[This is an English translation of the original issued in Japanese]

【Note】**This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail. The Company assumes no responsibility for this translation or for direct, indirect or any other forms of damages arising from the translation.**

Ticker: MRM
May 10, 2022

Kouji Eguchi
President and CEO
MEDIROM Healthcare Technologies Inc.
Tradepia Odaiba 2-3-1 Daiba, Minato-ku,
Tokyo, Japan, 135-0091

Notice of Convocation of the Continued Meeting of the 22nd Ordinary General Meeting of Shareholders

Dear Shareholders:

We inform you that the Continued Meeting of the 22nd Ordinary General Meeting of Shareholders of MEDIROM Healthcare Technologies Inc. (the "Company") will be held for the purposes listed below.

The Continued Meeting is a part of the 22nd Ordinary General Meeting of Shareholders, held on March 29, 2022, and the shareholders who are eligible to attend and vote at this Ordinary General Meeting of Shareholders may attend the Continued Meeting.

You are cordially requested to avoid attending the meeting to the extent possible this year to prevent the spread of the novel coronavirus disease (COVID-19).

Should any significant change need to be made to the operation of the meeting in response to circumstances, such changes shall be posted on the website of the Company. (https://medirom.co.jp/en/ir)

Details of the 22nd Ordinary General Meeting of Shareholders

1. **Date and Time: May** 27th, Friday, 2022 at 9:00 a.m., Japan Standard Time
2. **Venue:** Small Hall, 23F, Tradepia Odaiba, 2-3-1 Daiba, Minato-ku, Tokyo, Japan
3. **Agenda:**

   Matters to be reported:

   The Business Report and the Non-Consolidated (Audited) Financial Statements for the 22nd fiscal year (from January 1, 2021 to December 31, 2021), which financial statements were based upon our statutory financial results as prepared in accordance with Japanese GAAP. These results may differ in material respects from the audited consolidated financial results under U.S. GAAP that will be reported at a later date and included in our Annual Report on Form 20-F, which will be filed with the U.S. Securities and Exchange Commission and available at www.sec.gov. The discussion of the Japanese GAAP is presented to our shareholders and ADS holders solely in accordance with requirements under the Japanese Companies Act in connection with our Ordinary General Meeting of Shareholders.

Fiscal Year 2021 Business Report

From January 1 to December 31, 2021

Forward-Looking Statements

The information contained herein includes forward-looking statements. These statements relate to future events or to our future financial performance, and involve known and unknown risks, uncertainties and other factors that may cause our actual results, levels of activity, performance, or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements. You should not place undue reliance on forward-looking statements since they involve known and unknown risks, uncertainties and other factors which are, in some cases, beyond our control and which could, and likely will, materially affect actual results, levels of activity, performance or achievements. Any forward-looking statement reflects our current views with respect to future events and is subject to these and other risks, uncertainties and assumptions relating to our operations, results of operations, growth strategy and liquidity. We assume no obligation to publicly update or revise these forward-looking statements for any reason, or to update the reasons actual results could differ materially from those anticipated in these forward-looking statements, even if new information becomes available in the future. The safe harbor for forward-looking statements contained in the Securities Litigation Reform Act of 1995 (the “Act”) protects companies from liability for their forward-looking statements if they comply with the requirements of the Act.

1. Current status of MEDIROM Healthcare Technologies Inc. (the “Company”)

(1) Business Progress and Activities

During the fiscal year ended December 31, 2021, the outlook for the Japanese economy remained uncertain due to sluggish economic activity caused by the spread of COVID-19 and the accompanying series of Declarations of Emergency by Japanese government, as well as the subsequent recovery and spread of the infectious disease again.

Under these circumstances, the relaxation salon industry as a whole continued to be heavily influenced by COVID-19. Three Declarations of Emergency were issued between January and August 2021, and anti-prevalence measures have been triggered by the Omicron variant epidemic following the recovery period.

As a result of the second Declaration of Emergency, which took effect from January 8 to March 21, 2021 and targeted the Tokyo, Kanagawa, Saitama and Chiba prefectures, where many of our relaxation salons are concentrated, many landlords of our relaxation salons closed their retail properties at 8:00 p.m. As a result, 76 stores were forced to close earlier, and 1-2 stores were fully closed throughout this period. Following this, the third Declaration of Emergency was exercised from April 25 to May 11, 2021, and the Tokyo, Osaka, Kyoto, and Hyogo prefectures were in the scope. On May 6, the government announced an extension of the Declaration to May 31, 2021, and an expansion of its application to Fukuoka and Aichi prefectures. As a result, the operations of our relaxation salons located in retail and spa facilities in these prefectures were affected. As of May 10, 2021, 28 stores were forced to operate on shorter hours, and 36 stores were closed.

In response to this challenging market environment, the Company has taken steps such as transferring non-operating therapist personnel due to short-term operation etc. to salons with insufficient personnel, issuing furlough orders, and applying for a government subsidy.

In addition, during this fiscal year, we mainly conducted the following business activities.

(1) In an effort to improve the operating efficiency of the relaxation salon business, we integrated the relaxation salon business on the commercial facilities and roadside, which had previously been operated separately by subsidiaries Bell Epoc Wellness, Inc. ("Bell") and Decolte Wellness, Inc. ("Decolte"), into one company through a corporate split of the Company into Bell, and an absorption-type merger with Decolte resulting in Bell as the surviving entity on July 1, 2021. Bell changed its name to Wing Co., Ltd. on November 1, 2021. As a result, we became a corporation which focuses on the holding company function as the core of the Company's operations, the health-related technology business centered on MOTHER and LAV businesses (hereinafter referred to as the "Healthtech Business"), the salon development function, which supports the development of the Company's salons, and the corporate functions, which provides the management of the Company's HR, accounting, general affairs, legal affairs, etc. By doing this, the Company switched from the operating model to generate revenue from relaxation salons to a model that charges management fees on its subsidiaries by providing the Company's management services, support for opening and selling salons, strategy development, and support for the operation of the HR systems and other related activities.

(2) Aiming to further grow our relaxation salon business, on May 6, 2021, we acquired a 100% stake in Sawan Co., Ltd., which operates Ruam Ruam brand salons under the concept of Asian relaxation treatments. The brand operates a total of 13 stores in Tokyo, Saitama, Kanagawa, and Chiba Prefectures, and we believe it is highly compatible with our operated salon business in that it achieves high customer satisfaction and high unit prices through favorable locations near railway stations and an extensive education and training system.

(3) On October 1, 2021, the Company acquired 60% of Kabushiki Kaisha ZACC ("ZACC") with the aim of expanding the Company's portfolio and expanding business opportunities through the transfer of the Company's expertise in franchise business operations and the support to independent opening for skilled employees. ZACC is an operator of a beauty salon ZACC in the Aoyama area run by Mr. Kazuyoshi Takahashi, who is called

"the pioneer of charisma beauticians", and has built a strong brand power and a customer base. We intend to support ZACC's growth by transplanting our "know-how" in employee independence support and franchise management in the future. As a foothold, we acquired shares a few months after ZACC opened a new salon in Ginza.

(4) With regard to new salon openings, while carefully monitoring trends in the infection of COVID-19, the Company has been implementing a scrap-and-build strategy for salon withdrawals and new openings with an eye on both current salon earnings and opening opportunities. As a result, the number of our relaxation salons remained at 312 as of December 31, 2021.

(5) In the specific health guidance business using LAV, an app developed in-house, we strengthened sales to health insurance associations, which are contracted business partners, and resulting in outsourcing contracts with 43 health insurance associations as of the end of December. In July, 2021 we opened up the LAV health data management app for consumers based on our track record of providing services in the specified health guidance business and launched services of detoxication and diet guidance to consumers.

(6) We have been developing MOTHER Tracker®, a self-charging wearable activity device, and have succeeded in getting a reservation sale totaling 56 million yen from 1,292 supporters on the crowdfunding site MAKUAKE. We are preparing to develop and produce this product under the brand name "MOTHER Bracelet™" for sale in the first half of 2022.

(7) In response to the Company's obligation to evaluate its internal control over financial reporting required by the Sarbanes-Oxley Act of the United States, and with the aim of improving operational efficiency, we have implemented documentation for evaluation of internal controls over day-to-day business processes, including those of subsidiaries, as well as accounting and financial reporting processes. In addition, for the same purpose, we have begun to replace our accounting system and core operational processes.

Financial Results Under J-GAAP

Note: The following discussion is based upon our statutory financial results as prepared in accordance with Japanese GAAP. These results may differ in material respects from the audited consolidated financial results under U.S. GAAP that will be reported at a later date and included in our Annual Report on Form 20-F, which will be filed with the U.S. Securities and Exchange Commission and available at www.sec.gov. The discussion below is presented to our shareholders and ADS holders solely in accordance with requirements under the Japanese Companies Act in connection with our Annual Meeting. For the convenience of the reader, information presented in Japanese Yen has been translated into U.S. dollars based upon the conversion rate of $1.00 = ¥115.080 yen, as reported by the Federal Reserve Bank on February 18, 2022.

As a result, we recorded net revenue of 1,852,932 thousand yen(US$16,101 thousand) resulting in an increase of 436,823 thousand yen(US$3,795 thousand) year on year, an operating loss of 153,186 thousand yen(US$1,331 thousand) resulting in an improvement of 435,540 thousand yen(US$3,784 thousand) year on year, an ordinary loss of 121,183 thousand yen(US$1,053 thousand) resulting in an improvement of 828,358 thousand yen(US$7,198 thousand) year on year, and a net loss of 139,539 thousand yen(US$1,212 thousand) resulting in an improvement of 940,112 thousand yen(US$8,169 thousand) year on year) on the non-consolidated basis, under Japanese GAAP.

Going forward, we intend to continue to rebuild the earnings base of the relaxation salon business. At the same time, we will continue to steadily implement the salon sales and management consignment model for investors that we have implemented since the fourth quarter of 2021. In this way, we will strive to accelerate return on salon investment, maximize returns, diversify and stabilize earnings, and accelerate new investment based on proceeds from the sales. In addition, we intend to put our MOTHER Bracelet™ and LAV businesses on track and strive to secure revenue sources other than the relaxation salon businesses. At the same time, we aim to quickly recover our profit structure and further improve our business performance by improving efficiency through the renewal of our mission-critical business systems and reducing indirect business costs related to disclosure and account closing operations.

(2) Capital Investment

Total capital expenditures during the fiscal year 2021 amounted to 57,518 thousand yen. This was mainly due to interior construction work and acquisition of assets of 25,913 thousand yen by opening new salons, increase of software assets of 13,910 thousand yen by upgrading LAV for consumer sales, acquisition of assets for 8,619 thousand yen for MOTHER Bracelet™ manufacturing, and acquisition of interior construction work and assets of 6,437 thousand yen by opening an office in Nagoya.

(3) Financing Activities

During the fiscal year 2021, the Company raised funds of 87,642 thousand yen through the exercise of an over-allotment option to acquire shares that was granted to Maxim Group LLC, the lead underwriter for the initial public offering and listing of American Depositary Shares representing our common shares on the NASDAQ Capital Markets in the U.S. in the previous fiscal year.

(4) Status of the business transfer, absorption-type demerger or incorporation-type demerger

On July 1, 2021, the relaxation salon business was spun off into Bell. As a result, our salon assets as of the end of June of 102,601 thousand yen (including 102,382 thousand yen for building fixtures and equipment and 210 thousand yen for furniture and fixtures) were transferred to Bell.

(5) Challenges to be Addressed

Due to re-expansion of COVID-19, the government-led anti-epidemic measures were put into effect in January 2022. In conjunction with this, shortened salon operation hour is being conducted at some commercial facilities in which our salons are located, and this has an impact on sales. As the 'Company's core company responsible for the 'Company's business management, strategy planning, finance, and salon development functions, we charge management fees to subsidiaries as the main source of earnings. Hence, earnings at subsidiaries are directly linked to our own earnings. Accordingly, by continuing to work for anti-infection treatments in our salons, we aim to further improve customer satisfaction and generate more revenue by making our salons available with peace of mind to customers, and by providing high-quality services utilizing Japan's largest therapist education and training facilities and educational systems. At the same time, we will strive to reduce expenses by introducing and upgrading information systems and improving operational efficiency, thereby recovering earnings.

In addition, since the fourth quarter of 2021, we have been shifting to a new business model in which relaxation salons operated by our group companies are owned by third-party investors as investment assets. We sell them to investors who seek more advantageous investment opportunities, while we continue to be responsible for salon operation under salon operation consignment agreement. I n the fiscal year 2021, Wing concluded an agreement to sell 14 salons for 662 million yen based on this model. Under this business model, the selling price is the amount calculated by dividing the target profit based on the actual profit less a certain amount of buffer by the annual yield of 6% to 8%. Because of this, we believe we are able to sell at a price that is more favorable to us than sell to franchise owners who reflect higher business risks in their purchase price because they assume traditional store operations by themselves. We intend to continue to regularly sell our company-owned salons to investors who are not interested in managing their salons by themselves, thereby maximizing the return on our investment in salon assets, realizing earlier collection from the investment, and reinvesting the proceeds in new salon development to accelerate business growth. At the same time, 80% of profits exceeding expected yields will be received as "success fees". This will enable us to diversify earnings and generate sustainable earnings from salons even after the sale.

We will also continue to work to acquire other companies in the same industry by leveraging our creditworthiness as the only publicly traded company in the relaxation industry.

(6) Changes in Assets and Profits/Loss (Non-consolidated, Under Japanese GAAP)

(Unit: thousand yen other than per share or ratio information, and convenience translation for fiscal 2021)

	December 3 1, 2017 (Unaudited)	December 3 1, 2018 (Unaudited)	December 3 1, 2019 (Unaudited)	December 31, 2020 (Audited)	December 31, 2021 (Audited)	December 31, 2021 Convenience translation in $ '000
Revenue	2,338,514	2,199,344	1,748,994	1,416,109	1,852,932	16,101
Ordinary income	29,127	75,003	△ 45,664	△ 949,541	△ 121,183	△ 1,053
Net income	2,414	△ 56,724	△ 310,158	△ 1,079,651	△ 139,539	△ 1,212
Net income attributable to a common stock	0.64 yen	△ 15.06 yen	△ 82.76 yen	△ 268.26 yen	△28.61 yen	△0.248 dollar
Total assets	2,590,775	2,297,140	2,511,105	3,041,593	2,353,098	20,447
Net assets	176,107	118,614	408,456	379,865	△ 30,560	265
Net assets per common share	48.29 yen	32 .24 yen	126.40 yen	77 .37 yen	△7.62 yen	△0.066 dollar
Capital adequacy ratio	6.79%	5.16%	16.26%	12.48%	△1.03%	△1.03%

(Note 1) In the fiscal year 2018, we transferred the temporary staffing business and fee-based job placement business to our subsidiary Medirom Human Resources Co., Ltd. (formerly Re.Ra.Ku Wellness Co., Ltd.). As a result, net revenue related to this business decreased from September 1, 2018 to December 31, 2018, and the impact was 131,038 thousand yen.

(Note 2) For the convenience of the reader, the December 31, 2021 figures are translated into U.S. dollars based upon the conversion rate of $1.00 = ¥115.080 yen, as reported by the Federal Reserve Bank on February 18, 2022.

(7) Status of important subsidiaries, etc.

(1) Important subsidiaries

Name	Paid-in Capital	Ratio of our voting right	Major Businesses
Wing Inc.	1 million yen	100%	Relaxation industry
Medirom Human Resources Co., Ltd.	10 million yen	100%	Temporary staffing and job placement services
JOYHNANDS WELLNESS Inc.	1 million yen	100%	Relaxation industry
Bell & Joy Power Partner Inc.	1 million yen	100%	Outsourcing management
SAWAN CO. LTD.	0.5 million yen	100%	Relaxation industry
ZACC Kabushiki Kaisha	10 million yen	60%	Hair salon industry

(NOTE) Bell Epoc Wellness, Inc. merged with Decolte Wellness, Inc. on July 1, 2021 and concurrently integrated the relaxation salon operations business of the Company, which is centered on our Re.Ra.Ku brand, by means of corporate split. The company changed its name to Wing Inc. on November 1, 2021.

(2) Significant affiliated companies

There are no matters to be stated.

(8) Significant business combinations, etc.

There are no matters to be stated.

(9) Main business activities (as of December 31, 2021)

Business Segments	Business Description
Salon operations	Directly-operated relaxation salon operations and management outsourcing business
Franchise operations	Support for operation of relaxation salons under franchise agreements
Education and School Business	Educational business for therapists conducting treatments at relaxation stores
Healthtech Business	Health guidance business utilizing application devices and the planning and sales business of the health tracker MOTHER (under development)
Hair salon business	Operation of hair salon ZACC

(10) Main sales offices (as of December 31, 2021)

Head Office and Re.Ra.Ku® College 3-1, Daiba 2-chome, Minato-ku, Tokyo, 16th Floor Tradepia Odaiba

Nagoya Office and Re.Ra.Ku® College 2-10-22 Meieki Minami, Nakamura-ku, Nagoya-shi, Aichi

(11) Employees (as of December 31, 2021)

Number of employees	Increase/decrease from the previous year end	Average age
49	Decreased by 2	33.0

(Note) The above figures represent the status of permanent employees.

(12) Major lenders (as of December 31, 2021)

Lenders	Balance of Borrowings (Thousand yen)
Higashi-Nippon Bank	294,880
Japan Finance Corporation	253,680
Shoko Chukin Bank	100,000
ZACC Co., Ltd. (our subsidiary)	100,000
Jonan Shinkin Bank	19,820

2. Matters concerning the status of our common shares (As of December 31, 2021)

(1) Total number of shares authorized to be issued — Common Shares 19,899,999 Shares; Class A Shares 1 Share

(2) Total number of issued shares — Common Shares 4,975,000 Shares; Class A Shares 1 Share

(NOTE) The total number of issued shares includes 92.65 thousand shares of treasury stock.

(3) Number of Shareholders — Common Shares 38 (excluding treasury stock)

Name of Shareholders	Number of Shares held			Voting Rights ratio
	Number of Common Shares held	Number of Class A Shares held	Total number of Holdings	
The Bank of New York Mellon	2,147,345		2,147,345	43.98%
Kouji Eguchi	1,884,960	1	1,884,961	38.61%
Daihachiro Kawaguchi	200,000		200,000	4.10%
Chairman of the Re.Ra.Ku Group Holding Committee Keita Miyahara	143,952		143,952	2.95%
Masato Kamiguchi	57,400		57,400	1.18%
Yohei Umezaki	55,000		55,000	1.13%
Takeo Inoue	47,100		47,100	0.96%
Fumitoshi Fujiwara	40,000		40,000	0.82%
Miki Aoki	31,000		31,000	0.63%

(Note 1) Although we own 92.5 thousand shares of treasury stock, it is excluded from the above list of major shareholders.
(Note 2) The ratio of voting rights is calculated by deducting the number of treasury shares from the total number of shares of common stock excluding Class A Shares.

3. Matters concerning the status of stock acquisition rights, etc. (Stock acquisition rights issued and outstanding as of December 31, 2021)

(1) Stock acquisition rights granted as consideration to their engagement and held by the Company directors and corporate auditors as of the end of this fiscal year

(i) The 5th Series of Stock Acquisition Rights (SAR) (Issued without consideration)

Type of holders	Number of SAR	Type and number of shares subject to the SAR	Exercise period	Exercise price (per share)	Number of holders
Directors (internal)	50	Common Shares 25,000	December 22, 2017～ December 21, 2025	¥400 yen	1
Outside directors	25	Common Shares 12,500	December 22, 2017～ December 21, 2025	¥400 yen	1
Corporate auditors	-	-	-	-	-
Total	75	Common Shares 37,500			2

(ii) The 8th Series of Stock Acquisition Rights (SAR) (Issued with consideration)

Type of holders	Number of SAR	Type and number of shares subject to the SAR	Exercise period	Exercise price (per share)	Number of holders
Directors (internal)	150,000	150,000	October 1, 2021～ September 30, 2026	¥2,000 yen	1
Outside directors	-	-	-	-	-
Corporate auditors	-	-	-	-	-
Total	150,000	Common Shares 150,000			1

(iii) The 9th Series of Stock Acquisition Rights (SAR) (Issued with consideration）

Type of holders	Number of SAR	Type and number of shares subject to the SAR	Exercise period	Exercise price (per share)	Number of holders
Directors (internal)	40,000	Common Shares 40,000	October 1, 2021～ September 30, 2024	¥128 yen	1

Outside directors	1,200	Common Shares 1,200	October 1, 2021～ September 30, 2024	¥128 yen	1
Corporate auditors	1,200	Common Shares 1,200	October 1, 2021～ September 30, 2024	¥128 yen	1
Total	42,400	Common Shares 42,400			3

(2) Stock acquisition rights granted as consideration to the Company employees, etc. for their engagement during this fiscal year

The 9th Series of Stock Acquisition Rights (SAR) (Issued with consideration）

Type of holders	Number of SAR	Type and number of shares subject to the SAR	Exercise period	Exercise price (per share)	Number of holders
Company employees	62,950	Common Shares 62,950	October 1, 2021～ September 30, 2024	¥128 yen	39
Directors, corporate auditors, and employees of subsidiaries	100,650	Common Shares 100,650	October 1, 2021～ September 30, 2024	¥128 yen	105
Others	88,800	Common Shares 88,800	October 1, 2021～ September 30, 2024	¥128 yen	13
Total	252,400	Common Shares 252,400			157

4. Matters concerning Directors and Corporate Auditors

(1) Status of Directors and Corporate Auditors (As of December 31, 2021)

Title	Name	In Charge	Concurrent position
CEO	Kouji Eguchi	Healthtech Unit	CEO of MEDIROM Human Resources, Inc. CEO of Belle Epoc Wellness Inc. CEO of Decolte Wellness Inc. Director of Japan Relaxation Industry Association
CFO	Fumitoshi Fujiwara	Back Office Unit	CEO of Eaglestone Capital Management Inc.
Outside Director	Tomoya Ogawa	Outside Director	CEO of Kreation Inc.
Outside Director	Akira Nojima	Outside Director	CEO of Notrack
Outside Auditor	Minekazu Shimada		
Outside Auditor	Osamu Sato	Outside Director	Professor, School of Business Administration, Aoyama Gakuin University
Outside Auditor	Tsukasa Karyu	Outside Director	Director, Karyu Tax Accountant Office External Corporate Auditor of Five Ring Inc.

* Ms. Miki Aoki, Director, resigned on October 31, 2021.

Title	Name	In Charge	Concurrent position

** Mr. Tsukasa Karyu, Outside Auditor, holds a certificate of Certified Tax Accountant, and has suitable financial and accounting knowledge.

(2) Summary of Liability Limitation Contracts

Not applicable.

(3) Remuneration of Directors and Corporate Auditors during this fiscal year

Role	Number of persons	Total remuneration
Directors (Outside directors included)	3* (2)	¥61 million yen* (¥0 million yen)
Corporate Auditors (Outside auditors included)	3 (2)	¥6 million yen (¥1 million yen)
Total (Outside directors and auditors included)	8 (4)	¥67 million yen (¥1 million yen)

* The numbers include Ms. Miki Aoki since she worked as a Company Director until October 31, 2021.

(4) Matters regarding Outside Directors and Auditors

(1) Relationship between the Company and significant entities in which each has a concurrent business position

Role	Name	Significant entity the person has a concurrent business position and relationship with the Company
Outside Director	Tomoya Ogawa	LTW Co., Ltd., which is wholly owned by Mr. Tomoya Ogawa, has an advisory contract with the Company, and received total advisory fee of ¥3,000,000 yen (excluding tax) from the Company in 2021.
Outside Director	Akira Nojima	Nortrack Co., Ltd., which is 100% owned by Mr. Akira Nojima, has concluded a business consignment contract with us, and we received total advisory fee of ¥600,000 yen (excluding tax) from the Company in 2021.
Outside Auditor	Osamu Sato	Ebis 20 Co., Ltd., which Mr. Osamu Sato works on a part-time basis, has an advisory contract with the Company and received total advisory fee of ¥1,200,000 million yen (excluding tax) from the Company in 2021.

(2) activities in the Company

Role	Name	Primary activities
Outside Director	Tomoya Ogawa	Attended 15 of the 15 Board of Directors meetings held during the fiscal year 2021 (100%), and offered advice from a professional perspective as a corporate manager when necessary.

Role	Name	Primary activities
Outside Director	Akira Nojima	Attended 15 of the 15 Board of Directors meetings held during the fiscal year 2021 (100%), and offered advice from a professional perspective as a corporate manager when necessary.
Outside Auditor	Osamu Sato	Attended 14 of the 15 Board of Directors meetings (93%) and 12 of the 12 Audit & Supervisory Board meetings (100%) held during the relevant fiscal year, and made comments from detection as a management scientist as necessary.
Outside Auditor	Tsukasa Karyu	Attended 13 of the 15 Board of Directors meetings (87%) and 12 of the 12 Audit & Supervisory Board meetings (100%) held during the relevant fiscal year, and made comments from detection as a certified public tax accountant when necessary.

5. Matters concerning the status of the accounting auditor for statutory Japanese financial statements

(1) Name of Accounting Auditor

Sorei Audit Corporation

(2) Remuneration of Accounting Auditor for the fiscal year 2021

(1) Remuneration as Accounting Auditor for the fiscal year 8,140 thousand yen

(2) Total amount of cash and other financial benefits to be paid by the Company and its subsidiaries 8,140 thousand yen

* The Board of Corporate Auditors of the Company agreed to the remuneration of Sorei Audit Corporation because the Board of Corporate Auditors determined that Sorei Audit Corporation is suitable for the position after considering the independence and expertise of an accounting auditor and the remuneration for auditing.

(3) Details of non-audit services

Not applicable.

(4) Matters concerning audit of subsidiaries

Since the listing of American Depositary Shares representing our common shares on the NASDAQ Capital Market in the U.S., the Company prepares consolidated financial statements in accordance with United States GAAP.

In addition to the accounting above, a domestic audit as required under Japan's Companies Act must be done concurrently. Therefore, the financial statements submitted to the U.S. SEC and NASDAQ prepared by converting the consolidated statutory financial statements prepared under Japanese GAAP to U.S. GAAP have been audited by Baker Tilly US, LLP. The Company's consolidated financial statements in accordance with U.S. GAAP, including those of its subsidiaries, have been audited. The financial statement of each of our subsidiaries have not been audited according to US. GAAP.

(5) Outline of the contents of the liability limitation agreement

Not applicable.

(6) Policy on dismissal or non-reappointment of accounting auditors

The Board of Corporate Auditors shall dismiss the Accounting Auditor with the Corporate Auditor's unanimous consent if the Accounting Auditor falls under any of the circumstances outlined in each item of Article 340, Paragraph 1 of the Companies Act. In this case, the corporate auditor selected by the Board of Corporate Auditors will report the Accounting Auditor's dismissal and the reasons for the release at the first general meeting of shareholders to be convened after the discharge.

The Board of Corporate Auditors will decide whether to reappoint or not to reappoint the Accounting Auditor, considering the number of years the accounting auditor has been in office.

6. Company structure and policies

(1) System to ensure the appropriateness of operations

The basic policy regarding the system to ensure the Company's operations, or systems of internal controls, is as follows.

(1) A system to ensure that the execution of duties by the directors and employees of the Company complies with laws and regulations and the Articles of Incorporation (compliance system)

In the event of any of the following circumstances, the Company's directors, etc. (meaning directors, executive officers, or any other officers, the same shall apply hereinafter.) shall determine the basic policy of compliance in the Company, establish an organization and regulations to make it effective, and promote it by incorporating it into each Company's activities in the Company. At the same time, the Company shall provide education on compliance, clarify the procedures for responding to compliance violations, and make these procedures known to each subsidiary of the Company. For these systems' establishment and operation, the Company's internal audit department shall conduct internal audits. The internal audit department of each subsidiary of the Company shall request reports on the content audits conducted and provide advice as necessary. In addition, the Company shall establish a reporting system for internal control to ensure the reliability of financial reporting and operate and evaluate the system effectively and efficiently.

(2) System for the storage and management of information related to the execution of duties by directors of the Company (information storage and management system)

The Company's directors shall prepare and preserve documents (including electromagnetic records) that record information related to the execution of their duties. The Company's directors shall prepare and store documents (including electromagnetic records) that record information related to their duties' performance and maintain them where can be viewed as necessary. Information management shall be conducted by the "Basic Policy on Information Security" and the "Personal Information Protection Policy.

(3) Rules and other systems for managing the risk of loss in the Company (Risk Management System)

The Company's directors shall determine the basic policy of risk management for the Company, establish an organization, regulations, bylaws, internal rules, guidelines and manuals to make this policy effective, and promote it by incorporating it into the activities of each subsidiary of the Company. At the same time, the Company shall provide education on risk management, clarify the procedures for disclosing risks and responding to crises, and make these procedures known to each subsidiary of the Company. The Company's internal audit department (including the internal audit departments of each subsidiary of the Company) shall monitor these systems' establishment and operation. The Company's internal audit department (including the internal audit departments of each subsidiary of the Company) shall conduct internal audits of each subsidiary of the Company concerning these systems' establishment and operation.

(4) A system to ensure the efficient execution of duties by the directors, etc. of the Company (Efficient Duty Execution System).

The directors of the Company shall ensure efficiency in the execution of duties by the directors, etc., of the Company by establishing a business management system consisting of the following items.

- In addition to the Board of Directors, the a management committee shall be organized to deliberate on important matters affecting the entire Company to make decisions carefully after multifaceted consideration.

- The Company shall appoint executive officers to be in charge of business execution and shall dispatch directors to each Company subsidiary as necessary to supervise appropriate business execution and decision-making.

- The Company shall execute its duties appropriately and efficiently following the duties and authority and decision-making rules based on the Rules on Duties and Authority.

- Each subsidiary of the Company shall formulate quantitative and qualitative targets as its annual plan, manage its performance through quarterly monitoring, etc.

(5) System for reporting on the execution of duties by the directors of Company and other strategies for ensuring the appropriateness of business operations (reporting on the performance of duties and other Group internal control systems).

The Company's directors shall establish rules and standards applicable to each subsidiary of the Company, including the following items, and shall manage a business under these rules and standards and request various reports based on these rules and standards.

- Matters related to governance and monitoring of each subsidiary of the Company

- Matters related to the guidance and management of the development of internal control systems at each subsidiary of the Company

- Matters related to the Company's information communication system*.

- Matters concerning the internal audit of the Company by the Company's Corporate Audit Department

  * Matters including the system for sharing information within the Company and the internal whistle-blowing system

(6) Matters related to employees who the Company's Corporate Auditors request to assist them in their duties* (*hereinafter collectively referred to as "corporate auditor-related systems")

The directors of the Company shall appoint employees to assist in the Company's Corporate Auditors' duties. These employees shall assist in the Corporate Auditors' responsibilities and shall be subject to the direction and orders of the Corporate Auditors.

(7) Matters of the independence of employee item from the directors and issues concerning ensuring the effectiveness of instructions to such employee by the Corporate Auditors of the Company.

To ensure the employees' independence mentioned in the preceding item, decisions on matters related to personnel affairs, such as the appointment, transfer, and evaluation of such employees, shall require the consent of the Company's Corporate Auditors. Besides, such employees shall not concurrently hold positions related to the execution of business and shall be subject only to the direction and orders of the Company's Corporate Auditors.

(8) System for directors, Corporate Auditors and employees of the Company to Report to the Company's Corporate Auditors.

The Company's directors shall report to the Company's Corporate Auditors on matters designated in advance by the Company's Corporate Auditors under the auditing standards for Corporate Auditors of the Company, etc. The main issues shall be as follows.

- Suppose a Company Director discovers a fact that is likely to cause significant damage to any of the subsidiary of the Company. In that case, the Director shall notify the Company of such fact.
- Statutory matters that require the consent of the Company's Corporate Auditors
- Status of development and operation of the internal control system of the Company

The Company's Corporate Auditors may request reports from the directors, Corporate Auditors, and employees of each subsidiary of the Company at any time as necessary, not limited to the above matters, and those requested to report shall promptly make appropriate reports. The directors, Corporate Auditors, and employees of each subsidiary of the Company (including those who have received information from such directors, Corporate Auditors, and employees) may request reports from the directors, Corporate Auditors, and employees of each subsidiary of the Company. The directors, Corporate Auditors, and employees of each subsidiary of the Company (including those who have received reports from such directors, Corporate Auditors, and employees) shall report directly to the Company's Corporate Auditors. When matters arise, they deem it appropriate to report to the Company's Corporate Auditors to ensure each Company's business operations' appropriateness in the Company.

The Corporate Auditors of the Company shall receive reports on the operation of the internal reporting system once a quarter. The Company's Corporate Auditors shall receive notifications on the operation of the whistle-blowing system once a quarter. If they deem it necessary, the Corporate Auditors may have relevant personnel immediately report on the system's operation.

(9) System to ensure that a person who has made a report as described in the preceding item is not treated disadvantageously for the reason that he or she has made a report to the Company's Corporate Auditors.

The directors of the Company shall establish the standard rules of the Company. They stipulate those who have made the report described in the preceding item shall not be treated disadvantageously because of such information and shall operate the rules appropriately after making them known to each subsidiary of the Company.

(10) Policy on procedures for prepayment or redemption of expenses incurred in the execution of duties by the Company's Corporate Auditors

Suppose the Company's Corporate Auditors request advance payment or redemption procedures of expenses incurred in their duties' performance. In that case, the Company's directors shall promptly pay such fees, except in cases where such payment is deemed unnecessary for the performance of the Corporate Auditors' duties, under the internal rules established through consultation with the Company's Corporate Auditors.

(11) Other systems to ensure that the audits of the Company's Corporate Auditors are conducted effectively

The Company's Corporate Auditors shall hold meetings to exchange opinions with the representative directors and outside directors of the Company regularly. Besides, the directors of the Company shall establish a system to ensure that the audits of the Company's Corporate Auditors are conducted effectively, such as by ensuring that the Company's Corporate Auditors have the opportunity to attend meetings of each subsidiary of the Company at the request of the Company's Corporate Auditors.

(2) Overview of the operation of the system to ensure the appropriateness of operations.

In 2020, American Depositary Shares representing our common shares became listed on the Nasdaq Stock Market in the United States, and as a large company under the Companies Act, we have worked to establish a so-called "system of internal control over financial reporting" to ensure appropriate business operations. Specifically, we worked to document business processes and improve deficiencies in internal controls to comply with the Sarbanes-Oxley Act of the United States, prepare for the replacement and introduction of business systems, and reinforce accounting personnel. At the same time, we promoted the acceleration of the account closing process and the strengthening of the review process by allocating operations more efficiently.

In addition, the Board of Directors met 15 times as the main meetings to monitor and supervise the appropriate operation of the business described in (1) above. In addition to ensuring the legality of the execution of duties by directors, outside directors who have no interest in us attended all Board of Directors meetings. The Board of Corporate Auditors met 12 times.

The Audit & Supervisory Board members conduct audits based on the audit plans established by the Audit & Supervisory Board, and exchange opinions with our representative directors, other directors, the Internal Audit Office, and the accounting auditor.

In order to confirm the appropriateness of the operational status of our business, we established the Internal Audit Office and appointed dedicated personnel.

(3) Basic Policy on Control of Kabushiki Kaisha

As a Japanese company with ADSs listed on overseas markets, we respect the free trading of our ADSs in the market, and according to our amended and restated articles of incorporation and under the Companies Act, the final decision on whether to accept a proposal for a purchase of the Company's shares that would result in a change of control should be left to the shareholders.

The Company has issued Class A shares with Kouji Eguchi, the founder, and representative director, as the holder. The Class A shares are so-called "golden shares" with the same rights as common shares in terms of dividends and receipt of residual assets and have the right to consent to critical corporate decisions such as reorganization and disposal of substantial assets and issuance of new shares.

The Company's Board of Directors, including outside directors, shall determine whether a party conducting a tender offer for a significant purchase of the Company's shares is a party that contributes to the enhancement of the Company's corporate value and, in turn, the common interests of its shareholders. The Board of Directors, including the outside directors, will take appropriate measures to consider the laws of Japan and the United States, where the Company's ADSs are listed.

Under the Japanese Companies Act and our Articles of Incorporation, our shareholders are entitled to have information and time to consider whether or not to accept a tender offer for a change of control and protect the Company's corporate value and the shareholders' common interests. The Company believes that it is essential to ensure that shareholders have such information and time.

(4) Company policy in regard to the decisions related to distribution of dividends etc.

The Company considers the distribution of earnings to our shareholders as one of the essential management policies. Although we raised additional capital through the IPO in the United States in December 2020, for the foreseeable future, we plan to actively invest in our business to achieve further growth in the future, and we do not expect to pay any dividends on our common shares for the foreseeable future.

7. Matters concerning important events, etc.

None.

*Fractions less than the indicated figures are rounded down to the nearest whole numbers in this business report.

Statutory Financial Statements Prepared in Accordance with
Japanese GAAP ("J-GAAP") for the Year Ended December 31, 2021

Note regarding J-GAAP: The statutory financial statements on the following pages have been prepared in accordance with J-GAAP. These results may differ in material respects from our audited consolidated financial results under U.S. GAAP that will be reported at a later date and included in our Annual Report on Form 20-F, which will be filed with the U.S. Securities and Exchange Commission and available at www.sec.gov. The attached financial statements are provided to our shareholders and ADS holders solely in accordance with requirements under the Japanese Companies Act in connection with our Annual Meeting.

Note regarding Forward-Looking Statements: The information contained herein includes forward-looking statements. These statements relate to future events or to our future financial performance, and involve known and unknown risks, uncertainties and other factors that may cause the Company's actual results, levels of activity, performance, or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements. You should not place undue reliance on forward-looking statements since they involve known and unknown risks, uncertainties and other factors which are, in some cases, beyond our control and which could, and likely will, materially affect actual results, levels of activity, performance or achievements. Any forward-looking statement reflects the Company's current views with respect to future events and is subject to these and other risks, uncertainties and assumptions relating to our operations, results of operations, growth strategy and liquidity. The Company assume no obligation to publicly update or revise these forward-looking statements for any reason, or to update the reasons actual results could differ materially from those anticipated in these forward-looking statements, even if new information becomes available in the future. The safe harbor for forward-looking statements contained in the Securities Litigation Reform Act of 1995 (the "Act") protects companies from liability for their forward-looking statements if they comply with the requirements of the Act

Balance Sheet

（As of December 31, 2021）

(Unit: thousand yen)

Account	Amount	Account	Amount
Assets		**Liabilities**	
Total current assets	**1,253,901**	**Total current liabilities**	**1,652,580**
Cash and cash equivalents	106,809	Accounts payable-trade	12,339
Accounts receivable-trade	709,279	Contract liability (current)	503,301
Inventories	664	Short-term borrowings	100,000
Accounts receivable-other	89,887	Current portion of long-term borrowings	123,460
Short-term loans receivable	266,796	Accounts payable-other	282,898
Other current assets	202,582	Accrued income taxes	28,124
Allowance for doubtful accounts	△ 122,119	Deposit received	428,283
Total non-current assets	**1,099,197**	Other current assets	174,173
Total tangible assets	**92,062**	**Total non-current liabilities**	**731,078**
Facilities attached to buildings	93,364	Long-term borrowings	544,920
Vehicles	9,547	Long-term accounts payable-other	6,713
Tools, furniture and fixtures	35,416	Asset retirement obligation	39,236
Accumulated depreciation	△ 46,266	Special account for shares arising from restructuring	140,208
Total intangible assets	**60,793**	**Total liabilities**	**2,383,658**
Software	26,575	**Net assets**	
Software in progress	33,694	**Shareholders' equity**	**△ 37,213**
Other intangible assets, net	523	**Share capital**	**1,223,234**
Total investments and other assets	**946,341**	**Capital surplus**	**1,336,042**
Investments	53,020	Legal capital surplus	1,234,234
Shares of subsidiaries and affiliates	415,351	Other capital surplus	101,808
Long-term accounts receivable-other	236,963	**Total retained earnings**	**△ 2,593,490**
Lease and guarantee deposits	266,476	Other retained earnings	△ 2,593,490
Other assets	96,577	**Treasury shares**	**△ 3,000**
Allowance for doubtful accounts	△ 122,047	**Share acquisition rights**	**6,653**
		Total net assets	**△ 30,560**
Total assets	**2,353,098**	**Total liabilities and net assets**	**2,353,098**

Income Statement

(For the fiscal year ended December 31, 2021)

(Unit: thousand yen)

Account	Amount	
Total revenues		**1,852,932**
Cost of sales		**847,840**
Gross profit		**1,005,092**
Selling, general and administrative expenses		**1,158,278**
Operating loss		**153,186**
Non-operating income		
Interest income	3,278	
Reversal of allowance for doubtful accounts	9,711	
Foreign exchange gains	14,991	
Other	21,166	49,148
Non-operating expenses		
Interest expense	12,112	
Other	5,033	17,145
Ordinary loss		**121,183**
Extraordinary income		
Gain on reversal of share acquisition rights	117	117
Extraordinary losses		
Loss on retirement of non-current assets	257	
Loss on store closings	6,554	6,812
Net loss before income taxes		**127,877**
Income taxes - current		11,661
Net loss		**139,539**

Statement of Changes in Shareholders' Equity

(For the fiscal year ended December 31, 2021)

(Unit: thousand yen)

Balance and causes of changes	Shareholders' equity			
	Share capital	Capital surplus		
		Legal capital surplus	Other capital surplus	Total capital surplus
Beginning balance	1,179,413	1,190,413	101,808	1,292,221
Cumulative effects of changes in accounting policies				
Beginning balance after error correction	1,179,413	1,190,413	101,808	1,292,221
Changes during period				
Net loss				
Issuance of new shares	43,821	43,821		43,821
Changes during period without shareholders' equity items				
Total changes during period	43,821	43,821		43,821
Ending balance	1,223,234	1,234,234	101,808	1,336,042

Balance and causes of changes	Shareholders' equity			
	Retained enrings		Treasury shares	Total shareholders' equity
	Other retained earnings	Total retained enrings		
Beginning balance	△ 2,095,539	△ 2,095,539	△ 3,000	373,094
Cumulative effects of changes in accounting policies	△ 358,411	△ 358,411		△ 358,411
Beginning balance after error correction	△ 2,453,951	△ 2,453,951	△ 3,000	14,683
Changes during period				
Net loss	△ 139,539	△ 139,539		△ 139,539
Issuance of new shares				
Changes during period without shareholders' equity items				
Total changes during period	△ 139,539	△ 139,539		△ 51,897
Ending balance	△ 2,593,490	△ 2,593,490	△ 3,000	△ 37,213

Balance and causes of changes	Share acquisition rights	Total net assets
Beginning balance	6,770	379,865
Cumulative effects of changes in accounting policies		△ 358,411
Beginning balance after error correction	6,770	21,454
Changes during period		
Net loss		△ 139,539
Issuance of new shares		87,642
Changes during period without shareholders' equity items	△ 117	△ 117
Total changes during period	△ 117	△ 52,015
Ending balance	6,653	△ 30,560

Notes to the specific items

(Note regarding uncertainty related to going concern)

For the year ended December 31, 2021, Medirom Healthcare Technologies, Inc. (the "Company") recognized operating loss of JPY 153,185 thousand, recurring loss of JPY 121,183 thousand, and net loss of JPY 139,539 thousand this fiscal year, resulting in losses at each level for two consecutive years.

In addition, due to the adoption of the "Accounting Standard of Revenue Recognition (Corporate Accounting Standard No. 29 issued by Corporate Accounting Standard Committee on March 31, 2020)" in fiscal year 2021, the Company changed its method of revenue recognition from the method under which the Company would recognize initial franchise fees when a franchise agreement becomes effective, to the method where the initial franchise fees and expected renewal franchise fees are recognized ratably as revenue using the time-based input method over the expected average contract life (8-10 years). As a result of this adoption, the Company recognized a cumulative-effect adjustment to the beginning balance of retained earnings by JPY 358,411 thousand (retained earnings at the beginning of the period decreased by JPY 358,411 thousand.). This results in an accumulated deficit of JPY 30,560 thousand in the Company's net assets as of December 31, 2021.

Moreover, the Company was registered as a registrant business operator under the Payment Services Act (the "PSA") in regard to the prepaid cards the Company has been issuing. The Company's net asset balance is below the required level by Article 10 (1)(ii) of the PSA as of the end of this fiscal year. If the Prime Minister revokes our registration as the registrant based on Article 27 (1)(i) of PSA (Revocation of Registration of Issuers of Prepaid Payment Instruments for Third-Party Business), the Company could have to refund the prepaid amounts based on Article 20 (2) of PSA (Refunds to Holders of Prepaid Payment Instruments).

We are considering various financing options to resolve this situation. Additionally, we intend to launch MOTHER Bracelet™, a self-charging wearable activity device in the first half of 2022, and we are in the process of selling several salons and outsourcing store management operations at our wholly owned subsidiary, Wing Inc., from March 2022, so that we can continue to stabilize our financial conditions.

The Financial Statements are reported under the assumption of going concern, and no such uncertainty was reflected.

（Significant accounting policies）

1. Standards and methodologies of evaluation of assets:

   (1) Available for sale securities:

   Securities without market price are stated at the moving average cost.

   (2) Inventories:

   Inventories are stated on the balance sheet at the lower of cost or net realizable value, cost being determined by the weighted average method for merchandise.

2. Depreciation and amortization methodologies of non-current assets:

(1) Tangible non-current assets

The depreciation methods and applicable usage periods are as follows:

- Facilities attached to buildings: Straight-line method, 7-15 years;

- Vehicles: Declining balance method, 6 years; and

- Tools, furniture and fixtures: Declining balance method, 2-10 years.

(2) Intangible non-current assets:

Straight-line method is adopted. Software for company use is amortized over the useful life (3 or 5 years depending on each software).

3. Basis to recognize allowances:

(1) Allowance for doubtful accounts:

The Company estimates uncollectible amounts of its receivables by multiplying historical bad debt ratio of receivables with accounts receivable amount for those without specific sign of default, and by individually estimating collectability of each specific receivable such as those with sign of default.

4. Revenue and cost recognition:

Revenues are recognized when control of the promised goods or services are transferred to the customers, in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services.

The Company determines revenue recognition through the following steps:

Step 1: identification of the contract with a customer;

Step 2: identification of the performance obligations in the contract;

Step 3: determination of the transaction price;

Step 4: allocation of the transaction price to the performance obligations in the contract; and

Step 5: recognition of revenue when, or as, the Company satisfies a performance obligation.

Upon revenue recognition, the Company identifies the contractual obligations based on the contracts with customers for the franchising fees and other sales, generally judge that we have performed the obligations, and recognizes revenue at the following timing:

(1) Revenues for the operations as the franchiser:

Revenues for the initial franchise fees, salon development fees, renewal franchise fees, and operation outsourcing fees had been recognized at the beginning of the contract date until last year. However, by adoption of the Accounting Standard of Revenue Recognition, the Company reconsidered our contractual obligations and the timing to perform them, and concluded that control over the services pertaining to each related contracts transfers to customers over a certain period of time. Hence, the Company judges the performance of each contractual obligation is achieved over a certain period of time as the contractual duration passes, and so recognizes revenue over such periods.

(2) Revenues related to other sales:

Revenues related to other sales are recognized at the timing of delivery, since customers obtain the control over the goods at the timing of delivery and so we perform the contractual obligations.

5. Amortization of goodwill:

Goodwill is amortized in straight-line over 5 years.

6. Treatment of consumption tax:

Amounts are expressed in before-consumption-tax amounts.

(Note regarding change of accounting policies)

(Changes in accounting policies due to revisions of accounting standards, etc.)

1. Adoption of Accounting Standard of Revenue Recognition

The Company newly adopted the "Accounting Standard of Revenue Recognition" (Corporate Accounting Standard No. 29 issued by Corporate Accounting Standard Committee on March 31, 2020) from the beginning of this fiscal year. By adoption of this, the consideration for promised goods or services are recognized as revenue when the control over the goods or services are transferred to customers at the amount we can expect to be entitled in exchange for those goods or services. The main points due to this change are as follows:

(1) Franchise fees, etc. related to franchises

Revenues for the initial franchise fees, salon development fees, renewal franchise fees, and operation outsourcing fees had been recognized at the beginning of the contract date until last year. However, by adoption of the Accounting Standard of Revenue Recognition, the Company reconsidered our contractual obligations and the timing to perform them, and concluded that control over the services pertaining to each related contracts transfers to customers over a certain period of time. Hence, the Company judges the performance of each contractual obligation is achieved over a certain period of time as the contractual duration passes, and so recognizes revenue over such periods.

As a result of this, compared to our previous method, revenues, operating income, recurring income, and income before tax increase by JPY 33,144 thousand. On the other hand, the beginning balance of retained earnings decreased by JPY 358,411 thousand.

(Note regarding change of disclosing method)

Changes accompanying the adoption of "Accounting Standard Related to Disclosure of Accounting Estimates"

The Company newly adopted the "Accounting Standard Related to Disclosure of Accounting Estimates" (Corporate Accounting Standard No. 31 issued on March 31, 2020) in fiscal year 2021, and discloses "Notes related to the accounting estimates" on the attachment of financial statements.

(Notes related to accounting estimates)

(Impact of COVID-19)

The COVID-19 pandemic has been adversely affecting our industry by temporarily decreasing demand for the services even this fiscal year.

The Company assumes that such a situation will gradually improve as the infection is going to be calmed down, economic activities recover, and the demand for our services gradually recovers to the level before the pandemic during and after 2022, and so reflects such an assumption to our accounting estimates.

Nevertheless, such assumptions are subject to uncertainty ranging from the timing of restoration from the pandemic, to public policies of governments or economic circumstances. Hence, there is a possibility that actual figures are deviated from estimates based on the assumptions.

(Evaluation of investments, loans receivable, and accounts receivable from our affiliates)

1. The amounts on the financial statements as of end of this fiscal year:

Common shares of subsidiaries	JPY 415,351 thousand
Short-term loans receivable from subsidiaries	JPY 266,796 thousand
Accounts receivable from subsidiaries	JPY 690,052 thousand
Allowance for doubtful accounts (current) on subsidiaries	JPY 122,119 thousand

2. Information related to accounting estimates over the identified items:

The judgments on necessity/unnecessity to impair the investments on common shares of subsidiaries without market prices is done by comparing the purchase price and practical price, and if the practical price has dramatically decreased, the Company impairs the investment amounts except the case that collectability of the invested amounts is sufficiently supported by evidence. The Company uses future plans and so on for the judgment of such collectability, and the most critical primary assumption is the timing of COVID-19 containment.

The loans receivable and accounts receivable from our subsidiaries are evaluated by each entity for the estimated uncollectible amounts, and such estimated uncollectible amounts are recognized as allowance for doubtful accounts. Such uncollectible amounts are estimated based on the financial position of each subsidiary considering general ability to pay by each subsidiary.

If the financial positions or operating performance of the subsidiaries are worsened in the following fiscal year, there is a risk that the Company will need to recognize losses from impairment of the investments on subsidiaries and/or allowance for doubtful accounts, which could impact our financial positions and/or operating performance.

(Notes regarding the Balance Sheet)

1. Accumulated depreciation of tangible non-current assets: JPY 46,266 thousand

2. Assets provided as collaterals and liabilities collateralized by them:

(1) Assets provided as collaterals

Time deposits:	JPY 81,524 thousand

(2) Liabilities the collateralized by the assets:

Long-term borrowings within 1 year:	JPY 73,464 thousand
Long-term borrowings:	JPY 221,416 thousand
Total	JPY 294,880 thousand

3. Guaranteed liabilities:

(1) The Company guarantees the lease payments on the Subsidiaries’ salon facility:

Wing Inc. and SAWAN Co. Ltd.: 41 salons JPY 81,524 thousand

(2) The Company provides a guarantee for an advanced payroll payment service on behalf of the subsidiary:

Medirom Human Resources Inc.:	Maximum amount of JPY 1,500 thousand

4. Receivables from and payables to subsidiaries:

Short-term receivables:	JPY 1,164,354 thousand
Short-term payables:	JPY 652,137 thousand

（Notes regarding the Income Statement）

1. Transactions with subsidiaries:

(1) Operating transactions:

Revenues:	JPY 711,704 thousand
Expenditures:	JPY 466,903 thousand

(2) Non-operating transactions:

Interest income from subsidiaries:	JPY 3,252 thousand
Interest expense to subsidiaries:	JPY 591 thousand

（Notes regarding the Statement of Shareholders' Equity）

1. Number of shares issued as of fiscal year end:

Common shares:	4,975,000
Class A share:	1

2. Number of treasury shares as of fiscal year end:

Common shares: 92,500

3. Notice regarding dividends of retained earnings

(1) Dividends paid:

No dividend was paid during this fiscal year.

(2) Dividend to be paid after the ending date of this fiscal year:

No dividend is scheduled to be paid.

4. Notice regarding share acquisition rights:

Number of shares subject to the share acquisition rights:

The 5th Series of Stock Options:	Common shares 85,500
The 7th Series of Stock Options:	Common shares 73,000
The 8th Series of Stock Options:	Common shares 150,000
The 9th Series of Stock Options:	Common shares 294,800
Total	603,300

（Note regarding financial instruments）

1. Items regarding transactions related to the financial instruments:

(1) The Company policy on financial instruments:

The Board of Directors adopt a plan for necessary financing based on the investment plan and operating cash flow projections, and finances its working capital by means of bank loans after approving such resolutions.

(2) Details of the financial instruments and related risks:

Accounts receivable-trade and accounts receivable-other are operating claims and are subject to credit risk of our customers.

Investments in securities are stocks of private companies with whom we have transaction relationship and subject to credit risk and market risk of the issuers.

Loans receivable are subject to credit risk of the borrowers.

Lease and guarantee deposits are deposited for the purpose of entering into lease agreements of our offices and salons and are subject to credit risk of the landlords.

Accounts payable-trade are subject to liquidity risk that the Company is not able to make the payments on the due dates.

Borrowings are for working capital purpose and are subject to liquidity risk.

(3) Risk management system over financial instruments:

i. Credit risk (risks related to breach of contracts, etc.) management:

The relevant divisions of the Company periodically monitor the primary customers and/or vendors over operating claims and loans receivable, manage due dates and balances, and try to collect information in the early timing about the risk of collectability due to worsened financial positions of them or mitigate risk of bad debt.

ii. Market risk management:

The Company collects information about the issuers' (transaction parties') financial positions, etc. in regard to investments on securities.

iii. Liquidity risk (risk not to be able to pay on due) management:

The Company recognizes the due dates on monthly basis based on reports submitted from each division, makes/updates payment plans, and prepares liquidity on hand. By doing such, the Company manages the liquidity risk.

(4) Supplemental explanation about the fair value of financial instruments:

The fair values of financial instruments include reasonably estimated amounts in case there is no market value. Such a value calculation reflects volatile factors, and so subject to change of the value due to adopting different assumptions.

2. Fair value of financial instruments:

The disclosed amounts on the Balance Sheet, fair values, the differences as of December 31, 2021 are as presented in the following table. The table doesn't include an instrument the fair value of which is regarded to be too difficult to know its fair value, and for details, please see Note 2 below.

(Unit: thousand yen)

Account	Ending balance	Fair value	Difference
(1) Cash and cash equivalents	106,793	106,793	—
(2) Accounts receivable-trade (※1)	654,820	654,820	—
(3) Accounts receivable-other (※1)	69,703	69,703	—
(4) Short-term loans receivable (※1)	220,618	220,618	—
(5) Long-term accounts receivable-other (※1)	114,916	114,916	—
Total assets	1,166,851	1,166,851	—
(1) Accounts payable-trade	12,339	12,339	—
(2) Accounts payable-other	282,898	282,898	—
(3) Short-term borrowings	100,000	100,000	—
(4) Long-term borrowings (※2)	668,380	683,478	15,098
Total liabilities	1,063,617	1,078,715	15,098

※1 Net of allowance for doubtful accounts.

※2 Long-term borrowings within 1 year are included.

（Note 1）. Items related to calculation methodologies of financial instruments and securities or derivative transactions.

Assets:

(1) Cash and cash equivalent, (2) Accounts receivable-trade, (3) Accounts receivable-other, (4) Short-term loans receivable:

These are going to be settled in a short period of time and the fair values are approximate to their book values. Hence, the amounts are represented by the book values.

(5) Long-term accounts receivable-other:

Since the estimated uncollectible amounts are calculated based on the expected collectible amounts, etc., the fair values of them are approximate with the amount disclosed on the Balance Sheet less the latest estimated bad debt as of fiscal year end. Hence, the Company regards the amount as the fair value of this account.

Liabilities:

(1) Accounts payable-trade, (2) Accounts payable-other, (3) Short-term borrowings:

Since these are going to be settled in a short period of time, and so their fair values are approximate to their book values, the amounts are represented by the book values.

(4) Long-term borrowings:

The fair value of the Long-term borrowings is calculated under the method that the sum of principals and interests payable is discounted by the interest rates assumed to be applicable provided the Company newly entered into the same loan agreements.

（Note 2). The Balance Sheet amounts of financial instruments the fair value of which are quite difficult to estimate.

(Unit: thousand yen)

Account	As of December 31, 2021
Investments	53,020
Shares of subsidiaries and affiliates	415,351
Lease and guarantee deposits	266,476

There is no market value for these assets and it is excessively costly to estimate their future cash flows. Hence, they are regarded as the assets whose fair values are quite difficult to estimate.

（Note regarding the asset retirement obligations）

1. The details of the asset retirement obligations:

   The restoration costs over headquarter office and ReRaKu College.

2. The methodology to calculate the asset retirement obligations:

   The restoration costs of the headquarters office and Re.Ra.Ku College are recognized based on the estimated removal costs provided by the construction contractor.

3. The increase or decrease of the total asset retirement obligations in this fiscal year is as follows:

Beginning balance as of January 1, 2021:	JPY 143,326 thousand
Increase due to new lease agreements:	JPY 16,939 thousand
Adjustments due to passing of time:	JPY 235 thousand
Decrease due to performance of restoration obligation:	JPY △ 1,582 thousand
Decrease due to demerger	JPY △ 117,840 thousand
Other increase/decrease	JPY △ 1,842 thousand
Ending balance as of December 31, 2021:	JPY 39,236 thousand

（Note regarding deferred tax accounting）

Schedule of deferred tax assets by primary cause:

Allowance for doubtful accounts	JPY 74,764 thousand
Facilities attached to buildings	JPY 17,006 thousand
Shares of subsidiaries and affiliates	JPY 14,741 thousand
Accrued business tax	JPY 5,040 thousand
Other	JPY 52,486 thousand
Loss carried forward	JPY 596,747 thousand
Sub-total Deferred tax assets	JPY 760,784 thousand
Valuation allowances	JPY 760,784 thousand
Total Deferred tax assets	JPY － thousand

(Note regarding business combination)

(Transactions under the common control)

The Company completed absorption-type demerger of its salon operation business to Wing Inc. based on the resolution approved by Board of Directors on April 28, 2021.

1. Key terms of the demerger:

The name and nature of the business to be transferred:

Name of the business: Salon Operation Business

Nature of the business: Operation of relaxation salons

(1) Date of the demerger: July 1, 2021

(2) Legal structure: The Company as the transferer transfers the business to Wing Inc., 100% subsidiary of the Company, as the transferee under the absorption-type demerger. Since this demerger satisfied the requirements of the Article 784-(2) of the Companies Act, the Company perfected the simple demerger procedure without approval by the Shareholders' Meeting.

(3) The name of the transferee: Wing Inc.

(4) The transactional summary including the purpose: The Company targets to accelerate the speed of decision making, improve business efficiencies, and maximize business value. The Company decided to transform its structure into a business holding entity, and reorganized the group entities into functional operating entities. This demerger was a part of this group reorganization and due to this demerger, the Company thinks we can implement future strategies more speedily.

2. Summary of accounting treatments:

This absorption-type demerger was recorded as a transaction under common control based on "Accounting Standard for Business Combination" (Corporate Accounting Standard No.21), "Accounting Standard for Business Split, etc." (Corporate Accounting Standard No.7), and "Practical Guideline Related to Accounting Standard for Business Combination and Accounting Standard for Business Split, etc." (Application Guideline No. 10 of Corporate Accounting Standards).

3. Book values of assets and liabilities related to the transferred business:

Current assets Non-current assets	97,720 609,985
Total assets	707,706
Current liabilities Non-current liabilities	147,883 700,030
Total liabilities	847,914

（Note regarding transactions with related parties）

1. With subsidiaries and affiliates:

（Unit: thousand yen）

Entity type	Entity name	Owner ship	Transaction(s)	Transaction amount	Account	Ending balance
Subsidiary	Medirom Human Resources Inc.	Direct 100％	Guarantee of liabilities	-	-	-
			Outsourcing of salon operation support and back-office services	53,138	Accounts receivable-trade	47,443
			Lending of loans	216,141	Short-term loans receivable	216,141
			Receipt of interest income	1,229		
			Outsourcing of salon operation	394,969	-	-
			Payment of secondment contribution	59,928	-	-
					Accounts	63,717
Subsidiary	Wing Inc.	Direct 100％	Guarantee of liabilities	-	-	-
			Debt guarantees	-	-	-
			Lending of loans	136,200	-	-
			Repayment of loans	182,200		
			Receipt of interest income	1,551	-	-
			Outsourcing of salon operation support and back-office services	549,433	Accounts receivable-trade	562,528
					Deposit received	413,955
Subsidiary	JOYHANDS WELLNESS Inc.	Direct 100％	Outsourcing of salon operation support and back-office services	108,332	Accounts receivable-trade	79,200
					Accounts payable-other	34,445
Subsidiary	SAWAN Co. Ltd.	Direct 100％	Guarantee of liabilities	-	-	-
			Lending of loans	46,178	Short-term loans receivable	46,178
			Receipt of interest income	461	-	-
Subsidiary	ZACC Kabushiki Kaisha	Direct 60％	Borrowing of loans	100,000	Short-term borrowings	100,000

(Note1). The obligations borne by Medirom Human Resources and guaranteed by the Company is the guaranteed obligation to the advanced payroll payment service on behalf of MHR. The guarantees to Wing Inc. and SAWAN Co. Ltd. were on the lease payments for the salons.

(Note2). The loan amount of JPY 31,470 thousand borne by the Company is guaranteed by Wing Inc. without any guarantee fees.

(Note3). The inter-company loans were lent at the interest rates reasonably decided by referencing the market rates.

(Note4). The terms and conditions over the outsourcing of salon operation support and back-office services were decided considering market fee prices, etc.

(Note5). The Company recognizes the allowance for doubtful accounts of JPY 102,353 thousand to subsidiaries and affiliates in total.

2. With Directors and primary individual shareholders:

（Unit: thousand yen）

Type	Name	Voting rights	Relationship	Transaction	Amount	Accounts	Ending balance
Director	Kouji Eguchi	Direct 38.61％	Representative director	Payment guarantees on the Company’s obligations	-		-

(Note) Guarantees were provided onto the Company’s bank loans and rent expense of our salons. No guarantee fees are paid.

（Per-share information）

1.	Net assets per share	7.62 yen
2.	Net loss per share	28.61 yen

(Note) Diluted earnings per share is not disclosed because the Company experienced a net loss during the fiscal year.

(Material subsequent events)

No applicable items.

Annexed Detailed Statement

1. Schedule of tangible non-current assets and intangible assets

（Unit: thousand yen）

Classification	Type of assets	Beginning book value	Increase during the FY	Decrease during the FY	Depreciated amount	Ending book value	Accumulated depreciation	Ending cost of acquisition
Tangible assets	Facilities attached to buildings	162,922	32,350	103,952	19,182	72,138	21,225	93,364
	Vehicles	6,633	-	-	2,208	4,424	5,123	9,547
	Tools, furniture and fixtures	13,280	9,787	210	7,357	15,499	19,916	35,416
	Subtotal	182,835	42,138	104,162	28, 748	92,062	46,266	138,328
Intangible assets	Software	28,336	15,380	-	17,141	26,575	-	-
	Software in progress	18,246	33,694	18,246	-	33,694	-	-
	Goodwill	65,788	22,544	75,750	12,582	-	-	-
	Subtotal	112,371	71,619	93,996	29,724	60,269	-	-

(Note1) Increase during the FY primarily consists of the followings:

Development and renewal of the Web site and App developed by the Company:

Software in progress 23,486 thousand yen

(Note2) Decrease during the FY primarily consists of the followings:

Decrease in assets due to reorganization:
Facilities attached to buildings 102,382 thousand yen
Goodwill 75,750 thousand yen

2. Details of allowances

（Unit: thousand yen）

Account	Beginning balance	Increase in this FY	Decrease in this FY	Ending balance
Allowance for doubtful accounts	271,713	74,541	102,088	244,166

3. Schedule of selling, general, and administrative expenses:

（Unit: thousand yen）

Account	Amount	Note
Remuneration for directors	67,366	
Salaries	220,706	
Legal welfare expenses	37,053	
Rent expenses	70,674	
Advertising expenses	40,903	
Travel and transportation expenses	20,223	
Commission expenses	77,955	
Secondment contribution	59,928	
Research and development expenses	26,301	
Fee expenses	420,603	
Taxes and dues	23,637	
Depreciation	35,924	
Provision of allowance for doubtful accounts	15,281	
Reversal of allowance for doubtful accounts	△ 33,116	
Bad debts expenses	357	
Other	74,478	
Total	1,158,278	

Sorei Audit, Co.
Shibuya, Tokyo
Representative Employee and Managing Member
Hajime Kato, CPA

Independent Auditor's Report

March 29, 2022

Attn: Board of Directors
MEDIROM Healthcare Technologies Inc.

Audit Opinion

Pursuant to Article 436(2)(i) of the Companies Act, we have audited the accompanying non-consolidated balance sheet, income statement, statement of changes in shareholders' equity, individual notes, and annex.

In our opinion, the non-consolidated financial statements referred to above present fairly, in all material respects, the non-consolidated financial position of the company as of December 31, 2021, and its results of operations for the year then ended in accordance with accounting principles generally accepted in Japan.

Basis for Audit Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibility under the auditing standards is set out in 'Auditor's Responsibility in the Audit of the Financial Statements'. In accordance with the rules on professional ethics in our country, we are independent of the company and fulfil our other ethical responsibilities as auditors. In our opinion, we believe that we have obtained sufficient and appropriate audit evidence on which to base our opinion.

Significant Uncertainties Regarding Premise of Going Concern

As stated in the notes on going concern, the company has continuously recorded operating losses, ordinary loss, and net loss, and is in the state of insolvency. At present, we recognize that events or circumstances exist that may raise significant doubts about the company's ability to continue as a going concern, as there is a possibility that concerns may arise about the company's funding. The measures taken to address this situation are described in this note. The financial statements are prepared on a going concern basis and the effects of these material uncertainties are not reflected in the financial statements.

Such matters do not affect our opinion.

Emphasis

As stated in the notes on changes in accounting policies, the company has early adopted the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29 Accounting Standard for Revenue Recognition, dated March 31, 2020) and others from the beginning of the current financial year.

Such matters do not affect our opinion.

Responsibilities of Executive Officers, Corporate Auditors, and Board of Corporate Auditors to Financial Statements, etc.

The responsibility of management is to prepare and properly present financial statements, etc. in accordance with corporate accounting standards that are generally accepted in Japan. This includes the development and operation of internal controls that management determines are necessary for the preparation and proper presentation of financial statements, etc. without material misstatement due to fraud or error.

Upon preparing financial statements, etc., management shall be responsible for assessing whether it is appropriate to prepare financial statements, etc. based on the premises of a going concern, and for disclosing matters related to a going concern if it is necessary to disclose such matters based on business accounting standards that are generally accepted as fair and appropriate in our country.

The responsibilities of the auditors and the board of auditors are to monitor the execution of the directors' duties in the development and operation of the financial reporting process.

Responsibility of Auditors in Auditing Financial Statements, etc.

The auditor's responsibility is to express an opinion on the Financial Statements, etc. in the audit report independently, based on an audit conducted by the auditor, with reasonable assurance as to whether the financial statements, etc. as a whole contain any material misstatement due to fraud or error. False representations may occur due to fraud or error, and if they are individually or aggregated, they are considered to be important when they are reasonably expected to affect the decision-making of users of financial statements, etc.

The auditor shall, in accordance with the auditing standards generally accepted in Japan, make his/her professional judgment and maintain professional skepticism throughout the course of the audit.

- To identify and evaluate the risk of material misstatement due to fraud or error. To design and implement audit procedures to address material misstatement risks. The selection and application of audit procedures shall be at the discretion of the auditor. In addition, to obtain sufficient and appropriate audit evidence to form the basis for the presentation of opinions.
- The purpose of the audit of financial statements, etc. is not to express an opinion on the effectiveness of internal controls. However, the auditor shall consider internal controls related to audits in order to plan appropriate audit procedures according to the circumstances when conducting risk assessments.
- To evaluate the appropriateness of accounting policies adopted by management and their application, the reasonableness of accounting estimates made by management, and the appropriateness of related notes.
- To conclude whether it is appropriate for a manager to prepare financial statements, etc. on the assumption of a going concern and whether, based on the audit evidence

obtained, there is significant uncertainty with respect to an event or circumstance that raises material doubts about the premise of the going concern. In the event that there is significant uncertainty regarding the going concern premise, it is required to draw attention to the notes to the financial statements, etc. in the audit report or, in the event that the notes to the financial statements, etc. regarding important uncertainty are inappropriate, to express an opinion with exceptional matters in the financial statements, etc. The auditor's conclusions are based on audit evidence obtained by the date of the audit report, but future events and circumstances may prevent the enterprise from surviving as a going concern.

- To evaluate whether the presentation of financial statements, etc. and the matters to be noted conform to corporate accounting standards that are generally accepted in Japan, as well as whether the presentation, composition and contents of financial statements, etc., including the related matters to be noted, and whether the transactions or accounting events on which the financial statements, etc. are based are properly presented.

The auditors shall report to the corporate auditors and the board of corporate auditors the scope and timing of the planned audit, important audit findings including material deficiencies in internal control identified in the course of the audit, and other matters required by the audit standards.

Interest

The Company and the Auditing Corporation or the Managing Members do not have any detrimental relationship that should be stated pursuant to the provisions of the Certified Public Accountants Act.

Audit Report

MEDIROM Healthcare Technologies Inc.
Attn: Board of Directors

The Board of Corporate Auditors has prepared this audit report as a result of deliberations on the execution of duties by the Directors for the 22nd fiscal year from January 1, 2021 to December 31, 2021 based on the reports prepared by each Corporate Auditor. We hereby report as follows:

1. Auditing Methods of Corporate Auditors and the Board of Corporate Auditors and Their Contents

(1) The Board of Corporate Auditors established audit policies and division of duties and received reports on the status and results of audits from each corporate auditor, received reports on the status of execution of duties from each director, and requested explanations as necessary.

(2) In accordance with the audit standards established by the Board of Corporate Auditors, each corporate auditor worked to collect information in accordance with the audit policy and the division of duties, communicated with directors, internal audit departments, and other employees, and worked to collect information and improve the auditing environment. In addition, audits were conducted in the following manner.

① We attended meetings of the Board of Directors and other important meetings, received reports from directors and employees on the status of the execution of their duties, requested explanations, when necessary, inspected various important documents, and inspected the status of business operations and assets at the head office and major business sites. In addition, we exchanged information with directors and corporate auditors of subsidiaries and received business reports as necessary.

② The Board of Directors regularly received reports from directors and employees on the contents of resolutions adopted at meetings of the Board of Directors concerning the development of the system stipulated in Paragraph 1 and Paragraph 3 of Article 100 of the Ordinance for Enforcement of the Companies Act and the status of the system (internal control system) developed based on the said resolutions as necessary to ensure that the execution of duties by directors complies with laws and regulations and the Articles of Incorporation, and other matters necessary to ensure the appropriateness of the operations of the corporate group consisting of the Stock Company and its Subsidiaries. The Board of Directors requested explanations and expressed opinions as necessary.

③ The basic policies and measures for the control of the Company described in the business report were reviewed based on the status of deliberations at the Board of Directors and other meetings.

④ We monitored and verified whether the accounting auditor maintained an independent position and conducted appropriate audits, and received reports on the status of execution of duties from the accounting auditor, and requested explanations as necessary. In addition, we received notice from the accounting auditor that the "System to Ensure Proper Execution of Duties" (matters listed in each item of Article 131 of the Corporate Accounting Rules) has been developed in accordance with the "Quality Control Standards for Audits" (October 28, 2005, Business Accounting Council), etc., and requested explanations where necessary.

Based on the above method, we examined the business report and the supplementary schedules thereof, as well as the financial statements (balance sheet, profit and loss statement, statement of changes in shareholders' equity, and non-consolidated explanatory notes) and the supplementary schedules thereof for the relevant business year.

2. Audit Results

(1) Audit results concerning business reports

① We acknowledge that the business report and supplementary schedules accurately indicate the status of the Company in accordance with laws and regulations and the Articles of Incorporation.

② We acknowledge that there are no improper acts or material facts in violation of laws and regulations or the Articles of Incorporation with regard to the execution of duties by Directors.

③ The contents of resolutions of the Board of Directors on the internal control system and the status of their operation are considered appropriate. In addition, it is recognized that continuous improvement has been made with regard to the status of the development and operation of the relevant internal control system.

④ There are no issues that need to be pointed out in the basic policy regarding the manner of persons who control decisions on financial and business policies contained in the business report. In addition, we acknowledge that such efforts are in line with the said basic policy, do not impair the common interest of our shareholders, and do not intend to maintain the position of our corporate officers.

(2) Audit results concerning non-consolidated financial statements and supplementary schedules

The auditing method and results of the independent auditor's order are considered appropriate.

3. Matters to be Added

Toshiaki Komatsu, a full-time corporate auditor, is approved the above after having received sufficient explanations from Minekazu Shimada, a former corporate auditor.

April 11, 2022

MEDIROM Healthcare Technologies Inc.
Board of Corporate Auditors
2-3-1 Daiba, Minato-ku, Tokyo

Full-time Corporate Auditor: Toshiaki Komatsu

Outside Auditor: Osamu Sato

Outside Auditor: Tsukasa Karyu