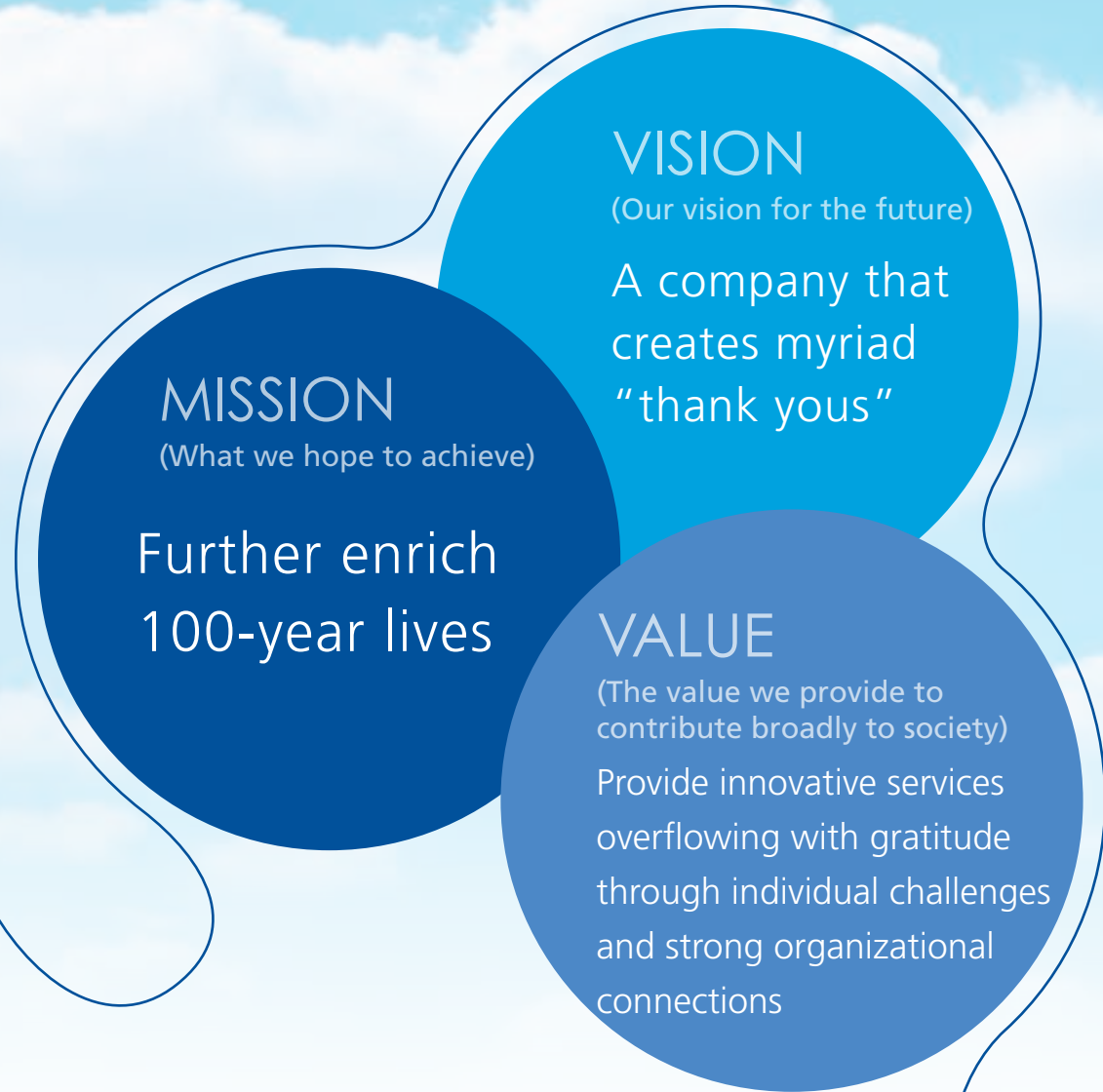


Investors Guides Book 2022



ACTION GUIDELINES (Principles for conduct)

Begin by taking the initiative!

- 01 Autonomously pursue challenges in new fields and learn extensively from both successes and failures
- 02 Enjoy the process of change, fearless of changing ourselves or others
- 03 Actively cooperate with others, effortlessly transcending organizational barriers
- 04 Together, bring about innovations that will amaze society

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Editorial Policy

This guidebook has been published for the purpose of reporting on the business activities, financial and non-financial information, and environmental, social, governance, and other initiatives based on the Medium-term Management Plan of KOSAIDO Holdings Co., Ltd. and its Group companies, to enable all stakeholders to gain a better understanding of these matters.

Scope: All parts of KOSAIDO Holdings Co., Ltd and Group companies.

Period: April 1, 2021 to March 31, 2022

*Also contains reports on activities outside this period.

Reference Guidelines

Japanese Standards Association ISO 26000 “Guidance on social responsibility”
Ministry of the Environment “Environmental Reporting Guidelines 2018”
International Integrated Reporting Council (IIRC) “International Integrated Reporting Framework”
Ministry of Economy, Trade and Industry “Guidance for Integrated Corporate Disclosure and Company-Investor Dialogue for Collaborative Value Creation”
Task Force on Climate-related Financial Disclosures (TCFD)

The KOSAIDO Group’s Three Core Businesses

KOSAIDO Group consolidates the strengths of the KOSAIDO Group to provide comprehensive support for 100-year lives across three business domains: the Ending-related Business, Information Solutions Business, and HR Services Business. We will take on the challenge of creating innovative services to realize better environments, enrich lives, and thus achieve a society full of hope in the future.

FY2022 Consolidated Net Sales Contribution by Segment Total: 35.361 billion yen

Ending-related Business: 9.38 billion yen (26.5%)	Information Solutions Business: 19.12 billion yen (54.1%)	HR Services Business: 6.85 billion yen (19.4%)
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FY2022 Consolidated Operating Profit Contribution by Segment Total: 4.442 billion yen
(Sum of profit from each segment)

Ending-related Business: 3.23 billion yen (72.8%)	Information Solutions Business: 0.72 billion yen (16.4%)	HR Services Business: 0.48 billion yen (10.8%)
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Ending-related Business

Support to enrich the last stage of life.



In this era of the 100-year lifespan, we want to help more people enjoy an enriched end to their lives. We seek to provide funerals that match the wishes of bereaved families and respond soundly to increasingly diverse needs and future challenges, offering forums appropriate to adorn the beautiful completion of life.

Main services

• Operating crematoriums and providing funeral halls

• Planning and conducting funerals

• Ending-related services

Crematorium operation

• Operating crematoriums and providing funeral halls

Tokyohakuzen, a member of the KOSAIDO Group, operates six comprehensive crematoriums and funeral venues and one facility for the storage of remains in Tokyo. We contribute to the evolution and development of crematoriums and funeral venues with barrier-free facilities and the introduction of the latest safe and clean cremation systems. Aspiring to offer forums appropriate to adorn the beautiful completion of life, we will continue to provide safe and secure cremation operation and funeral halls to enable bereaved families and undertakers to conduct funerals with a feeling of security.

Funeral services

• Planning and conducting funerals

We provide services from funeral planning to cremation, to enable bereaved families to spend the last days together with the deceased as they wish. We offer funeral plans to match the desires of bereaved families, including options such as ordinary funerals, one-day funerals, and family funerals. In this era of the 100-year lifespan, we welcome inquiries before death, providing high-quality services to allow people to enjoy a better end to life.

Services associated with funerals and cremation

• Ending-related services

We provide a range of related services to enable all those who use our crematoriums and funeral venues to gain a sense of value. As a forum for service-providers to present information and for general customers to gather information, we offer customers various ending-related services, from Buddhist alters and graves to inheritance, estate liquidation, and memorial services. We have also established an environment that enables us to respond to urgent requests for meals, thank-you gifts, flowers, and other items.

Information Solutions Business

Designing optimal communication through multifaceted solutions.



Today, with the increasing diversity of communication methods, it is crucial to accurately ascertain customer

needs and select the optimal means of communication. We offer more effective communication through a combination of various methods such as printing digitalization, D2C business support, and BPO.

Main services

• Offset printing (publishing and commercial)

• Newspaper printing

• Digital printing

• Package printing

• IT and digital solutions

• Campaign solutions

• D2C business support

• Digital promotion support

• BPO services

• Exhibition business

Information and communications

• Printing solutions

We offer a wide range of printing services such as the printing of books, newspapers, and other published matter, public relations and sales promotion materials, film and paper packaging. We respond to a broad range of needs by providing digital printing, unique high-resolution printing, and specialized printing solutions such as black light printing

• IT and digital solutions

We apply the information processing technologies developed through our printing business to provide optimal information processing and transmission suited to a range of different devices. We offer one-stop services from the design, development, and operation of databases that form the foundation for information accumulation and utilization, to BPO services such as data entry.

• Original IT services

We also offer IT services unconstrained by the limits of printing, such as the membership management service “funUP!” which enables the integrated management of member information for online seminars and e-commerce, and the FAQ and response history management system “InTact” for local government call centers.

BPO (Business Process Outsourcing)

• BPO services

We offer outsourcing services to meet customer needs, such as operational and efficiency improvements, continuing human resource acquisition, and the focus

of resources on core businesses. By outsourcing indirect operations and customer service, our customers can achieve a reduction in operational burden and devote themselves to high-priority businesses.

Marketing & products

• Campaign solutions

Leveraging the experience we have gained through BPO in providing contact point services (customer service, data utilization, shipping tasks) for our clients’ customers to the whole planning enables us to achieve high-quality sales promotions. We are able to design operations that intertwine online and offline promotions, providing one-stop solutions to maximize effectiveness.

• D2C business support

We not only construct e-commerce systems and act as shipping agents but also provide one-to-one communication services with fully customizable functions, from attracting customers to e-commerce sites to ordering and shipment, to enrich the experience of customer communication with a focus on brand-customer contact points. We provide total support along the value chain from promotion and e-commerce site operation to shipping agency services.

• Digital promotion support

We offer targeting and measures to suit each stage of promotion. We provide problem-solving support through a range of methods such as digital advertising, social media utilization, design and operation of digital sales promotion campaigns, and video marketing. We facilitate expanded recognition and enhanced purchasing desire through planning and design to meet clients’ challenges and projects, and the establishment of an effective PDCA cycle.

HR Services Business

Integrating people and technology to solve local employment and education issues.



High-level human resources strategies are crucial to secure talented personnel and develop their capabilities. We address clients’ recruiting issues through total personnel solutions to meet needs ranging from job advertisements, temporary staffing, recruitment, education and training in Japan, to personnel support for companies expanding overseas.

Main services

• Job advertising media

• Job advertising media agency services

• Environmental information magazine publication

• Free newspaper rack distribution

• Temporary staffing

• Recruitment

• Human resources development, education, and training

• RPO services

• Overseas personnel services

• HR technology services

HR technology services

• TalentClip

Our all-in-one recruitment management system digitalizes recruitment operations, accelerating direct recruiting, from more efficient recruiting work to the establishment of personnel databases, and solving various issues related to recruitment operations by recruiting representatives.

• TalentAsia

We reduce outsourcing expenses and lower the hurdles to supporting foreigners with “Specified Skilled Worker” status with specified skills, reducing the financial and operational burden on companies that recruit them, and solving the difficult issue of personnel shortages.

Media

• Job advertising media

The job advertising media “Workin” boasts a track record spanning over four decades in the Tohoku and Hokuriku regions, and appeals to readers with a range of different employment styles. We also provide other job advertising media with strong local ties, which achieve the optimal matching of companies and applicants.

• Job advertising media agency services

We handle over 2,000 job advertising media across Japan, providing optimal support to meet diverse recruitment needs based on the experience and knowhow acquired from over 40 years in the job advertising media business.

• Environmental information magazine publication

Amid rising public interest in environmental issues, we publish the “Eco-family Newspaper,” brimming with useful lifestyle information such as ecology, dietary education, safety and security. The newspaper is distributed to elementary school children in Miyagi, Toyama, Yamagata, and elsewhere.

• Free newspaper rack distribution

We provide backup for corporate promotions with strong local ties by setting up integrated free newspaper racks and securing locations for racks and along the routes used regularly by target customers, as well as providing complete services such as checking the status of distribution and the numbers of newspapers taken home, and the provision of information to clients.

Personnel recruitment and education services

• Temporary staffing

We provide temporary staffing services that create new encounters and contribute to personal and corporate growth. From our bases in the Miyagi, Niigata and Saitama area, we facilitate staffing for diverse occupations such as clerical, logistics, and manufacturing work.

• Recruitment

With a streamlined response where a single consultant serves both the company and its job applicants, we achieve high-quality personnel matching. Our services achieve a high level of satisfaction by accurately grasping the demands of both employers and applicants.

• Human resources development, education, and training

We plan and provide human resources education and training programs, supporting all aspects from personnel retention to training through an abundant range of training offerings with the aim of strengthening companies into “organizations that continue to achieve solid results.”

• RPO (Recruitment Process Outsourcing)

Dedicated operators handle duties related to recruitment such as administrative work and contacting applicants from the high-security environment in our own office building (outsourcing center). We can respond to a diverse range of requests and contribute to enhancing recruiting capabilities and reducing recruitment costs.

• Overseas personnel services

We provide personnel services to Japanese companies in Vietnam. We also promote the popularization of Japanese language in Vietnam and provide support for study abroad. In Japan, we provide comprehensive support, from recruitment and employment to employee retention and development, for personnel with “Specified Skilled Worker” status who are proficient in Japanese. Our TalentAsia system (cloud-based system) resolves even complicated registration support tasks.

Consolidated Financial Highlights

Financial measures

	Unit	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022 (Forecast)
Operating results													
Net sales	Million yen	38,990	38,868	37,050	36,074	35,444	34,892	36,462	36,195	35,088	31,497	35,361	37,800
Operating profit	Million yen	4,571	4,261	3,986	2,583	2,214	2,561	2,181	2,250	2,328	2,017	3,729	3,800
Operating profit margin	%	11.73	10.96	10.76	7.16	6.25	7.34	5.98	6.22	6.63	6.40	10.55	10.05
Ordinary profit	Million yen	4,264	4,139	3,303	2,192	1,884	2,066	1,648	1,637	2,210	1,823	3,610	3,700
Profit attributable to owners of parent	Million yen	1,648	8,316	1,896	778	309	(471)	3,271	(324)	(2,671)	854	3,643	2,950
Cash flow													
From operating activities	Million yen	4,119	2,281	3,128	5,609	4,883	2,763	4,472	4,432	3,976	3,110	3,660	—
From investing activities	Million yen	(625)	(5,568)	212	1,007	(8,528)	(5,935)	5,910	(1,530)	(1,354)	56	(700)	—
From financing activities	Million yen	(4,548)	(1,074)	(1,712)	(989)	2,841	1,831	(7,635)	(1,549)	7,477	(15,838)	5,540	—
By segment (net sales)													
Funeral Services Segment	Million yen	8,673	8,654	8,635	8,561	7,811	8,221	8,658	8,745	8,735	8,333	9,384	10,860
Information Segment	Million yen	23,781	22,825	21,747	20,638	21,004	20,778	19,833	19,997	20,789	18,496	19,120	19,570
HR Segment	Million yen	4,419	5,578	6,350	6,543	6,618	5,883	7,964	7,439	5,545	4,663	6,856	7,370
Other	Million yen	2,114	1,809	316	330	9	8	6	12	17	4	—	—
By segment (profit)													
Funeral Services Segment	Million yen	3,641	3,525	3,483	2,769	2,825	2,916	2,523	2,678	2,564	2,437	3,233	3,693
Information Segment	Million yen	832	662	292	(119)	(300)	88	(208)	(256)	55	163	729	645
HR Segment	Million yen	710	826	1,003	707	466	212	324	341	159	(65)	480	480
Other	Million yen	20	127	(31)	(11)	(56)	(3)	(4)	2	(8)	2	—	—
Financial position													
Total assets	Million yen	79,082	73,633	75,134	76,756	80,375	81,941	79,637	76,996	82,190	64,592	73,736	—
Net assets	Million yen	27,240	37,492	40,077	42,075	42,025	42,686	46,633	46,088	31,001	31,622	37,520	—
Interest-bearing liabilities	Million yen	24,587	24,486	25,328	25,032	28,356	30,428	24,204	22,831	30,624	27,072	29,948	—
Net interest-bearing liabilities	Million yen	11,634	14,892	14,776	11,319	15,461	18,886	9,909	7,162	4,855	13,917	8,286	—
Per share													
Basic earnings per share	Yen	66.16	333.80	76.13	31.25	12.42	(18.92)	131.33	(13.01)	(107.23)	34.28	149.09	103.40
Net assets per share	Yen	477.82	866.79	946.71	995.47	971.93	969.99	1,114.27	1,089.23	1,239.58	1,264.78	1,311.60	—
Dividends	Yen	0.00	0.00	5.00	7.00	0.00	0.00	3.00	0.00	0.00	0.00	0.00	15.5
Financial metrics													
Equity ratio	%	15.1	29.3	31.4	32.3	30.1	29.5	34.9	35.2	37.6	48.8	50.7	—
ROE	%	14.97	49.65	8.40	3.22	1.26	—	12.60	—	—	2.74	10.57	—
ROA	%	2.06	10.89	2.55	1.03	0.39	—	4.05	—	—	1.16	5.27	—
Net DER	Times	0.98	0.69	0.63	0.46	0.64	0.78	0.36	0.26	0.16	0.44	0.22	—
Payout ratio	%	—	—	6.57	22.40	—	—	2.28	—	—	—	—	15.0

Message from Management



We will pursue the renewal of “*kosai*” with a “progressive and enterprising spirit,” aspiring to be the number-one company in the senior and end-of-life businesses

Hiroshi Kurosawa
President and Representative Director

Leveraging our founding DNA to actively pioneer new fields

At the KOSAIDO Group, we espouse a corporate philosophy of “*kosai*” (making a broad contribution to society). Throughout our history, we have developed a wide range of services, unconstrained by convention, embracing a “progressive and enterprising spirit” to actively engage in new endeavors. This spirit is in the Group’s DNA, passed down from the time of its founding.

The KOSAIDO Group was founded in 1949 as a printing company with a management philosophy of social contribution. The Group grew as it strived to distribute information through printed media amid the postwar period of rapid economic growth. Always focused on the changing needs of the times, the Group has aggressively pioneered new fields to provide the products and services demanded by customers.

As a result, our business now spans three main areas: the Information Solutions Business, which has expanded beyond printing to provide integrated services combining IT, BPO, D2C support and other services; the HR Services Business, which provides employment infrastructure and total personnel solutions pivoting on HR technologies to support local communities facing employment issues such as declining workforces, aging populations, and decreasing employment opportunities; and the Ending-

related Business, which features integrated cremation and funeral venues boasting firm customer trust and achievements cultivated over a century-long history.

The Group is currently pursuing the Mission (What we hope to achieve) to “Further enrich 100-year lives,” aiming to achieve the Vision (Our vision for the future) to be “a company that creates myriad ‘thank you.’”

We believe that the Value (The value we provide to contribute broadly to society) that the Group can create to achieve this is to “provide innovative services overflowing with gratitude through individual challenges and strong organizational connections.” To steadily provide this Value, we have established the Action Guideline “begin by taking the initiative!” and four goals (see “Philosophy” on page 1 for details).

With the social environment undergoing significant changes such as declining birthrates, an aging population, and the COVID-19 pandemic, and the emergence of new kinds of lifestyles and value perceptions, we have sought to discover what products and services would experience increasing demand among customers. We have arrived at the conclusion that, of our three main businesses, we should focus especially on the Ending-related Business to achieve our Mission and Vision in the era to come.

Aspiring to be the number-one company in the senior and end-of-life businesses

At present, we have our sights on being the “number-one company in the senior and end-of-life businesses,” pivoting on the Group’s core subsidiary Tokyohakuzen. For the past century, Tokyohakuzen has supported an indispensable infrastructure for the residents of Tokyo, operating six comprehensive crematoriums and funeral venues (crematoriums that also function as venues for funeral ceremonies) in the city. “Death” is a sad event that everyone must face, and we are always in attendance when the residents of Tokyo send their loved ones on their final journey. We have performed the role of a “reception,” so to speak, between funerals and the bereaved.

Our strategy to be the “number-one company in the senior and end-of-life businesses” is aimed at expanding our role as a “reception,” previously limited to

cremations, to attend bereaved families in their time of sadness as a more thorough and meticulous “reception.” As an example of a new service that we have already launched, our inheritance consultation service addresses an issue that bereaved families face at the same time as their sadness.

We have also worked to appropriately maintain cremation furnaces to meet the burden of the prodigious number of cremations in Tokyo, due to the heavy concentration of the Japanese population in the city. We have accumulated expertise in areas such as design from rebuilding cremation furnaces, and we plan to leverage our achievements and technological strength to expand horizontally into other prefectures, with overseas sales in our sights in the future.

We will continue to pursue the renewal of “*kosai*” with a “progressive and enterprising spirit”

Meanwhile, since my appointment as President and Representative Director in 2021, I have promoted a range of reforms with the aim of enhancing corporate value. Specific initiatives include the completion of financial restructuring through measures such as the liquidation of unprofitable businesses; the maximization of shareholder returns (dividends); a focus on the Ending-related Business, a growth field; the strengthening of corporate governance and business management through the renewal of personnel and the reestablishment of internal company regulations; and the maximization of cash flow through thorough tax management. These measures have proven successful, and our new structure forms a foundation that will allow us to achieve stable and continuing earnings growth. Based on this structure, we announced the Medium-term Management Plan 2.0 in May 2022.

We have also designated four material challenges (key issues) for the Group, to realize its corporate philosophy by contributing to the Sustainable Development Goals (SDGs) set forth by the United Nations. These material challenges are (1) Supporting Broadly (value creation for sustainable economic activities), (2) Living Together (the development of fair and diverse local communities), (3) Protecting the Future (passing down the beautiful

Earth to future generations through the reduction in environmental burden), and (4) Connecting with Smiles (sound corporate management with transparency and dialogue).

We have established an internal Sustainability Promotion Office and will implement a PDCA cycle for the planning, execution, verification, and improvement of our sustainability actions as we pursue these four material challenges. We also hold Sustainability Promoter Meetings to strengthen coordination with relevant departments and Group companies, and we are engaging in specific activities to achieve these material challenges. To create a future with hope through these activities, we aim to work with our employees and other stakeholders to achieve a resolution to social issues.

In this way, we will continue our efforts in pursuit of the renewal of “*kosai*” with a “progressive and enterprising spirit,” through initiatives such as the expansion of the Ending-related Business and contribution to achieving the SDGs. I look forward to your continued warm support and guidance for KOSAIDO Holdings as we strive to be a corporate group that is needed by society and fulfill our social responsibility.

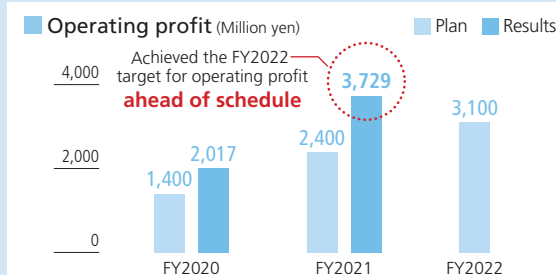
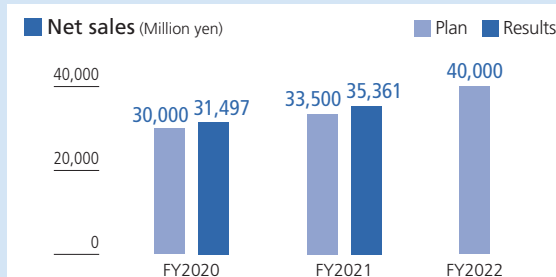
Medium-term Management Plan 2.0 (2022-2024)

At the KOSAIDO Group, we have formulated the Medium-term Management Plan 2.0 (2022-2024) to further expand our earnings base and achieve stable growth, with the aim of advancing to a new growth stage. With the goal of being the “number-one company in the senior and end-of-life business domains,” we will steadily implement this plan to create new value in various situations throughout 100-year lives and realize a future filled with hope.

1 Review of the Previous Medium-Term Management Plan

Basic policies of the previous plan

1. Radically reform the earnings structure
2. Drastically remodel the business composition
3. Substantially reform to strengthen the management base

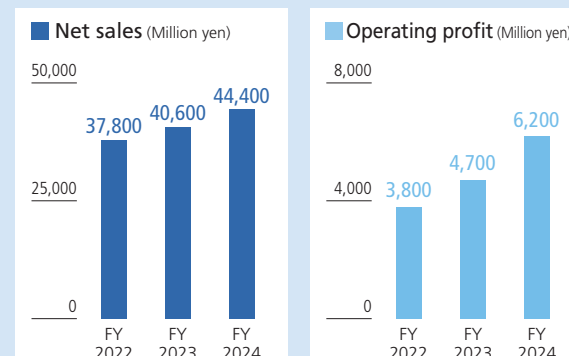
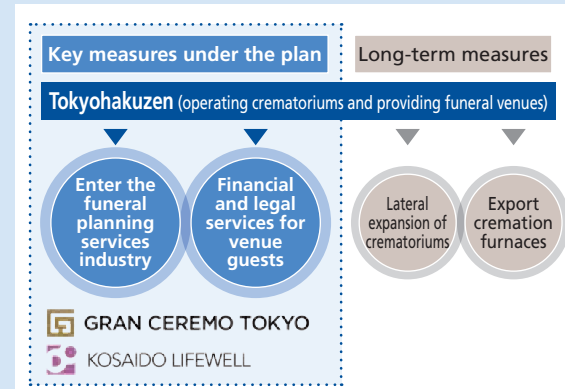


- Ended impairments
- Acquired Tokyohakuzen as a wholly-owned subsidiary
- Achieved overall financial integration through the transition to a holding company
- Achieved operating profit target one year ahead of schedule

2 Overview of Medium-term Management Plan 2.0

Basic policies

1. Enter the funeral planning services business
2. Metamorphose into an “ultra-aging society” stock
3. Reinstate dividends and enhance shareholder returns



3 Understanding of the Business Environment

Internal Environment

Funeral Services Segment

- We have six crematoriums and funeral venues in Tokyo. Although the number of cremations we handle is increasing on the back of our superior market share, unit prices are falling due to a trend towards simpler funerals
- We will secure net sales through measures such as extended operating hours, in addition to cremation price revisions
- An earnings squeeze due to the increasing costs of building and facility maintenance, depreciation, and personnel expenses is a cause for concern
- We have embarked on branding aimed at raising our presence and improving our image across the entire funerals and ceremonies industry

Information Segment

- The printing business, especially publication printing, is shrinking. The progressive shift towards smaller lots and more varied products is leading to a decline in profitability
- We have reduced fixed costs in the printing business through factory restructuring and personnel rationalization
- We have acquired IT services development companies through M&A. We are strengthening coordination with the IT business and digital marketing
- We are performing strongly in BPO for government sector projects. We are enhancing and expand our BPO services for the private sector as well, including D2C support

HR Segment

- Demand for our mainstay job advertising media is decreasing due to the decline in printed media
- We have transitioned to a business model pivoting on HR technologies such as recruitment management systems and online media
- Demand for personnel is weak and unstable due to the impact of COVID-19. Subscription-based services are experiencing a slowdown
- We have leveraged the customer base and corporate brand developed through our sites in the Tohoku, Hokuriku, and Tohoku regions and Vietnam to attempt to up-sell to customers, based on diverse services including job advertising, recruitment and temporary staffing, subcontracting, training, education, and HR technology

External Environment

Funeral Services Segment

- The number of funerals is increasing due to the rising aged population. At the same time, unit prices are falling due to a progressive shift towards simpler funerals
- There are no barriers to entry into the funeral planning services industry. In recent years, companies have entered from other industries, leading to increased price transparency and lower prices. Funerals themselves are also becoming more diverse due to changes in the nature of households and lifestyles
- The cremation industry has high entry barriers, as permission from the local government is needed to own a crematorium

Information Segment

- Publication printing is in a long-term contraction due to factors such as the diversification of media and the spread of digital media
- Commercial printing is contracting somewhat due to a decline in advertising expenditure and the shift to online media
- Although sales promotion support is contracting due to the decline in advertising expenditure, digital promotion and DM are performing strongly
- The market for BPO is expanding due to an increase in demand for outsourcing from e-commerce and companies
- The promotion of DX to respond to changes in the external environment has gained pace due to factors such as the COVID-19 crisis, and the IT services market is recovering

HR Segment

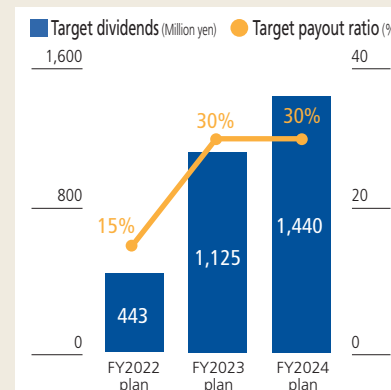
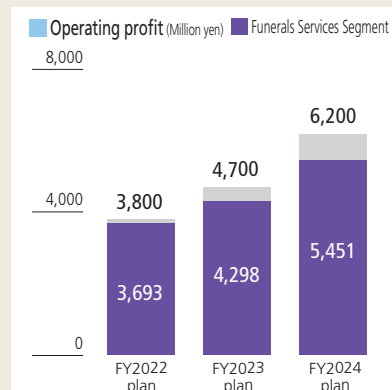
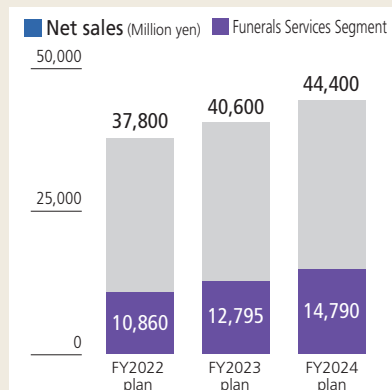
- The HR Services Business is expanding due to the increasing fluidity of the labor market and personnel shortages in Japan
- There is a disparity between digital response capabilities in urban and regional areas, and continued investment in DX is anticipated in regional areas
- HR technology: an increasing number of companies aim to reduce costs and improve speed and quality as part of their recruitment and personnel strategies
- Personnel recruitment and temporary staffing: long-term expansion is possible in the context of deregulation and rising corporate recruitment needs
- Demand has declined significantly in the services, retail, manufacturing, and other industries in recent times due to the impact of COVID-19
- Overseas personnel: slowdown due to the COVID-19 crisis, despite an increase in demand. The scope is expanding due to deregulation

Quantitative targets

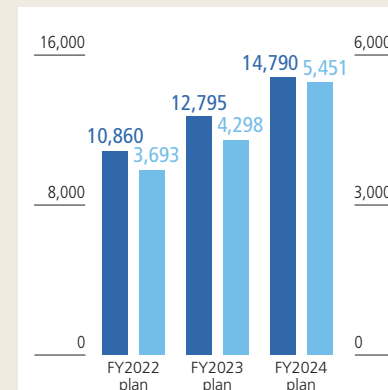
The KOSAIDO Group will be number-one company in the senior and end-of-life businesses.

(Million yen)

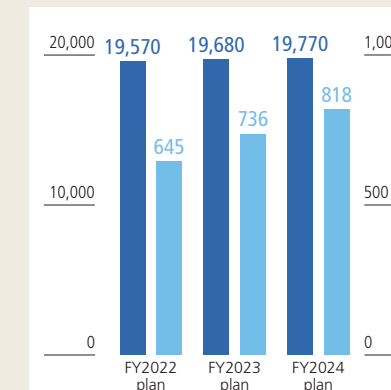
		FY2019 results	FY2020 results	FY2021 results	FY2022 plan	FY2023 plan	FY2024 plan
Three-Segment total	Net sales	35,088	31,497	35,361	37,800	40,600	44,400
	Operating profit	2,328	2,017	3,729	3,800	4,700	6,200



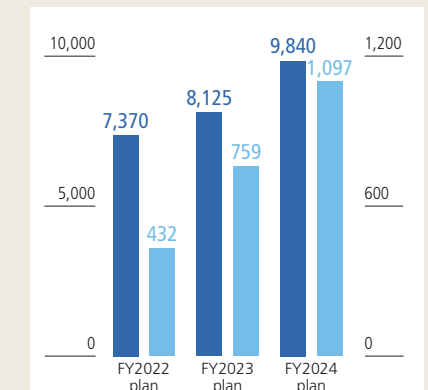
	FY2022	FY2023	FY2024
Net sales	10,860	12,795	14,790
Operating profit	3,693	4,298	5,451



	FY2022	FY2023	FY2024
Net sales	19,570	19,680	19,770
Operating profit	645	736	818



	FY2022	FY2023	FY2024
Net sales	7,370	8,125	9,840
Operating profit	432	759	1,097



Note: Segment profit has been reconciled with the operating profit presented in the Quarterly Consolidated Statements of Income.

Information Disclosure Based on the TCFD Recommendations

In 2022, in addition to endorsing the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), we published the KOSAIDO Group’s SDGs Declaration. The Declaration asserts sustainability management to address the increase in greenhouse gas (GHG) emissions and extreme weather conditions due to global warming, which have become crucial issues for the global society. We have designated material challenges on an environmental theme, and we will aim to further mitigate risks to the environment through cooperation with our partners.

We have also commenced information disclosure in line with the TCFD recommendations. Building on feedback from our stakeholders, we will implement a continuing PDCA cycle to achieve stronger management strategy related to climate change.

Governance

In January 2022, we established the Sustainability Promotion Committee to discuss climate-related risks and opportunities. The committee, chaired by Makoto Tokiwa, Senior Executive Officer of KOSAIDO Holdings, meets biannually to manage progress across the whole Group, primarily through Sustainability Promoter Meetings. The committee reports to the Board of Directors, and supervises measures for emissions reduction.

(See page 13 for a diagram of the sustainability promotion structure)

Strategies

At the Group, we have analyzed the key climate-related risks and opportunities for each business and carried out an impact assessment of the economic and social value of future business scenarios through the Sustainability Services Development Group at Sustainability Promoter Meetings, under the supervision of the Sustainability Promotion Committee.

Based on this assessment, we anticipate that GHG emissions reductions and carbon neutrality will be strongly promoted throughout supply chains, that they will become crucial factors for business, and that businesses failing to consider the environment are likely to be left behind.

We will continue to enhance the precision of these scenarios through the analysis of changes in the external environment, and pursue the integration of resilient management strategies for an uncertain future.

● Basic scenarios for impact assessment

Shift to a decarbonized society	Prevention of air, water, and soil pollution and the shift to reusing resources
(1) The Japanese government's declaration that Japan will be carbon neutral by 2050 has led to the revision of materials and production processes in supply chains.	(1) Improve water quality by 2030 through the decreasing of pollution, the elimination of waste dumping, the minimization of hazardous chemical substance discharge, halving the proportion of untreated waste water, increasing water recycling, and a substantial increase in the safe reuse of water on a global scale.
(2) Companies are investing ever more aggressively in CO ₂ reductions.	(2) Eliminate industrial pollution by constructing cyclical supply chains together with trading partners, including wastewater (liquid waste) treatment, solid waste treatment, etc. in addition to non-VOC materials.
(3) Businesses that fail to consider the environment throughout supply chains are likely to be left behind.	

Risk Analysis

We have analyzed the impact of climate change on the Group in terms of climate-related risks and climate-related opportunities. For risks, we have identified “transition risks” associated with the shift to a low-carbon society and “physical risks” due to climate change.

In addition, we have assessed and analyzed these risks and opportunities by classifying each into “policy, legal, and regulatory risks,” “technological risks,” “market risks,” “reputational risks,” “acute risks,” and “chronic risks.”

We will proceed to formulate resilient business strategies to ascertain risks and generate opportunities through scenario analysis based on two selected scenarios, as well as reviewing this analysis in the future.

Scenarios	Selected scenarios	Risks		
[1.5°C] Climate policies are introduced and the rise in temperatures in the 21st century (compared to pre-industrialization) is kept within 1.5°C through sustainable development	SSP* ¹ 1-1.9 IPCC* ² “Special Report on Global Warming of 1.5°C”	Transition risks	Policy, legal, and regulatory risks	Stronger policies such as the introduction of carbon taxes to suppress GHG emissions
			Technological risks	Introduction of equipment using low-carbon technologies
			Market risks	Exclusion from supply chains
			Reputational risks	Opinions on decarbonization from shareholders and customers
[4°C] Climate policies are not introduced and temperatures rise by around 4°C during the 21st century (compared to pre-industrialization) due to fossil fuel-dependent development	SSP5 RCP* ³ 8.5	Physical risks	Acute risks	Risk of facility shutdowns due to severe disasters
			Chronic risks	Impact of rising average temperatures felt throughout supply chains

*1 SSP: Shared Socioeconomic Pathways, an integrated assessment model using new socioeconomic scenarios, partially developed by the National Institute for Environmental Studies

*2 IPCC: The Intergovernmental Panel on Climate Change, an organization established in 1988 by the United Nations Environment Programme (UNEP) and the World Meteorological Organization (WMO) to engage in the comprehensive assessment of human-induced climate change, its impact, and adaption and mitigation options, from scientific, technological, and socioeconomic perspectives.

*3 RCP: Representative Concentration Pathways, scenarios developed using the levels at which GHG concentration will stabilize in the future, and representative pathways to these levels

Metrics and Targets

We aim to protect the future, passing down the beautiful Earth to future generations through the reduction in environmental burden, based on the Group's SDGs Declaration. We measure the Scope 1, 2, and 3 emissions of the entire Group and formulate strategies based on these results, to maximize our opportunities and minimize risks from climate change.

Metrics: GHG Protocol Scope 1, Scope 2, and Scope 3 emissions, measured with reference to the Ministry of the Environment “Basic Guidelines on Accounting for Greenhouse Gas Emissions Throughout the Supply Chain, Ver. 2.3”

Scope: All of the Group (KOSAIDO Holdings and consolidated subsidiaries) in Japan

Precision: Categories with high emissions volumes are measured, in a way that enables the measurement of reduction initiatives in these categories

● Scope 1 + 2 emissions (FY2020)

Emissions type	Scope 1	Scope 2	Scope 3
FY2020	8,693(t-CO ₂)	8,358(t-CO ₂)	17,050(t-CO ₂)

● Scope 3 emissions (FY2020)

We monitored eight categories related to the Group's business activities.

Category	Type of waste	t-CO ₂
1	Purchased products and services	66,298.48
4	Transport and delivery (upstream)	*
5	Business waste	169.48
6	Business travel	67.89
7	Employee commuting	415.49
9	Transport and delivery (downstream)	*
13	Leased assets (downstream)	609.44
15	Investment	1,844.23
Total		69,405.00

*Emissions for categories 4 and 9 have been calculated as category 1 for FY2020 as we are in the process of completing a precise survey of past figures.

Reduction Targets

We have established medium-term targets for 2030 regarding GHG emissions (Scope 1 and Scope 2) associated with business activities at our own locations and we are engaging in activities to reduce these emissions. For Scope 3 emissions, we are surveying the states of GHG emissions management by our suppliers and purchasers.

Item	Scope 1+2 reduction targets	Scope 3 reduction targets
2050 target	Carbon neutrality	Carbon neutrality
2030 target	Reduce CO ₂ emissions by 34%	To be formulated based on the status of suppliers and purchases
Emissions factor	Ministry of the Environment “Measurement Methods and Emissions Factors under the Measurement, Reporting, and Publication System”	
Reference year	2020	

Developing Fair and Diverse Local Communities

Sustainability Promotion Structure

Basic policies and promotion structure

At the KOSAIDO Group, we have established the Sustainability Promotion Committee to confirm management approval of our basic policies and the progress of our “sustainability actions.” The committee reports this information to the Management Meeting, and it is utilized in determining management policy.

We have also established the Sustainability Promotion Office within the Strategic Planning Department, and implemented a PDCA cycle for the planning, execution, verification, and improvement of sustainability actions. Sustainability Promoter Meetings are held regularly to strengthen coordination with relevant departments and Group companies, and we are integrating these activities into our business strategies and promoting them to meet the Group’s material challenges.



(As of October 31, 2022)

Initiatives to Create Fulfilling Workplaces

Basic views on respecting human rights

As a company that develops businesses that contribute broadly to society, we recognize the importance of respect for human rights. The KOSAIDO Group Code of Conduct stipulates that we respect basic human rights, have mutual respect for diverse personnel with various value perceptions, respect each other as we make the most of our various skills and characteristics, and have no discrimination at all. We also respect the various international codes of conduct, and endeavor to engage in business activities with consideration for the human rights of employees, trading partners, customers, local communities, and others.

We ensure that each of our employees is thoroughly familiar with our views on human rights, and we promptly and appropriately respond to any issues through internal audits, internal whistleblower hotlines and the like.

Initiatives to promote female participation and career advancement

At the KOSAIDO Group, we believe that the creation of workplace environments where diverse personnel can make the most of their strengths is linked to our ability to achieve sustainable growth. We emphasize ensuring diversity in the promotion and selection of core personnel. At present, experienced hires account for a high proportion of employees in management positions, at 68%, and we will continue to promote active mid-career recruitment according to our needs.

Women account for 7% of employees in management positions at KOSAIDO Holdings, and their average number of years of service is lower than the national average, at only half of that of male employees. We recognize these as issues, and we have formulated an action plan based on the Act on the Promotion of Female Participation and Career Advancement in the Workplace (Women’s Advancement Promotion Law) and established quantitative targets. To achieve these targets by March 2024, we are endeavoring to enhance workplace environments

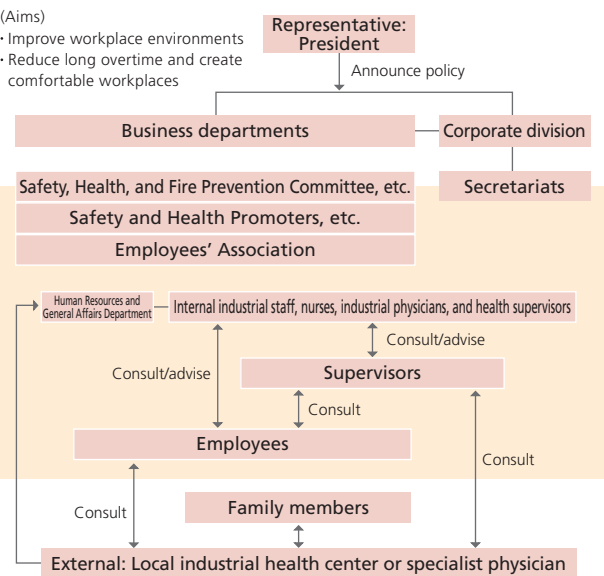
and education and development schemes, including the implementation of career interviews and training systems.

- (1) Raise the proportion of management positions occupied by women to 10%
- (2) Raise women’s average number of years of service to 70% of their male counterparts

Systems for mental and physical health management

We regard our obligation to consider the safety of our employees to be of the utmost importance as a company, and we have formulated health promotion plans for employees’ mental and physical health. We are engaged in measures such as improving workplace environments, enhancing employee performance, safety and health, aiming to create safe and comfortable workplaces.

Systems for mental and physical health management



Sound Corporate Management with Transparency and Dialogue

Basic views

We engage in business with a spirit of “*kosai*” (which means “making a broad contribution to society”). We aim to maximize shareholder value, sustainably enhance corporate value, and be a company that is trusted by society.

To this end, we will not only improve profitability but also uphold the rights of shareholders, practice efficient,

fair and highly transparent corporate management, and thoroughly implement compliance. Moreover, we will fulfill the environmental, social, and governance aspects of our corporate social responsibility (CSR) and engage in initiatives that address social issues to achieve sustainable corporate and social growth, thus enhancing our corporate governance.



Overview of the Corporate Governance Framework

Board of Directors

As a company with a Board of Corporate Auditors, our management structure is built to ensure accurate decision-making by Directors and swift business execution, while also enabling proper supervision and monitoring. We strive to enhance corporate governance and improve the fairness and transparency of management based on our basic views. We have also established the Nominating and the Compensation Committee as non-statutory committee composed mainly of Independent Outside Directors and Independent Outside Corporate Auditors. The committee deliberates on Directors’ compensation and the decision policy thereof, as well as proposed Director candidates, and reports back to the Board of Directors.

The Board of Directors meetings are attended by two Executive Directors, one Part-time Director, five Outside Directors, and Corporate Auditors. In addition to regular monthly meetings, the Board of Directors holds extraordinary meetings as necessary. It makes decisions on important matters of business strategy such as management targets

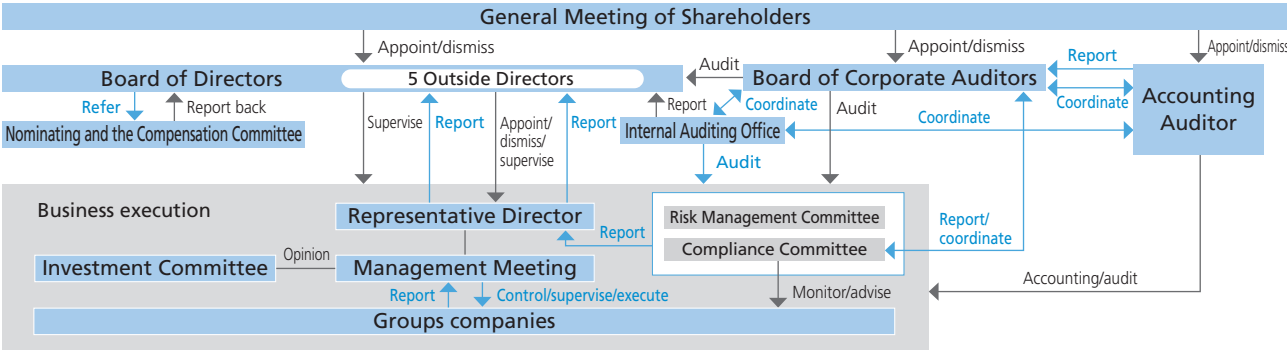
and business strategy and matters stipulated by law or regulation, and supervises the status of business execution.

Board of Corporate Auditors

One Full-time Corporate Auditor and two Outside Corporate Auditors have been elected, ensuring the objectivity and neutrality of the management supervisory function. The Corporate Auditors audit the status of our governance approach and operation. Moreover, the two Outside Corporate Auditors have been designated as independent officers. We understand that the role of Outside Directors and Outside Corporate Auditors is to maintain a neutral and fair standpoint and, as independent agents entrusted by shareholders, to guarantee that the neutrality and objectivity of management is ensured.

Outside Directors and Outside Corporate Auditors provide timely and appropriate opinions, advice and recommendations regarding management from an objective standpoint, and we endeavor to maintain and ensure swift and appropriate decision-making.

Corporate Governance Framework



Skill Matrix

Name	Corporate management	Sales	DX/IT	Finance/accounting	Legal affairs	Overseas business	ESG (environment, society, and governance)	Human resources/labor management
Yiwen Luo	●	●		●		●		
Hiroshi Kurosawa	●			●			●	●
Chihiro Negishi	●	●	●			●	●	●
Akira Kamimura					●	●	●	●
Masayuki Watanabe					●		●	●
Shigeyuki Takemura	●	●				●	●	
Shunichi Nakaigawa	●	●		●		●	●	
Takeshi Nakabayashi	●			●		●		

● Total amounts of compensation for Directors and Corporate Auditors

Office	Total amount of compensation (million yen)	Amount of compensation by type (million yen)			Number of eligible officers
		Basic compensation	Performance-linked compensation	Non-monetary compensation	
Director	49.2	47.1	–	2.1	3
Outside Director	22.5	22.5	–	–	6
Corporate Auditor	10.2	10.2	–	–	1
Outside Corporate Auditor	9.6	9.6	–	–	2

Notes: 1. No performance-linked compensation is paid to Directors.
2. Restricted stock compensation is paid as non-monetary compensation to Executive Directors Mr. Hiroshi Kurosawa and Mr. Chihiro Negishi.

Evaluation of the effectiveness of the Board of Directors

We carry out self-evaluation and analysis of the effectiveness of the Board of Directors with the aim of improving the functions of the Board and enhancing corporate value. Advised by an external agency, we implemented an anonymous, direct-response questionnaire survey of the Directors and Corporate Auditors in March 2021. The Board of Directors analyzed, discussed, and evaluated the results of the survey in June 2021, with reference to a report from the external agency summarizing the results.

The questionnaire responses indicated a generally positive assessment, and we believe that the overall effectiveness of the Board of Directors is assured. The responses included opinions on issues such as ensuring diversity in the composition of the Board of Directors, ensuring sufficient time to deliberate management policies and important agenda items, more comprehensive feedback of business information, strengthening internal

controls, and strengthening coordination between the Board of Directors and the internal audit division. Issues were shared to further enhance the function of the Board of Directors and stimulate more vigorous debate. The Board of Directors will strive to respond swiftly to issues after adequate consideration and continue to implement initiatives to enhance its function based on this effectiveness evaluation.

Internal control system

At the KOSAIDO Group, we implement reviews as appropriate to ensure the appropriate establishment and operation of management meeting bodies, internal regulations, etc., based on our “Basic Policy on Audits of the Internal Control System.” In addition, we also prepare internal control reports as necessary regarding any serious risks or responses related to ensuring the reliability of financial reporting or the establishment and operation of implementation structures.

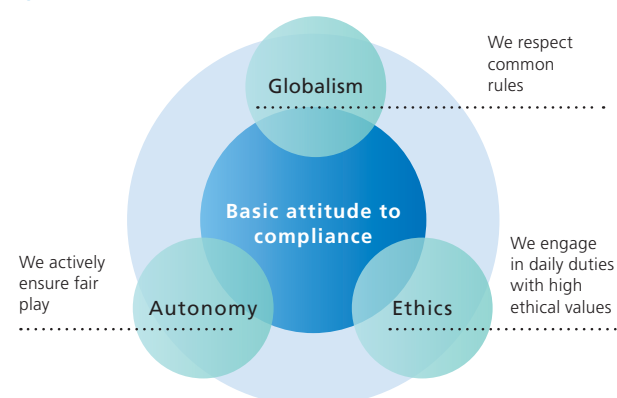
Compliance and Risk Management

Compliance promotion framework

We thoroughly adhere to the Action Guideline set forth in our basic philosophy. We have established compliance rules to prevent any illegal acts or other compliance infringements, we clearly state our standards of conduct, and implement a range of education and training measures.

Moreover, since April 2006, we have established rules on whistleblower protection, introduced a whistleblower system and appointed persons responsible. We have taken steps to enable us to respond appropriately if any legal or regulatory violation or other dishonest act is discovered.

● Promotion scheme



Operation of the internal whistleblower system

At the KOSAIDO Group, we prohibit any legal or regulatory violations, any acts that direct, order, or tolerate such violations, any acts that endanger the safety or health of counterparties, trading partners, or others, any acts associated with antisocial forces, and any acts in violation of internal rules, etc., under our compliance rules. We have also established employment management measures to prevent harassment and address problems arising from harassment under our harassment rules.

We have set up a compliance hotline and harassment consulting point where employees can report internally on compliance violations and potential risks.

Risk management system

At the KOSAIDO Group, we have established the Risk Management Committee, chaired by the President and Representative Director, to ensure stable corporate development and enhance corporate value. The committee appropriately manages the various potential risks that may negatively impact business management operations, Directors and Corporate Auditors, or Group companies, and promotes countermeasures.

The Risk Management Committee pursues its purpose of establishing the necessary matters related to risk management, preventing the emergence of risks and minimizing any damage to the company.

Consolidated Financial Statements (Fiscal year ended March 31, 2022)

Consolidated Balance Sheets					(Million yen)
	As of March 31, 2021	As of March 31, 2022		As of March 31, 2021	As of March 31, 2022
Assets			Liabilities		
Current assets			Current liabilities		
Cash and deposits	13,154	21,662	Notes and accounts payable - trade	2,293	2,448
Notes and accounts receivable - trade	5,604	7,131	Short-term borrowings	1,300	5,500
Securities	1,000	—	Current portion of long-term borrowings	5,334	5,509
Merchandise and finished goods	99	100	Current portion of bonds payable	500	230
Work in process	384	716	Accounts payable - other	1,638	1,708
Raw materials and supplies	190	187	Income taxes payable	521	409
Other	1,004	1,630	Provision for bonuses	289	283
Allowance for doubtful accounts	(75)	(79)	Other	1,233	1,401
Total current assets	21,364	31,350	Total current liabilities	13,109	17,492
Non-current assets			Non-current liabilities		
Property, plant and equipment			Bonds payable	320	90
Buildings and structures	39,766	39,943	Long-term borrowings	17,528	16,972
Accumulated depreciation	(24,495)	(25,416)	Lease liabilities	387	270
Buildings and structures, net	15,270	14,527	Deferred tax liabilities	229	178
Machinery, equipment and vehicles	13,758	13,586	Deferred tax liabilities for land revaluation	139	139
Accumulated depreciation	(9,205)	(9,156)	Retirement benefit liability	16	21
Machinery, equipment and vehicles, net	4,553	4,430	Other	1,238	1,051
Land	13,984	13,984	Total non-current liabilities	19,860	18,723
Leased assets	884	650	Total liabilities	32,970	36,215
Accumulated depreciation	(586)	(419)	Net assets		
Leased assets, net	298	230	Shareholders' equity		
Tools, furniture and fixtures	4,513	4,635	Share capital	1,001	2,478
Accumulated depreciation	(1,833)	(1,996)	Capital surplus	6,754	8,025
Tools, furniture and fixtures, net	2,680	2,638	Retained earnings	23,342	26,742
Other	7	8	Treasury shares	(6)	(8)
Total property, plant and equipment	36,794	35,820	Total shareholders' equity	31,091	37,239
Intangible assets	657	916	Accumulated other comprehensive income		
Investments and other assets			Valuation difference on available-for-sale securities	950	681
Investment securities	3,242	2,894	Revaluation reserve for land	(459)	(459)
Long-term loans receivable	28	28	Foreign currency translation adjustment	(70)	(41)
Deferred tax assets	208	635	Total accumulated other comprehensive income	420	180
Retirement benefit asset	407	387	Share acquisition rights	—	9
Other	1,983	1,832	Non-controlling interests	110	91
Allowance for doubtful accounts	(108)	(133)	Total net assets	31,622	37,520
Total investments and other assets	5,761	5,643	Total liabilities and net assets	64,592	73,736
Total non-current assets	43,214	42,380			
Deferred assets	14	5			
Total assets	64,592	73,736			

Consolidated Statements of Income			(Million yen)
	For the fiscal year ended March 31, 2021	For the fiscal year ended March 31, 2022	
Net sales	31,497	35,361	
Cost of sales	22,641	24,495	
Gross profit	8,856	10,865	
Selling, general and administrative expenses	6,839	7,136	
Operating profit	2,017	3,729	
Non-operating income			
Interest income	4	0	
Dividend income	74	55	
Rental income	90	95	
Insurance claim income	55	—	
Subsidies for employment adjustment	24	43	
Compensation income for damage	—	89	
Other	196	130	
Total non-operating income	445	415	
Non-operating expenses			
Interest expenses	277	277	
Rental expenses	88	76	
Share of loss of entities accounted for using equity method	77	—	
Foreign exchange losses	73	—	
Commission expenses	42	109	
Other	80	70	
Total non-operating expenses	638	533	
Ordinary profit	1,823	3,610	
Extraordinary income			
Gain on sale of non-current assets	169	31	
Gain on sale of investment securities	164	116	
Profit for business structure improvement	203	—	
Total extraordinary income	537	148	
Extraordinary losses			
Loss on sale of non-current assets	130	2	
Loss on retirement of non-current assets	44	17	
Loss on sale of shares of subsidiaries and associates	481	—	
Loss on liquidation of subsidiaries and associates	897	—	
Cost of the infection control under COVID19	57	35	
Expenses related to litigation cases and other	—	65	
Other	400	10	
Total extraordinary losses	2,011	130	
Profit before income taxes	349	3,627	
Income taxes - current	783	377	
Income taxes – deferred	1,269	(359)	
Total income taxes	(486)	17	
Profit	836	3,609	
Profit attributable to non-controlling interests	(17)	(33)	
Profit attributable to owners of parent	854	3,643	

Consolidated Statements of Cash Flows			(Million yen)
	For the fiscal year ended March 31, 2021	For the fiscal year ended March 31, 2022	
Cash flows from operating activities			
Profit before income taxes	349	3,627	
Depreciation	1,963	1,905	
Impairment losses	121	—	
Amortization of goodwill	35	92	
Amortization of long-term prepaid expenses	639	612	
Increase (decrease) in provisions	(1,019)	27	
Interest and dividend income	(78)	(56)	
Interest expenses	277	277	
Loss (gain) on sale of investment securities	(164)	(116)	
Loss (gain) on sale of shares of subsidiaries and associates	481	—	
Loss on liquidation of subsidiaries and associates	897	—	
Decrease (increase) in trade receivables	13	(1,421)	
Decrease (increase) in inventories	(33)	(313)	
Increase (decrease) in trade payables	597	133	
Other, net	(236)	(286)	
Subtotal	3,844	4,481	
Interest and dividends received	78	56	
Interest paid	(278)	(316)	
Income taxes paid	(533)	(560)	
Net cash provided by (used in) operating activities	3,110	3,660	
Cash flows from investing activities			
Decrease (increase) in time deposits	(19)	(1)	
Proceeds from redemption of securities	—	1,000	
Purchase of investment securities	(2)	(2)	
Proceeds from sale of investment securities	321	235	
Purchase of shares of subsidiaries and associates	—	(164)	
Proceeds from sale of shares of subsidiaries and associates	698	—	
Purchase of property, plant and equipment and intangible assets	(1,103)	(1,014)	
Proceeds from sale of property, plant and equipment and intangible assets	540	34	
Loan advances	(9)	(39)	
Proceeds from collection of loans receivable	190	39	
Purchase of long-term prepaid expenses	(581)	(428)	
Purchase of shares of subsidiaries resulting in change in scope of consolidation	—	(346)	
Payments for sale of shares of subsidiaries resulting in change in scope of consolidation	(75)	—	
Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation	24	—	
Other, net	73	(12)	
Net cash provided by (used in) investing activities	56	(700)	
Cash flows from financing activities			
Net increase (decrease) in short-term borrowings	(1,800)	4,200	
Proceeds from long-term borrowings	6,520	5,400	
Repayments of long-term borrowings	(7,025)	(5,857)	
Redemption of bonds	(650)	(500)	
Proceeds from issuance of shares	2	2,954	
Purchase of treasury shares	(0)	(2,497)	
Proceeds from sale of treasury shares	—	2,045	
Purchase of treasury shares of subsidiaries	(12,623)	—	
Proceeds from issuance of share acquisition rights	—	9	
Dividends paid	(0)	(0)	
Dividends paid to non-controlling interests	(1)	(1)	
Other, net	(260)	(212)	
Net cash provided by (used in) financing activities	(15,838)	5,540	
Effect of exchange rate change on cash and cash equivalents	(0)	3	
Net increase (decrease) in cash and cash equivalents	(12,672)	8,504	
Cash and cash equivalents at beginning of period	25,727	13,093	
Increase (decrease) in cash and cash equivalents resulting from change in scope of consolidation	38	—	
Cash and cash equivalents at end of period	13,093	21,597	

Company Overview and Share Information (As of September 30, 2022)

Company Overview

Name:	KOSAIDO Holdings Co., Ltd.
Address:	13F, Seavans S Tower, 1-2-3, Shibaura, Minato-ku, Tokyo 105-8318, Japan
Founded:	January 1949
Share capital:	100 million yen
Number of employees:	1,127 (standalone basis)
Business description:	Ending-related Business Information Solutions Business HR Services Business

Group Companies

- **TokyoHakuzen Co., Ltd.**
13F, Seavans S Tower, 1-2-3, Shibaura, Minato-ku, Tokyo 105-0023, Japan
- **KOSAIDO LIFE WILL CO., LTD.**
13F, Seavans S Tower, 1-2-3, Shibaura, Minato-ku, Tokyo 105-0023, Japan
- **GRAN CEREMO TOKYO CO., LTD.**
3F, Ochiai Funeral Hall Annex, 3-24-9, Kami-ochiai, Shinjuku-ku, Tokyo 161-0034, Japan
- **Kosaido next Co., Ltd.**
13F, Seavans S Tower, 1-2-3, Shibaura, Minato-ku, Tokyo 105-0023, Japan
- **WEIHAI KOSAIDO JINGYOU PACKAGING CO., LTD.**
68 Shimao Rd., Shidao Development Zone Industrial Park, Weihai, Shandong, People's Republic of China
- **x-climb Co., Ltd.**
13F, Seavans S Tower, 1-2-3, Shibaura, Minato-ku, Tokyo 105-0023, Japan
- **Kosaido HRS Co., Ltd.**
13F, Seavans S Tower, 1-2-3, Shibaura, Minato-ku, Tokyo 105-0023, Japan
- **KOSAIDO BUSINESS SUPPORT CO., LTD.**
14F, Shinbashi Plaza Building, 4-9-1, Shimbashi, Minato-ku, Tokyo 105-0004, Japan

Share Information

Shareholder information

Stock exchange listing:	Tokyo Stock Exchange Prime Market
Stock exchange code:	7868
Administrator of the Shareholder Register:	Sumitomo Mitsui Trust Bank, Limited
Administrator of special accounts:	Mitsubishi UFJ Trust and Banking Corporation 1-4-5, Marunouchi, Chiyoda-ku, Tokyo, Japan
Place of business:	Stock Transfer Agency Department, Sumitomo Mitsui Trust Bank, Limited 1-4-1, Marunouchi, Chiyoda-ku, Tokyo, Japan
Postal address:	Stock Transfer Agency Department, Sumitomo Mitsui Trust Bank, Limited 2-8-4, Izumi, Suginami-ku, Tokyo 168- 0063, Japan
Fiscal year:	April 1 to March 31 of the following year
Annual General Meeting of Shareholders:	June each year
Record date:	Annual General Meeting of Shareholders • Year-end dividend: March 31 • Interim dividend: September 30

Number of shares in each trading unit: 100

Status of shares

Total number of shares authorized to be issued:	95,130,000 shares
Total number of issued and outstanding shares:	28,537,769 shares
Number of shareholders:	4,841

Directors and Corporate Auditors

Chairman and Director	Yiwen Luo
President and Representative Director CEO (Chief Executive Officer) and CFO (Chief Financial Officer)	Hiroshi Kurosawa
Managing Director COO (Chief Operating Officer)	Chihiro Negishi
Outside Director	Akira Kamimura
Outside Director	Masayuki Watanabe
Outside Director	Shigeyuki Takemura
Outside Director	Shunichi Nakaigawa
Outside Director	Takeshi Nakabayashi
Full-time Corporate Auditor	Akira Nakai
Outside Corporate Auditor	Masanori Kato
Outside Corporate Auditor	Hideaki Numai

- **Career Station Inc.**
5F, Daido Seimei Building, 6-1214-2, Kamiokawa Maedori, Chuo-ku, Niigata, Niigata 951-8068, Japan
- **Kyodo System Services Co., Ltd.**
105 Shinharagiwa Furukawasawada, Osaki, Miyagi 989-6232, Japan
- **Fines inc.**
8F, Nissei Minami Sasaguchi Building, 1-1-54, Minami Sasaguchi, Niigata, Niigata 950-0912, Japan
- **NT INC.**
1-3-18, Matsubara, Konosu, Saitama 365-0042, Japan
Phone: +81-48-577-6490
- **KOSAIDO HR VIETNAM CO., LTD.**
1F Phuong Tower, 31C Ly Tu Trong, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam
- **TalentAsia Co., Ltd.**
13F, Seavans S Tower, 1-2-3, Shibaura, Minato-ku, Tokyo 105-0023, Japan

Major shareholders

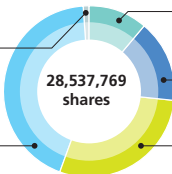
Name of shareholders	Number of shares held (thousands)	Shareholding ratio (%)
PA ACE IV (HK) LIMITED (Standing proxy: SMBC Nikko Securities Inc.)	5,317	18.64
Global Worker Dispatch Co., Ltd.	3,934	13.79
Aso Co.	2,699	9.46
R&L Holdings Co., Ltd.	2,543	8.91
The Master Trust Bank of Japan, Ltd. (Trust account)	1,619	5.67
POLE STAR CO., LTD.	800	2.80
CRANE HILL HOLDINGS PTE. LTD. (Standing proxy: Hayabusa Asuka Law Offices)	794	2.78
Custody Bank of Japan, Ltd. (portion entrusted with Sumitomo Mitsui Trust Bank, Limited under a <i>saishintaku</i> (re-trust) arrangement for the Gakken Holdings Co., Ltd. retirement benefit trust account)	584	2.05
NOMURA PB NOMINEES LIMITED OMNIBUS-MARGIN (CASHPB) (Standing proxy: Nomura Securities Co., Ltd.)	498	1.75
Seiho Tanaka	456	1.60
Total for top ten shareholders	19,247	67.46

*The denominator used to calculate shareholding ratio is the number of issued and outstanding shares minus the number of treasury shares.

Distribution of shares by shareholder

Financial institutions	3,242,900 shares (11.36%)
Securities companies	298,001 shares (1.05%)
Individuals and other	4,370,815 shares (15.32%)
Other companies	12,357,925 shares (43.30%)
Foreign companies, etc.	8,268,128 shares (28.97%)

*Treasury shares have been included in "Other companies."



KOSAIDO HOLDINGS

13F, Seavans S Tower, 1-2-3, Shibaura, Minato-ku, Tokyo 105-8318, Japan
Phone: +81-3-3453-0550 (reception) <https://www.kosaido.co.jp/ir>

