for freight handled by the Group has shown various changes and circumstances surrounding freight owners are also changing significantly, along with changes in foot traffic and food scenes as a result of COVID-19 coming to an end. On the cost front, the Group is faced with high electricity and fuel costs due to rising energy prices. Wages nationwide are also on the rise, and further labor shortage and labor cost increase are expected in the course of dealing with the 2024 issues in the logistics industry.

To address these issues, it has been a pressing issue for us to promote digitization and accelerate further labor-saving efforts and cost cuts by adopting a variety of new mechanism to streamline business and also to promptly secure appropriate level of fees for the Group's delivery and storage service. At the same time, the Group is expected to achieve sustainable enhancement of corporate value by appropriately allocating management resources through the management style more mindful of cost of capital and return on capital.

Under these conditions, our Group launched the 3rd Medium-Term Management Plan in April 2022. We will find solutions to the challenges by formulating the basic policy toward the Group's goal of becoming "an integrated logistics and information company whose core-business is the low temperature zone shipping and storage of food products in the globally developing market," and taking concrete steps based on the basic strategy.

[The 3rd Medium-Term Management Plan] (FY2022-FY2024)

Basic Policy

"Achieving sustainable low temperature zone logistics, meeting the needs of new cold-chains"

In an era where all local communities, companies and people face various difficulties, including the spread of COVID-19 and rapid climate change, the company will provide "safe and secure food logistics" and strengthen its profit structure by developing and expanding a new cold chain that connects consumption needs with supply needs for low-temperature controlled products, including food which are different from conventional channels.

By strengthening our profit structure in light of challenging new business domains and facing and sincerely working closely with all stakeholders' issues including measures to address the natural environment where changes are accelerating, C&F will build a sustainable cold chain logistics business that fulfills our responsibilities for the future and enhance our corporate value.

Basic Strategy (Key Measures)

- (1) Building a Sustainable Logistics Business
  - (i) Protect food lifelines and promote logistics operations that contribute to the creation of a prosperous society.
  - (ii) Build a logistics infrastructure that is friendly to the global environment toward the realization of a decarbonized society.
  - (iii) Emphasize diversity and create a comfortable and rewarding workplace environment for all employees.
- (2) Enhancing Corporate Value through Strategic Financial Structure
  - (i) Actively optimize the balance between capital and liabilities and conduct management that maintains and continues ROE of 8% or higher.
  - (ii) In order to improve capital efficiency, make appropriate capital allocation, and at the same time, make investment with an awareness of capital cost.
  - (iii) Improve the value of shares by further enhancing shareholder returns and dialogue with shareholders.

- (3) Strengthening the Functions and Earnings Base of Existing Businesses Centered on the Joint Delivery Business
  - (i) Promote the strengthening of the profit structure of the joint delivery business by reorganizing the network and developing new functions.
  - (ii) Beyond the framework of conventional business models for each operating company, such as “shippers and customers” or “temperature zones,” build a new joint delivery business and acquire business opportunities.
  - (iii) Reorganize and strengthen existing business models that meet the needs of customers and markets.
- (4) Promoting Investment in Growing Fields
  - (i) Promote the injection of management resources into growing markets, including expansion into EC-related logistics.
  - (ii) Expand new business domains utilizing temperature control technology.
  - (iii) In overseas business, invest in projects that can be expected to achieve stable growth, while increasing sensitivity to country risk.

#### Financial Strategy

##### (1) Basic Policy

Based on the basic policy of “Realizing Enhancement of Shareholder Value and Corporate Value Based on Increasing Profit Margin and Through an Optimal Capital Structure,” the following financial target figures are set from the three perspectives of sustainable growth, ensuring financial soundness, and enhancing shareholder returns under this policy.

##### (2) Target figures

(Millions of yen, unless otherwise specified)

	FY2022	FY2023	FY2024
Consolidated operating revenue	112,800	114,600	118,800
Consolidated operating profit	5,060	5,100	5,500
ROE (Return on equity)	8.0% or higher		
Capital adequacy ratio	Approx. 45%		
Dividend payout ratio	20% or more		
Capital investment	27,000		

#### Shareholder Return Policy

The Company has positioned its financial strategy as one of the basic strategies of the 3rd Medium-Term Management Plan and will meet shareholder expectations through flexible shareholder return measures (such as raising dividend payout ratios and acquisition of treasury shares) aimed at improving shareholder value with a quantitative target of ROE of 8% or higher.

## 5. Status of Assets and Income

### (1) The Group

(Millions of yen, unless otherwise specified.)

Item	5th fiscal year (ended March 31, 2020)	6th fiscal year (ended March 31, 2021)	7th fiscal year (ended March 31, 2022)	8th fiscal year (ended March 31, 2023) (FY under review)
Operating profit	110,676	110,449	110,868	113,350
Ordinary profit	5,029	5,675	5,105	4,935
Profit attributable to owners of parent	3,432	3,678	3,316	3,057
Earnings per share (yen)	134.84	145.97	132.59	124.23
Total assets	82,119	85,059	88,559	91,351
Net assets	40,497	43,212	45,697	47,647
Net assets per share (yen)	1,564.71	1,697.63	1,816.72	1,912.73

- Notes:
1. The number of shares used to calculate earnings per share is the average total number of shares outstanding (excluding the number of treasury shares) during the period. The number of shares used to calculate net assets per share is the total number of shares outstanding (excluding the number of treasury shares) at the end of the period.
  2. The Company has introduced the stock benefit trust since the 6th fiscal year. The Company's shares held by the trust are included in treasury shares. In calculating earnings per share, the Company's shares held by the trust are included in treasury shares to be deducted from the average number of shares during the period.
  3. The Group has applied the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020) and other standards from the beginning of the 7th fiscal year.

### (2) The Company

(Millions of yen, unless otherwise specified)

Item	5th fiscal year (ended March 31, 2020)	6th fiscal year (ended March 31, 2021)	7th fiscal year (ended March 31, 2022)	8th fiscal year (ended March 31, 2023) (FY under review)
Operating profit	3,759	4,471	4,551	4,503
Ordinary profit	1,765	2,528	2,617	2,369
Profit	1,780	2,508	2,623	2,342
Earnings per share (yen)	69.95	99.54	104.88	95.20
Total assets	41,795	47,434	49,739	52,666
Net assets	30,724	31,886	33,590	34,949
Net assets per share (yen)	1,206.90	1,273.71	1,357.93	1,427.02

- Notes:
1. The number of shares used to calculate earnings per share is the average total number of shares outstanding (excluding the number of treasury shares) during the period. The number of shares used to calculate net assets per share is the total number of shares outstanding (excluding the number of treasury shares) at the end of the period.
  2. The Company has introduced the stock benefit trust since the 6th fiscal year. The Company's shares held by the trust are included in treasury shares. In calculating earnings per share, the Company's shares held by the trust are included in treasury shares to be deducted from the average number of shares during the period.
  3. The Company has applied the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020) and other standards from the beginning of the 7th fiscal year.

## 6. Principal Parent Company and Subsidiaries

(1) Parent Company  
Not applicable

(2) Principal Subsidiaries

(Millions of yen, unless otherwise specified)

Company name	Share capital	Voting right ratio	Main businesses
Meito Transportation Co., Ltd.	2,176	100%	<ul style="list-style-type: none"> <li>· General motor truck transportation business</li> <li>· Administrative operation of distribution centers</li> </ul>
Hutech norin Co., Ltd.	1,217	100%	<ul style="list-style-type: none"> <li>· Storage of low temperature food and joint delivery</li> <li>· Operation of distribution centers and making deliveries to stores</li> </ul>
C&F Support Service Co., Ltd.	80	100%	<ul style="list-style-type: none"> <li>· Insurance agency business</li> <li>· Real estate business</li> </ul>

(3) Matters regarding specified wholly owned subsidiary as of the end of fiscal year under review.

(Millions of yen)

Name	Hutech norin Co., Ltd.
Address	33-8, Wakamatsu-cho, Shinjuku-ku, Tokyo
Book value of shares of a specified wholly owned subsidiary held by the Company and its wholly owned subsidiaries	18,174
The Company's total assets	52,666

## 7. Principal Business (As of March 31, 2023)

TC Business (Transfer Center Business)	<p>Transfer type business includes operating logistics centers for low-temperature food products, mostly chilled products, and making deliveries by refrigerator vehicles.</p> <p>Operating 24 hours a day, 365 days a year to realize short lead time from order to delivery, enabling response at any hour of the day. Chilled products have short expiration date, from warehousing to shipment, and are barely kept as inventories in the warehouse. They represent the transfer type business model.</p>
DC Business (Distribution Center Business)	<p>Storage type business mainly includes operating storing, handling, and making deliveries of frozen products integrally.</p> <p>Storing miscellaneous cargos in the Company's warehouses, as well as conducting change of ownership and sorting according to vehicles and destinations. Making deliveries by freezer vehicles. Frozen food products have low turnover ratio and are often kept as inventories in the warehouse. They represent the storage type business model.</p>
Other	<p>Operating transportation of cash, valuables and important documents such as bills handled by banking institutions in the Tokyo metropolitan area based on the Security Services Act. Operating delivery and pickup of linens for hospitals, making delivery of at-home nursing care products to homes. Temporary staffing services dedicated to logistics businesses such as crews, warehouse operators and clerks. Insurance agency services for the Group and business partners, childcare services, etc.</p>

## 8. Principal Business Locations (As of March 31, 2023)

### (1) The Company

Headquarters: 33-8, Wakamatsu-cho, Shinjuku-ku, Tokyo

### (2) Subsidiaries

Name	Address
Meito Transportation Co., Ltd.	33-8, Wakamatsu-cho, Shinjuku-ku, Tokyo
Hutech norin Co., Ltd.	33-8, Wakamatsu-cho, Shinjuku-ku, Tokyo
C&F Support Service Co., Ltd.	33-8, Wakamatsu-cho, Shinjuku-ku, Tokyo

## 9. Employees (As of March 31, 2023)

### (1) Employees of the Group

Number of employees	Change from the end of the previous year
5,916 persons (fulltime)	Up 124 persons
5,406 persons (temporary)	Down 336 persons

### (2) Employees of the Company

Number of employees	Change from the end of the previous year	Average age of all employees	Average years of employment for all employees
163 persons (fulltime)	Down 2 persons	40 years and 7 months	5 years and 6 months
9 persons (temporary)	Down 1 person		

## 10. Major Lenders (As of March 31, 2023)

(Millions of yen)

Lenders	Amount of borrowings outstanding
The Norinchukin Bank	5,965
MUFG Bank, Ltd.	3,579
Mizuho Bank, Ltd.	1,958
Sumitomo Mitsui Trust Bank, Limited	1,182
Meiji Yasuda Life Insurance Company	407

## 11. Other Significant Issues Concerning the Group

Not applicable.

## II. Shares of the Company

### 1. Status of Shares (As of March 31, 2023)

- (1) Total number of shares authorized to be issued 100,000,000 shares
- (2) Total number of shares outstanding 25,690,766 shares (including 1,085,636 treasury shares)
- (3) Number of shareholders 9,051 persons
- (4) Major shareholders (Top 10)

Name of shareholder	Number of shares held	Shareholding ratio
	Thousand shares	%
The Master Trust Bank of Japan, Ltd. (Account in Trust)	2,272	9.23
Maruha Nichiro Corporation	1,718	6.98
KYODO MILK INDUSTRY CO., Ltd.	1,491	6.06
The Norinchukin Bank	1,243	5.05
The Kyoei Fire and Marine Insurance Company, Limited	1,231	5.00
Chilled and Frozen Logistics Holdings Employee Stock Ownership Plan	877	3.56
Chilled and Frozen Logistics Holdings Trading Partner Stock Ownership Plan	795	3.23
BBH FOR FIDELITY LOW-PRICED STOCK FUND	788	3.20
JA MITSUI LEASING, LTD.	746	3.03
Masaru Wasami	728	2.96

- Notes:
1. The Company has 1,085,636 treasury shares, which are excluded from the above list. The shareholding ratio above is calculated excluding the said number of treasury shares.
  2. The treasury shares above do not include 113,800 shares of the Company owned by Sumitomo Mitsui Trust Bank, Limited (sub- trustee: Custody Bank of Japan, Ltd.) established for performance-linked stock compensation plan.
  3. Number of shares held smaller than 1,000 are rounded down. The shareholding ratio is rounded to the second decimal place.

### 2. Matters Regarding Shares Granted to Company Officers during the Fiscal Year as Consideration for Performance of Duties

Not applicable.

### 3. Matters Regarding Share Acquisition Rights

Not applicable



### III. Company Officers

#### 1. Directors (as of March 31, 2023)

Title	Name	Responsibilities and significant concurrent positions
Representative Director	Hiromasa Aya	President and Chief Executive Officer
Representative Director	Akihiro Muto	Senior Managing Executive Officer in charge of corporate planning and management President and Representative Director of C&F Support Service Co., Ltd.
Director	Ichiro Yata	President and Representative Director; and General Manager, Sales Headquarters of Meito Transportation Co., Ltd.
Director	Toru Agui	President and Representative Director; and General Manager, Sales Headquarters of Hutech norin Co., Ltd.
Director	Akihiro Mizutani	
Director (Full-time Audit and Supervisory Committee Member)	Kenichi Sugita	Audit and Supervisory Board Member of Hutech norin Co., Ltd. Audit & Supervisory Board Member of Meito Transportation Co., Ltd. Audit and Supervisory Board Member of C&F Support Service Co., Ltd.
Director (Audit and Supervisory Committee Member)	Nobuyuki Takagi	Advisor of LOTTE CO., LTD. Outside Director of NAKANO REFRIGERATORS CO., LTD. Outside Director (Audit & Supervisory Committee Member) of ELAN Corporation
Director (Audit and Supervisory Committee Member)	Michiho Tachi (professionally goes by Michiho Takamura)	Attorney at Law, Shitara Sakamoto Law Office Audit and Supervisory Board Member of Coop Meat Co., Ltd. Outside Audit and Supervisory Board Member of Zen-Noh Energy Co., Ltd.
Director (Audit and Supervisory Committee Member)	Shiro Toba	Representative of Toba Public Accounting Office Representative Director of Minori Accounting Co., Ltd. Director of Majestic, Inc. Director of Keystone Partners Co., Ltd.

- Notes:
1. Director and Advisor Yukio Matsuda and Director Wataru Ozawa resigned as of the closing of the 7th Annual General Meeting of Shareholders held on June 28, 2022.
  2. Director Akihiro Mizutani, Directors (Audit and Supervisory Committee Members) Kenichi Sugita, Nobuyuki Takagi, Michiho Tachi, and Shiro Toba are Outside Directors.
  3. Director (Audit and Supervisory Committee Member) Kenichi Sugita possesses considerable knowledge of finance gained through his years of experience at a financial institution. Director (Audit and Supervisory Committee Member) Nobuyuki Takagi possesses considerable knowledge mainly of finance and accounting gained through his years of experience at a securities company and other institutions. Director (Audit and Supervisory Committee Member) Michiho Tachi possesses professional knowledge and experience as a lawyer. Director (Audit and Supervisory Committee Member) Shiro Toba possesses professional knowledge and experience as a certified public accountant.
  4. The Company has designated the following Directors as Independent Directors under the provisions of the Tokyo Stock Exchange: Director Akihiro Mizutani, Directors (Audit and Supervisory Committee Members) Nobuyuki Takagi, Michiho Tachi, and Shiro Toba, and has notified the Tokyo Stock Exchange to that effect.
  5. To reinforce the audit and supervision functions of the Audit and Supervisory Committee, the Company

has selected Mr. Kenichi Sugita as a full-time Audit and Supervisory Committee Member so that we can collect information from Directors (excluding Audit and Supervisory Committee Members), share information at important internal meetings, and achieve close cooperation with the Audit Office and the Internal Control Division.

6. Executive officers who are not Directors are as follows:

Title	Name	Job title
Managing Executive Officer	Tadashi Sakamitsu	Facility, General Manager, Facility Planning Department
Managing Executive Officer	Shigeaki Sakauchi	Sustainability, General Manager, Sustainability Promotion Department
Managing Executive Officer	Tsuyoshi Sugawara	General Manager, Administration Division
Executive Officer	Morikazu Wakatabe	Security and Quality Management
Executive Officer	Takaaki Yamamiya	General Manager, Corporate Planning Department
Executive Officer	Yuzo Koyama	General Manager, Human Resources Department

## 2. Outline of Liability Limitation Agreement

Pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, the Company has entered into an agreement with Outside Director Akihiro Mizutani, Directors (Audit and Supervisory Committee Members) Kenichi Sugita, Nobuyuki Takagi, Michiho Tachi, and Shiro Toba to limit their liability for damages under Article 423, Paragraph 1 of the said Act. The limit of liability for damages under the said agreement is the minimum liability amount stipulated by laws and regulations.

## 3. Outline of Directors and Officers Liability Insurance Agreement

The Company has entered into a directors and officers liability insurance policy pursuant to the provisions of Article 430-3, Paragraph 1 of the Companies Act with an insurance company. The insureds of the policy include all Directors and Executive Officers of the Company and all Directors and Audit and Supervisory Board Members of the Company's consolidated subsidiaries. The policy will cover damages, litigation costs, and other expenses incurred by the insured in cases where the insured receives a claim for damages arising from an act or an omission committed by the insured in his or her capacity as a director or officer of the company. However, the policy does include certain exemption clauses, such as no compensation given to damage attributable to acts in violation of laws and regulations that were carried out with full knowledge of their illegality. As such, the Company has taken measures to ensure the appropriateness of the performance of Directors and other officers. The full amount of the insurance premiums is borne by the Company.

## 4. Compensation, etc. for Directors for FY 2022

(1) Matters Regarding Policies for Determining Contents of Individual Directors' Compensations, etc.

The Company set forth its policies for determining the contents of individual Directors' compensations (hereinafter, the "Determination Policies") at the Board of Directors meeting held on May 25, 2022. The outline of the policies is shown below.

The Compensation Committee has deliberated the proposal for the contents of individual Directors' compensations for FY2022. The Board of Directors of the Company also has determined that the contents have been determined in accordance with the policies shown below.

- 1) Basic Policy
  - a. Compensation shall be paid based on the practices of the basic strategies of management plan.
  - b. Compensation shall be sufficiently competitive for hiring (appointing) excellent human resources as a corporate manager.
  - c. The compensation system shall be sufficiently competitive for Directors to be motivated so that it will lead to contribution to maximizing the corporate value in the long term.

- d. The compensation system shall have high transparency, fairness, and rationality for the Company to be able to fulfill its accountability to stakeholders including shareholders.
  - e. To ensure transparency, fairness, and rationality of individual Directors' compensations, the Company shall consult the Compensation Committee about all officers' compensations.
  - f. The purpose of compensation shall be clarified to build a compensation system based on the roles of each individual officer.
  - g. The Company shall annually verify the appropriateness of the level of officers' compensation under the officers' compensation system by using compensations of other companies of the same size in the same industry as a benchmark based on the result of a survey on officers' compensations in which domestic companies participate.
  - h. The compensation of Directors (excluding Directors who are Audit and Supervisory Board Members) shall consist of basic compensation, which is a fixed compensation, performance-linked compensation, and non-monetary compensation. The compensations of Directors (Audit and Supervisory Board Members) and Outside Directors shall only be basic compensation based on the roles and responsibilities of each individual, taking into account their advice provided for the Group's management from objective perspectives.
- 2) Policy for Determining the Amount of Individual Compensation, etc. of Basic Compensation (Monetary)
- a. The basic compensation of the Director of the Company shall be monthly fixed compensation and determined through mutual consultation, after consultation with the Compensation Committee, based on respective roles and responsibilities within the range of the total of compensations stipulated by the resolution of the General Meeting of Shareholders.
- 3) Policy for Determining the Contents and Method of Calculating the Amount and Number of Performance-linked Compensation, etc. and Non-monetary Compensation, etc.
- a. Performance-linked compensation shall be monetary compensation that reflects performance indicator to further raise incentives to improve performance.
  - b. As performance indicators, the Company shall use consolidated operating income, consolidated operating margin, and ROIC for each fiscal year, and calculate an amount obtained by multiplying the standard performance-linked compensation for each title according to the degree of achievement of these indicators. The calculated amount shall be paid at a certain time every year.
  - c. For non-monetary compensation, a Board Benefit Trust shall be adopted to further clarify the link between the compensation and performance of Directors and the stock value, and to have Directors share with shareholders the benefits and risks of share price movements, thereby raising Directors' incentives to contribute to the improvement of the Company's business performance and its corporate value over the medium- to long-term.
  - d. As performance indicators, the Company shall use consolidated operating income in the Medium-Term Management Plan and ROE and calculate the amount of compensation according to the degree of achievement of these indicators. To this calculated amount, the fixed amount based on each title is added. According to this total evaluation amount, points shall be granted (one point is equivalent to one share) to individual Directors, and the shares of the Company equivalent to the number of points granted shall be delivered to them at the time of resignation.
  - e. The upper limit of the performance-linked compensation (monetary and non-monetary) shall be 200% of the standard compensation of respective Directors.
- 4) Policy for Determining the Ratio of the Amounts of Monetary Compensation, Performance-linked Compensation, and Non-monetary Compensation to the Amount of Individual Directors' Compensations, etc.
- a. The ratio of different classification in the make-up of Directors' compensation shall be deliberated by the Compensation Committee. The Board of Directors shall respect the report issued by the Compensation Committee and determine individual Directors' compensations within the range of the ratio of different classification presented in the report.

- b. The general ratio by different classification of compensations shall be such that the proportion of performance-linked compensation becomes greater as a Director's rank becomes higher. As such, Directors shall be required to bear more responsibility for high results to be achieved through their awareness regarding contribution to the improvement of business performance and corporate value over the medium- to long-term as well as successful performance in their roles and functions. When the KPI reaches 100%, the composition of the Representative Director, President and Chief Executive Officer's compensation is: 60% basic, 25% of performance-linked, and 15% non-monetary.
- 5) Policy for Determining the Contents of Individual Directors' Compensations, etc.
- a. Individual compensations shall be deliberated at the Compensation Committee. The Board of Directors shall respect the report issued by the Compensation Committee and determine individual Directors' compensations within the range of the ratio of different classification presented in the report.

(2) Matters Regarding Resolutions of Shareholders Meeting on Directors' Compensations, etc.

A resolution was passed at the 4th Annual General Meeting of Shareholders held on June 26, 2019, to limit the amount of monetary compensation payable to Directors (excluding Directors who are Audit and Supervisory Committee Members) and Directors who are Audit and Supervisory Committee Members to 400 million yen per year (including 30 million yen or less for Outside Directors) and to 60 million yen per year, respectively. At the time of the conclusion of the 4th Annual General Meeting of Shareholders, the Company had nine Directors (excluding Directors who are Audit and Supervisory Committee Members) (including two Outside Directors) and four Directors who are Audit and Supervisory Committee Members.

In addition, separately from the monetary compensation, a resolution was approved at the 5th Annual General Meeting of Shareholders held on June 25, 2020, to introduce a performance-linked share compensation scheme, which limited the amount of trusted money payable to Directors (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors) to 100 million yen and the number of shares deliverable per fiscal year to 70,000 shares during two fiscal years, from the fiscal year ended March 31, 2021 until the fiscal year ended March 31, 2022. The Company had seven Directors who were subject to this system at the time of conclusion of the 5th Annual General Meeting of Shareholders.

It was resolved at the Board of Directors meeting held on May 25, 2022 that this system would continue with extension for another three fiscal years, under which the amount of trusted money is limited to 150 million yen and the shares deliverable per fiscal year to 70,000 shares.

(3) Total Amount of Compensation, etc. for Directors

Classification of officers	Total compensation, etc. (millions of yen)	Total compensation, etc. by classification (millions of yen)			Number of recipient officers
		Basic compensation	Performance-linked compensation, etc.	Non-monetary compensation, etc.	
Director (excluding Audit and Supervisory Committee Member) (Outside Director)	90 (9)	67 (9)	14 (-)	8 (-)	5 (2)
Director (Audit and Supervisory Committee Member) (Outside Director)	37 (37)	37 (37)	- (-)	- (-)	4 (4)
Total (Outside Director)	127 (46)	104 (46)	14 (-)	8 (-)	9 (6)

- Notes:
1. As of the end of FY2022, the Company had five Directors (excluding Audit and Supervisory Committee Members) and four Directors (Audit and Supervisory Committee Members), among whom two Directors (excluding Audit and Supervisory Committee Members) served without compensations. The members in the table above include two Directors (excluding Audit and Supervisory Committee Members) (including one Outside Director) who resigned at the time of conclusion of the 7th Annual General Meeting held on June 28, 2022.
  2. The table above does not include the portion of employee salary paid to Directors concurrently serving as employees.
  3. Other than the above, there is no officer's compensation that Outside Directors of the Company received from subsidiaries of the Company in FY 2022.
  4. The performance-linked compensations, etc. include the provision for bonuses for directors of 14 million yen pertaining to FY 2022.
  5. The performance-linked compensations, etc. are bonuses for directors, and as a basis for calculation, the Company has selected consolidated operating income, consolidated operating margin, and ROIC as performance indicators to further motivate Directors (excluding Audit and Supervisory Committee Members) to improve business performance. The amount is calculated with the pre-determined title-based standard performance-linked compensation multiplied by a coefficient according to the level of achievement of the performance indicators for each fiscal year. The results of the performance indicators for FY 2022 were the consolidated operating income of 4,403 million yen, consolidated operating margin of 3.9%, and ROIC of 4.5% (In a case where PBR falls below 1.0x, equity is used, instead of market capitalization, for calculation.).
  6. The non-monetary compensations, etc. stated above are the amounts equivalent to share compensations recorded for FY 2022 in accordance with the share compensation scheme, under which the following are delivered through the trust: the Company's shares equivalent to the points granted based on the level of achievement and the amount of cash equivalent to the Company's shares converted at market value as of the date of resignation.

## 5. Outside Officers

- (1) Significant concurrent positions held at other companies, etc. and relationship between the Company and such other companies, etc.
  - 1) Director (Audit and Supervisory Committee Member) Kenichi Sugita holds a concurrent position at Hutech norin Co., Ltd., Meito Transportation Co., Ltd., and C&F Support Service Co., Ltd., which are subsidiaries of the Company.
  - 2) Director (Audit and Supervisory Committee Member) Nobuyuki Takagi is an Advisor of LOTTE CO., LTD., Outside Director of NAKANO REFRIGERATORS CO., LTD., and Outside Director (Audit & Supervisory Committee Member) of ELAN Corporation. There is no special relationship between the Company and these companies.
  - 3) Director (Audit and Supervisory Committee Member) Michiho Tachi is an Attorney at Law of Shitara Sakamoto Law Office, Audit and Supervisory Board Member of Coop Meat Co., Ltd., and Outside Audit and Supervisory Board Member of Zen-Noh Energy Co., Ltd. There is no special relationship between the Company and these companies.
  - 4) Director (Audit and Supervisory Committee Member) Shiro Toba is Representative of Toba Public Accounting Office, Representative Director of Minori Accounting Co., Ltd., Director of Majestic, Inc., and Director of Keystone Partners Co., Ltd. There is no special relationship between the Company and these companies.

(2) Main Activities during FY 2022

	Name	Attendance		Overview of main activities and duties performed in relation to the roles expected of Outside Directors
		Board of Directors meetings	Audit and Supervisory Committee meetings	
Director	Akihiro Mizutani	17 out of 17 (100%)	–	Mr. Akihiro Mizutani attended all Board of Directors meetings held in FY2022, where he made advice and suggestions for ensuring the adequacy and appropriateness of decision making in deliberations on agenda items, based on his wealth of experience in corporate management and deep insights. As such, he has been appropriately fulfilling his role as Outside Director. Also, as the chairman of the Nomination Committee and the Compensation Committee, he attended all Committee meetings, playing a leading role in selection of Directors or other officers and in designing of the officers' compensation system.
Directors (Audit and Supervisory Committee Members)	Kenichi Sugita	17 out of 17 (100%)	17 out of 17 (100%)	Mr. Kenichi Sugita attended all Board of Directors meetings and Audit and Supervisory Committee meetings held in FY2022, where he made statements for ensuring the adequacy and appropriateness of decision making in deliberations on agenda items, and expressed his opinions on compliance, governance, etc., based on his wealth of knowledge of finance and accounting gained through experience at financial institutions. As such, he has been appropriately fulfilling his role as Outside Director. Also, as a full-time Outside Director (Audit and Supervisory Committee Member), he attended important internal meetings, such as Executive Officers' meetings, and attended all meetings held as a member of the Nomination Committee and the Compensation Committee, fulfilling his role to ensure transparency and objectiveness in deliberations at such meetings.
	Nobuyuki Takagi	17 out of 17 (100%)	17 out of 17 (100%)	Mr. Nobuyuki Takagi attended all Board of Directors meetings and Audit and Supervisory Committee meetings held in FY2022, where he made statements for ensuring the adequacy and appropriateness of decision making in deliberations on agenda items, and expressed his opinions on compliance, governance, etc., based on his wealth of experience and high-level insights gained through his duties at a securities company and other institutions. As such, he has been appropriately fulfilling his role as Outside Director. Also, as a member of the Nomination Committee and the Compensation Committee, he attended all meetings held, fulfilling his role to ensure transparency and objectiveness in deliberations at such meetings.
	Michiyo Tachi	17 out of 17 (100%)	17 out of 17 (100%)	Mr. Michiyo Tachi, as an attorney at law, attended all Board of Directors meetings and Audit and Supervisory Committee meetings held in FY2022, where he made statements for ensuring the adequacy and appropriateness of decision making in deliberations on agenda items, and expressed his opinions on compliance, governance, etc., based on his expert perspectives on laws. As such, he has been appropriately fulfilling his role as Outside Director. Also, as a member of the Nominating Committee and the Compensation Committee, he attended all meetings held, fulfilling his role to ensure transparency and objectiveness in deliberations at such meetings.
	Shiro Toba	17 out of 17 (100%)	17 out of 17 (100%)	Mr. Shiro Toba, as a certified public accountant, attended all Board of Directors meetings and Audit and Supervisory Committee meetings held in FY2022, where he made statements for ensuring the adequacy and appropriateness of decision making in deliberations on agenda items, and expressed his opinions on compliance, governance, etc., based on his expert perspectives on finance and accounting. As such, he has been appropriately fulfilling his role as Outside Director. Also, as a member of the Nomination Committee and the Compensation Committee, he attended all meetings held, fulfilling his role to ensure transparency and objectiveness in deliberations at such meetings.

## IV. Accounting Auditor

### 1. Accounting Auditor's Name

Ernst & Young ShinNihon LLC.

### 2. Amount of Fees, etc.

	Amount paid
Amount of fees, etc. for the Accounting Auditor for FY 2022	27 million yen
Total amount of monetary and other financial benefits payable by the Company and subsidiaries to the Accounting Auditor	61 million yen

Notes:

1. The amount of audit fees, etc. for audits conducted under the Companies Act and the amount of audit fees, etc. for audits conducted under the Financial Instruments and Exchange Act are not clearly distinguished from each other in the audit agreement concluded between the Company and the Accounting Auditor; nor are they distinguishable in practice. Therefore, the aggregate amount of such audit fees, etc. is shown as the amount of fees, etc. for the Accounting Auditor for FY 2022.
2. Having conducted the required verification regarding the appropriateness of matters such as the content of the audit plan, status of business execution of the accounting audit, and basis for estimating the fees of the Accounting Auditor, the Audit and Supervisory Committee has consented to the amount of fees, etc., payable to the Accounting Auditor, pursuant to Article 399, Paragraphs 1 and 3 of the Companies Act.
3. The overseas subsidiaries of the Company are audited by audit corporations other than the Accounting Auditor of the Company.

### 3. Policy Regarding Decisions on Dismissal or Non-reappointment of Accounting Auditor

If the Accounting Auditor is deemed to have fallen under any of the matters specified in each item under Article 340, Paragraph 1 of the Companies Act, the Audit and Supervisory Committee will dismiss the Accounting Auditor based on the consent of all Audit and Supervisory Committee Members. In this case, the Audit and Supervisory Committee Member appointed by the Audit and Supervisory Committee will report the dismissal of the Accounting Auditor and the reason for the dismissal at the first General Meeting of Shareholders convened after the dismissal.

If it is deemed necessary to change the Accounting Auditor, taking into account the status of execution of duties of the Accounting Auditor, the audit system of the Company, and other circumstances, the Audit and Supervisory Committee will decide on the details of a proposal to dismiss or not to reappoint the Accounting Auditor to be submitted to a general meeting of shareholders.

## Consolidated Balance Sheet

(As of March 31, 2023)

(Million yen)

Account	Amount	Account	Amount
<b>(Assets)</b>		<b>(Liabilities)</b>	
<b>Current assets</b>	<b>21,188</b>	<b>Current liabilities</b>	<b>16,994</b>
Cash and deposits	8,168	Trade accounts payable	4,535
Trade accounts receivable	11,477	Current portion of long-term borrowings	2,501
Raw materials and supplies	280	Lease liabilities	1,647
Other	1,264	Income taxes payable	725
Allowance for doubtful accounts	(1)	Provision for bonuses	2,234
<b>Non-current assets</b>	<b>70,162</b>	Provision for bonuses for directors (and other officers)	59
<b>Property, plant and equipment</b>	<b>59,654</b>	Other	5,289
Buildings and structures	23,923	<b>Non-current liabilities</b>	<b>26,709</b>
Machinery, equipment and vehicles	5,184	Long-term borrowings	11,164
Land	21,052	Lease liabilities	5,494
Leased assets	6,658	Deferred tax liabilities	209
Construction in progress	2,588	Deferred tax liabilities for land revaluation	404
Other	246	Retirement benefit liability	5,873
<b>Intangible assets</b>	<b>704</b>	Provision for share awards	111
<b>Investments and other assets</b>	<b>9,803</b>	Asset retirement obligations	2,101
Investment securities	3,880	Other	1,348
Long-term loans receivable	114	<b>Total liabilities</b>	<b>43,703</b>
Deferred tax assets	3,243	<b>(Net assets)</b>	
Other	2,580	<b>Shareholders' equity</b>	<b>46,239</b>
Allowance for doubtful accounts	(15)	<b>Share capital</b>	<b>4,000</b>
		<b>Capital surplus</b>	<b>5,646</b>
		<b>Retained earnings</b>	<b>38,350</b>
		<b>Treasury shares</b>	<b>(1,757)</b>
		<b>Accumulated other comprehensive income</b>	<b>605</b>
		Valuation difference on available-for-sale securities	446
		Revaluation reserve for land	35
		Foreign currency translation adjustment	77
		Remeasurements of defined benefit plans	45
		<b>Non-controlling interests</b>	<b>802</b>
		<b>Total net assets</b>	<b>47,647</b>
<b>Total assets</b>	<b>91,351</b>	<b>Total liabilities and net assets</b>	<b>91,351</b>

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



## Consolidated Statement of Income

(April 1, 2022 - March 31, 2023)

(Million yen)

Account	Amount	
<b>Operating revenue</b>		<b>113,350</b>
<b>Operating costs</b>		<b>104,851</b>
<b>Operating gross profit</b>		<b>8,498</b>
<b>Selling, general and administrative expenses</b>		<b>4,095</b>
<b>Operating profit</b>		<b>4,403</b>
<b>Non-operating income</b>		
Interest and dividend income	73	
Income from gain on maturity of insurance contract	67	
Subsidy income	183	
Rental income	80	
Share of profit of entities accounted for using equity method	68	
Subsidy income	6	
Foreign exchange gains	186	
Other	144	811
<b>Non-operating expenses</b>		
Interest expenses	242	
Loss on cancellation of leases	6	
Other	29	279
<b>Ordinary profit</b>		<b>4,935</b>
<b>Extraordinary income</b>		
Gain on sales of non-current assets	22	
Gain on sales of investment securities	48	70
<b>Extraordinary losses</b>		
Loss on sale and retirement of non-current assets	9	
Impairment loss	125	135
<b>Profit before income taxes</b>		<b>4,870</b>
Income taxes - current	1,562	
Income taxes - deferred	208	1,771
<b>Profit</b>		<b>3,099</b>
Profit attributable to non-controlling interests		42
<b>Profit attributable to owners of parent</b>		<b>3,057</b>

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

## Non-Consolidated Balance Sheet

(As of March 31, 2023)

(Million yen)

Account	Amount	Account	Amount
<b>(Assets)</b>		<b>(Liabilities)</b>	
<b>Current assets</b>	<b>14,816</b>	<b>Current liabilities</b>	<b>6,441</b>
Cash and deposits	4,545	Trade accounts payable	273
Trade accounts receivable	202	Short-term borrowings	3,432
Prepaid expenses	30	Current portion of long-term borrowings	2,499
Short-term loans receivable from subsidiaries and associates	9,499	Lease liabilities	10
Accounts receivable - other	531	Accrued expenses	21
Other	7	Income taxes payable	17
<b>Non-current assets</b>	<b>37,850</b>	Contract liabilities	3
<b>Property, plant and equipment</b>	<b>67</b>	Deposits received	4
Buildings	30	Provision for bonuses	92
Machinery and equipment	0	Provision for bonuses for directors (and other officers)	34
Leased assets	22	Other	53
Other	13	<b>Non-current liabilities</b>	<b>11,275</b>
<b>Intangible assets</b>	<b>90</b>	Long-term borrowings	11,164
<b>Investments and other assets</b>	<b>37,692</b>	Lease liabilities	16
Shares of subsidiaries and associates	25,504	Provision for share awards	70
Long-term loans receivable from subsidiaries and associates	12,039	Asset retirement obligations	24
Deferred tax assets	61	<b>Total liabilities</b>	<b>17,717</b>
Other	87	<b>(Net assets)</b>	
		<b>Shareholders' equity</b>	<b>34,949</b>
		<b>Share capital</b>	<b>4,000</b>
		<b>Capital surplus</b>	<b>21,477</b>
		Legal capital surplus	1,000
		Other capital surplus	20,477
		<b>Retained earnings</b>	<b>11,277</b>
		Other retained earnings	11,277
		Retained earnings brought forward	11,277
		<b>Treasury shares</b>	<b>(1,805)</b>
		<b>Total net assets</b>	<b>34,949</b>
<b>Total assets</b>	<b>52,666</b>	<b>Total liabilities and net assets</b>	<b>52,666</b>

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

## Non-Consolidated Statement of Income

(April 1, 2022 - March 31, 2023)

(Million yen)

Account	Amount	
<b>Operating revenue</b>		
Dividend income	2,353	
Consulting fee income	1,009	
Outsourcing service income	1,112	
Other income	28	<b>4,503</b>
<b>Operating costs</b>		<b>26</b>
<b>Operating gross profit</b>		<b>4,477</b>
<b>Selling, general and administrative expenses</b>		<b>2,159</b>
<b>Operating profit</b>		<b>2,317</b>
<b>Non-operating income</b>		
Interest income	201	
Other	2	204
<b>Non-operating expenses</b>		
Interest expenses	151	
Foreign exchange losses	0	
Other	1	152
<b>Ordinary profit</b>		<b>2,369</b>
<b>Extraordinary losses</b>		
Loss on sale and retirement of non-current assets	0	0
<b>Profit before income taxes</b>		<b>2,369</b>
Income taxes - current	24	
Income taxes - deferred	2	26
<b>Profit</b>		<b>2,342</b>

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

## Independent Auditor's Report

(English Translation)

May 22, 2023

To the Board of Directors  
Chilled & Frozen Logistics Holdings Co., Ltd.

Ernst & Young ShinNihon LLC  
Tokyo, Japan  
Kazuya Kitazumi  
Designated Engagement Partner, Certified Public Accountant  
Yasuyuki Hagiwara  
Designated Engagement Partner, Certified Public Accountant

### Audit 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, the consolidated statements of income, the consolidated statements of changes in equity and the notes to consolidated financial statements, of Chilled & Frozen Logistics Holdings Co., Ltd. (the "Company") applicable to the fiscal year from April 1, 2022 to March 31, 2023.

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

### Basis for Audit Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Company and its consolidated subsidiaries in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Other Information

Other information consists of the business report and supplementary schedules thereto. Management is responsible for the preparation and disclosure of other statements. The Audit and Supervisory Committee is responsible for overseeing the Directors' performance of duties in development and operation of the reporting process for the other information.

The scope of our opinion on the consolidated financial statements does not include the other information, and we do not provide our opinion on the other information.

Our responsibility for the audit of the consolidated financial statements is to read the other information, and, in doing so, consider whether there is a material inconsistency between the other information and the consolidated financial statements or our knowledge obtained in audit, and give attention to whether there are any other indications of material errors in the other information other than such material inconsistency.

If, based on the audit work performed, we determine that there is a material misstatement in the other information, we are required to report such facts.

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

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

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

In preparing the consolidated financial statements, management is responsible for assessing whether it is appropriate to prepare the consolidated financial statements with the assumption of a going concern, and in accordance with corporate accounting principles generally accepted in Japan, for disclosing, as necessary, matters related to a going concern.

The Audit and Supervisory Committee is responsible for overseeing the Directors' performance of duties in development and operation of the financial reporting process.

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

Our responsibilities are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that expresses our opinion on the consolidated financial statements based on our audit as independent auditor. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement, whether due to fraud or error, design and perform audit procedures responsive to those risks, select and apply audit procedures at the discretion of the auditor, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- When auditing the consolidated financial statements, obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances in making risk assessments, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used by management and their method of application, as well as the reasonableness of accounting estimates made by management and related notes thereto.
- Conclude on the appropriateness of preparing the consolidated financial statements with the assumption of a going concern by management, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the notes to consolidated financial statements or, if the notes to consolidated financial statements on material uncertainty are inadequate, to express a qualified opinion with exceptions on the consolidated financial statements. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate whether the presentation of the consolidated financial statements and notes to consolidated financial statements are in accordance with corporate accounting principles generally accepted in Japan, as well as evaluate the presentation, structure, and content of the consolidated financial statements, including the related notes thereto, and whether the consolidated financial statements fairly present the underlying transactions and accounting events.
- Obtain sufficient appropriate audit evidence regarding the financial information of the Company and its consolidated subsidiaries to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the consolidated financial statements. We remain solely responsible for our audit opinion.

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

We also provide the Audit and Supervisory Committee with a statement that we have complied with relevant ethical requirements in Japan regarding independence, and to communicate with them all relationships and other matters that may reasonably be deemed to bear on our independence, and where applicable, related safeguards in order to eliminate or reduce obstruction factors.

**Conflict of Interest**

Our firm and engagement partners have no interest in the Company and its consolidated subsidiaries which should be disclosed pursuant to the provisions of the Certified Public Accountants Act.

## Independent Auditor's Report

(English Translation)

May 22, 2023

To the Board of Directors  
Chilled & Frozen Logistics Holdings Co., Ltd.

Ernst & Young ShinNihon LLC  
Tokyo, Japan  
Kazuya Kitazumi  
Designated Engagement Partner, Certified Public Accountant  
Yasuyuki Hagiwara  
Designated Engagement Partner, Certified Public Accountant

### Audit Opinion

Pursuant to Article 436, Paragraph 2, Item (i) of the Companies Act, we have audited the accompanying non-consolidated financial statements, which comprise the non-consolidated balance sheet, the non-consolidated statements of income, the non-consolidated statements of changes in equity and the notes to non-consolidated financial statements, and the supplementary schedules (the "Non-consolidated Financial Statements, Etc.") of Chilled & Frozen Logistics Holdings Co., Ltd. (the "Company") applicable to the 8th fiscal year from April 1, 2022 to March 31, 2023.

In our opinion, the Non-consolidated Financial Statements, Etc. referred to above present fairly, in all material respects, the financial position and the results of operations of the Company for the period, for which the Non-consolidated Financial Statements, Etc. were prepared, in accordance with corporate accounting principles generally accepted in Japan.

### Basis for Audit Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Non-consolidated Financial Statements, Etc." section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the Non-consolidated Financial Statements, Etc. in Japan, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Other Information

Other information consists of the business report and supplementary schedules thereto. Management is responsible for the preparation and disclosure of other statements. The Audit and Supervisory Committee is responsible for overseeing the Directors' performance of duties in development and operation of the reporting process for the other information.

The scope of our opinion on the Non-consolidated Financial Statements, Etc. does not include the other information, and we do not provide our opinion on the other information.

Our responsibility for the audit of the Non-consolidated Financial Statements, Etc. is to read the other information, and, in doing so, consider whether there is a material inconsistency between the other information and the Non-consolidated Financial Statements, Etc. or our knowledge obtained in audit, and give attention to whether there are any other indications of material errors in the other information other than such material inconsistency.

If, based on the audit work performed, we determine that there is a material misstatement in the other information, we are required to report such facts.

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

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

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

In preparing the Non-consolidated Financial Statements, Etc., management is responsible for assessing whether it is appropriate to prepare the Non-consolidated Financial Statements, Etc. with the assumption of a going concern, and in accordance with corporate accounting principles generally accepted in Japan, for disclosing, as necessary, matters related to a going concern.

The Audit and Supervisory Committee is responsible for overseeing the Directors' performance of duties in development and operation of the financial reporting process.

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

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

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

- Identify and assess the risks of material misstatement, whether due to fraud or error, design and perform audit procedures responsive to those risks, select and apply audit procedures at the discretion of the auditor, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- When auditing the Non-consolidated Financial Statements, Etc., obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances in making risk assessments, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used by management and their method of application, as well as the reasonableness of accounting estimates made by management and related notes thereto.
- Conclude on the appropriateness of preparing the Non-consolidated Financial Statements, Etc. with the assumption of a going concern by management, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the notes to the Non-consolidated Financial Statements, Etc., or if the notes to the Non-consolidated Financial Statements, Etc. on material uncertainty are inadequate, to express a qualified opinion with exceptions on the Non-consolidated Financial Statements, Etc. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate whether the presentation of the Non-consolidated Financial Statements, Etc. and notes to the Non-consolidated Financial Statements, Etc. are in accordance with corporate accounting standards generally accepted in Japan, as well as evaluate the presentation, structure, and content of the Non-consolidated Financial Statements, Etc., including the related notes thereto, and whether the Non-consolidated Financial Statements, Etc. fairly present the underlying transactions and accounting events.

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

We also provide the Audit and Supervisory Committee with a statement that we have complied with relevant ethical requirements in Japan regarding independence, and to communicate with them all relationships and other



matters that may reasonably be deemed to bear on our independence, and where applicable, related safeguards in order to eliminate or reduce obstruction factors.

**Conflict of Interest**

Our firm and engagement partners have no interest in the Company which should be disclosed pursuant to the provisions of the Certified Public Accountants Act.

## **Audit Report**

(English Translation)

The Audit and Supervisory Committee audited the performance of duties by the Directors for the 8th fiscal year from April 1, 2022 to March 31, 2023, and hereby submits the method and results of the audit.

### **1. Summary of Auditing Methods**

In regard to the content of resolutions of the Board of Directors regarding the matters stated in Article 399-13, Paragraph 1, Items (i)(b) and (i)(c) of the Companies Act, as well as the systems developed pursuant to those resolutions (i.e., internal control systems), the Audit and Supervisory Committee periodically received reports from Directors and employees, etc. regarding the status of the establishment and operation of those systems and as necessary requested explanations and expressed opinions in regard thereto, in addition to which the Audit and Supervisory Committee conducted audits using the following methods.

- 1) In accordance with the audit policies and division of duties, etc. determined by the Audit and Supervisory Committee, and in cooperation with the internal control department of the company, the Audit and Supervisory Committee attended important meetings, received reports from Directors and employees, etc. regarding matters related to the performance of their duties, requested explanations as necessary, viewed important decision-making documents, etc., and inspected the status of operations and assets at the head office and main business locations while utilizing communications over telephone lines and the Internet in some cases. Additionally, in regard to subsidiaries, the Audit and Supervisory Committee communicated and exchanged information with the Directors and Audit and Supervisory Board Members, etc. of subsidiaries and received reports on business from subsidiaries as necessary.
- 2) The Audit and Supervisory Committee oversaw and verified whether the Accounting Auditor maintained an independent position and conducted an appropriate audit, received reports from the Accounting Auditor on the status of the performance of its duties, and requested explanations as necessary. Additionally, the Audit and Supervisory Committee received notification from the Accounting Auditor that, in accordance with the "Quality Control Standards for Audits" (Business Accounting Council, October 28, 2005), etc., it had developed systems in order to ensure that its duties are appropriately performed (i.e., notification of the matters stated in the items of Article 131 of the Ordinance on Accounting of Companies) and requested explanations as necessary.

Using the methods above, the Audit and Supervisory Committee examined the Business Report, the supplementary schedules thereto, the Non-consolidated Financial Statements (i.e., the Non-consolidated Balance Sheet, Non-consolidated Statement of Income, Non-consolidated Statement of Changes in Net Assets, and Notes to Non-consolidated Financial Statements), the supplementary schedules to the accounting documents, and the Consolidated Financial Statements (i.e., the Consolidated Balance Sheet, Consolidated Statement of Income, Consolidated Statement of Changes in Net Assets, and Notes to Consolidated Financial Statements) for the business year.

## 2. Results of Audit

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

- 1) We find that the Business Report and the supplementary schedules thereto accurately present the status of the company in accordance with laws, regulations, and the Articles of Incorporation.
- 2) We do not find any misconduct nor any material fact constituting a violation of any law, regulation, or the Articles of Incorporation in relation to the Directors' performance of their duties.
- 3) We find the content of the resolutions of the Board of Directors regarding internal control systems to be reasonable. Additionally, we do not find any matters that should be commented upon in regard to the statements in the Business Report or the Directors' performance of their duties relating to the internal control systems.

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

We find the methods and results of the audit by the Accounting Auditor, Ernst & Young ShinNihon LLC, to be reasonable.

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

We find the methods and results of the audit by the Accounting Auditor, Ernst & Young ShinNihon LLC, to be reasonable.

May 22, 2023

Audit and Supervisory Committee, Chilled & Frozen Logistics Holdings Co., Ltd.

Full-Time Audit and Supervisory Committee Member	Kenichi Sugita
Audit and Supervisory Committee Member	Nobuyuki Takagi
Audit and Supervisory Committee Member	Michiho Tachi
Audit and Supervisory Committee Member	Shiro Toba

Note: Audit and Supervisory Committee Members Kenichi Sugita, Nobuyuki Takagi, Michiho Tachi and Shiro Toba are Outside Directors provided for in Article 2, Item (xv) and Article 331, Paragraph 6 of the Companies Act.