

[Translation]

Kakuyasu Group Co.,Ltd.

Human Resources and Payroll Reform

The Company is committed to fostering an environment that promotes growth for both individuals and businesses so that it continues to be preferred by customers. To achieve this commitment, the Company provides support to its employees and creates opportunities for their growth. The ultimate aim is to have a diverse workforce with different values and lifestyles that can deliver the best possible results.

To boost employees' satisfaction and keep it high and to attract high-quality talent, the Company implemented a base pay raise in October 2022. And then, in October 2023, the Company increased the base pay once again. Furthermore, in April 2024, the Company plans to adjust its personnel system and increase the starting salaries of new graduates.

The Company will continue to actively invest in human resources to increase corporate value and contribute to customers and communities.

Overview of the personnel system change

- Changes in the compensation system
 - ✓ Change in the wage system
 - In October 2023, three subsidiaries of the Company will increase the average monthly base pay of their employees by 7% at most.
 - ✓ Increases in starting salaries for new graduates
 - To secure more talented individuals who will lead the company towards a successful future, the Company will undergo its recruitment efforts to hire new graduates. The three subsidiaries of the Company will raise new graduate starting salaries by a maximum of 7% in April 2024.

[Examples of monthly pay raise]

	Salary before the raise	Salary after the raise	Amount of pay raise
General employees	JPY 238,000.	JPY 254,400.	JPY 16,400.
Truck driver *	JPY 276,400.	JPY 291,000.	JPY 14,600.

※ The employee who chooses to pursue a career as a certified truck driver after having graduated from high school.

- Change in the personnel evaluation system
 - The Company will change its grade rating, wages, and evaluation systems on October 1, 2023, to keep young and mid-level employees motivated and allow them to realize their growth. The Company will use the new grade rating requirements in the evaluation and development of the employees to build their skills effectively and foster their independence and autonomy.
- Promoting diversified working styles
 - ✓ Raising the retirement age
 - To increase the motivation of elderly employees with diverse careers, the Group will offer the option to retire at 65. Employees can choose their retirement age after 60 based on their lifestyle.
 - ✓ Accelerating diversity
 - Expert counselors will work to eliminate unconscious biases among manager candidates and their superiors and take steps to help empower women to take on new challenges.