

Securities Code 4668
November 2, 2021

To All Shareholders With Voting Rights

Kazuhiro Yamashita
President and Representative Director
MEIKO NETWORK JAPAN CO., LTD.
7-20-1 Nishi-Shinjuku, Shinjuku Ward, Tokyo, Japan

NOTICE OF THE 37TH ANNUAL MEETING OF SHAREHOLDERS

Dear Shareholders:

Please be informed that the 37th Annual Meeting of Shareholders of MEIKO NETWORK JAPAN CO., LTD. (hereinafter the “Company”) shall be held as described below.

Ensuring the safety of shareholders is the Company’s top priority. Therefore, in order to prevent the spread of COVID-19, all shareholders are encouraged to exercise their voting rights beforehand in writing or via the Internet, etc. Please review the Reference Documents for the Annual Meeting of Shareholders, and cast your vote by 6:00 p.m. on Thursday, November 18, 2021 Japan time.

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| 1. Date and Time: | Friday, November 19, 2021 at 10:00 a.m. |
| 2. Place: | “Century Room,” B1 floor, Hyatt Regency Tokyo
2-7-2 Nishi-Shinjuku, Shinjuku Ward, Tokyo, Japan |
| 3. Agenda of the Meeting:
Matters to be reported: | <ol style="list-style-type: none">1. Business Report, Consolidated Financial Statements for the 37th term (from September 1, 2020 to August 31, 2021) and results of audits by the Accounting Auditor and the Board of Corporate Auditors of the Consolidated Financial Statements2. Non-consolidated Financial Statements for the Company’s 37th term (from September 1, 2020 to August 31, 2021) |
| Proposal to be resolved:
Proposal: | Election of Six (6) Directors |

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- ◎ As seats will be placed a distance apart, there will be a limited number of seats available. Therefore, some attendees may be refused entry on the day. Your kind understanding on this matter is appreciated.
 - ◎ Shareholders attending the meeting are kindly requested to submit the enclosed Voting Right Exercise Form to the reception at the venue.
 - ◎ Of the documents to be presented along with this Notice, “Notes to Consolidated Financial Statements” and “Notes to Non-consolidated Financial Statements” are posted on the Company’s website (<https://www.meikonet.co.jp>) in accordance with laws and regulations, as well as Article 15 of the Company’s Articles of Incorporation, and are therefore not included in this Notice. They are included in the Business Report, the Consolidated Financial Statements and the Non-consolidated Financial Statements, which were audited by Corporate Auditors in the preparation of the audit report, and by the Accounting Auditor in the preparation of the accounting audit report.
 - ◎ If there are any changes to the Reference Documents for the Annual Meeting of Shareholders, Business Report, Consolidated Financial Statements or Non-consolidated Financial Statements, changes on the matters shall be posted on the Company’s website (<https://www.meikonet.co.jp>).
 - ◎ If a voting right is exercised in duplicate by the same shareholder through writing and electromagnetic means, the Company shall treat the latter as valid. In addition, if an exercise of voting right through electromagnetic means was conducted for multiple times, and if there are conflicting votes to the same proposal, the last exercise of voting right through electromagnetic means shall be treated as valid.

How to Exercise Your Voting Rights, etc.

Exercise of Voting Rights in Writing

Please indicate your approval or disapproval for each proposal, and send us your response. For each proposal, if there is no indication of an approval or disapproval, the vote shall be treated as an approval.

To be received by the Company by Thursday, November 18, 2021 at 6:00 p.m.

Exercise of Voting Rights via the Internet

Please access the following website for exercising voting rights and exercise your voting rights.
<https://www.web54.net>

Thursday, November 18, 2021 at 6:00 p.m.

Inquiries (Toll-free number)

Transfer Agency Web Support Service, Sumitomo Mitsui Trust Bank, Limited

Telephone number: 0120-652-031 (available from 9:00 a.m. to 9:00 p.m.)

Exercise of Voting Rights by Attending Meeting in Person

Please submit the enclosed Voting Right Exercise Form to the reception at the venue. Please bring this Notice with you on the day.

Friday, November 19, 2021 at 10:00 a.m.

Exercising voting rights is easy with “smart exercising.”

You can exercise your voting rights simply by using your smartphone to read the QR code on the Voting Right Exercise Form.

*1 Depending on the type of device used, the internet connection, etc., there may be cases where this service is unavailable.

*2 After the first login, an ID and password will be required.

For Institutional Investors

For shareholders whose names are listed on the shareholder register such as management trust banks (including the standing proxy), institutional investors can use an electronic platform run by ICJ, Inc. for the exercise of voting rights, subject to prior application and registration.

Measures to Prevent the Spread of COVID-19

From the perspective of preventing the spread of COVID-19, for this year’s Annual Meeting of Shareholders, all shareholders are encouraged to exercise their voting rights in advance. Depending on the situation going forward, if any major changes are made to the operations, etc. of the Annual Meeting of Shareholders, the changes shall be posted on the Company’s website.
<https://www.meikonet.co.jp>

Reference Documents for the Annual Meeting of Shareholders

Proposals and References

Proposal	Election of Six (6) Directors
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The terms of office of all six (6) Directors will expire at the conclusion of this Annual Meeting of Shareholders. Accordingly, the election of six (6) Directors is proposed. The candidates are as follows:

No.	Name		Position in the Company	Number of years in office	Board of Directors meetings attendance
1	Hirotake Watanabe	Reappointment	Chairperson and Director	37 years	100% (20/20 times)
2	Kazuhito Yamashita	Reappointment	President and Representative Director	14 years	100% (20/20 times)
3	Kotaro Okamoto	Reappointment	Senior Managing Director	1 year	100% (17/17 times) *
4	Dai Komiyama	Reappointment	Director	1 year	100% (17/17 times) *
5	Noriko Yao	Reappointment	Outside	Director	6 years 95% (19/20 times)
6	Chie Ikegawa	Reappointment	Outside	Director	2 years 100% (20/20 times)

* As Mr. Okamoto and Mr. Komiyama assumed their positions on November 20, 2020, their attendance above covers the Board of Directors meetings held on and after November 20.

No. **1** **Hirotake Watanabe** (Date of birth: Sept. 19, 1942)

Reappointment

Number of the Company's shares held

1,794,600 shares

Board of Directors meetings attendance

100% (20/20 times)

Brief personal record, position, responsibilities and important concurrent posts

Sept. 1984: Established the Company, Director of the Company
May 1985: President and Representative Director
Nov. 2015: Chairperson and Representative Director
Nov. 2018: Chairperson and Director (present)

[Important concurrent posts]

Representative Director of MEIKO KYOIKU KENKYUJO (Public Interest Incorporated Foundation)

Reasons for selection as a candidate for Director

Mr. Hirotake Watanabe has been leading the management of the Company as Representative Director since the Company was founded in September 1984. He has made contribution to the enhancement of corporate value of the Company mainly by opening Meikogijuku franchise individual tutoring cram schools nationwide.

The Company expects that based on his philosophy as a founder and strong leadership, he will be able to continue contributing to further growth of the Company and the enhancement of corporate value, and therefore proposes the reelection of the candidate as Director of the Company.

Reference Documents for the Annual Meeting of Shareholders

No. **2** Kazuhito Yamashita (Date of birth: Dec. 7, 1959)

Reappointment

Number of the Company's shares held

27,900 shares

Board of Directors meetings attendance

100% (20/20 times)

■ Brief personal record, position, responsibilities and important concurrent posts

Mar. 2007: Joined the Company
 Nov. 2007: Director
 Nov. 2008: Managing Director
 Sept. 2012: General Manager, Kobetsu School Business
 In charge of Soccer School Business Division, in
 charge of Meiko Kids Business Division and in
 charge of Business Development Division
 Jul. 2013: General Manager, Business Development
 Headquarters
 Sept. 2014: General Manager, Meikogijuku Business
 Headquarters (present)
 In charge of FC Business Development Division
 Nov. 2014: Senior Managing Director
 Nov. 2015: Vice President and Director
 Nov. 2018: President and Representative Director (present)

■ [Important concurrent posts]

Councilor of MEIKO KYOIKU KENKYUJO (Public Interest
 Incorporated Foundation)

■ Reasons for selection as a candidate for Director

Mr. Kazuhito Yamashita has abundant knowledge and experience accumulated as a corporate manager. As the candidate has been substantially contributing to the enhancement of corporate value of the Company as President and Representative Director, the Company has determined that he will lead the overall management of the Company going forward, and therefore proposes the reelection of the candidate as Director of the Company.

No. **3** Kotaro Okamoto October 31, 1970

Reappointment

Number of the Company's shares held

3,200 shares

Board of Directors meetings attendance

100% (17/17 times)

* As Mr. Okamoto assumed his position on November 20, 2020, his attendance covers the Board of Directors meetings held on and after November 20.

Brief personal record, position, responsibilities and important concurrent posts

Sept. 1995: Joined Nissho Motors Co. Ltd. (ONIX)
Apr. 2002: Director of Nissho Motors Co. Ltd.
Apr. 2004: President and Representative Director of Nissho Motors Co. Ltd
Feb. 2005: Joined Carlets Co., Ltd., President and Representative Director
Jun. 2008: Joined Krispy Kreme Doughnuts Japan, Inc., Executive Officer and COO
Mar. 2012: President and Representative Director of Krispy Kreme Doughnuts Japan, Inc.
Apr. 2017: Partner of GrowthPoint Equity LLP
Jul. 2020: Joined the Company, Counselor
Nov. 2020: Senior Managing Director (present)
Sep. 2021: General Manager, Kids Business Headquarters (present)

[Important concurrent posts]

Director of KOTOH & COMPANY CO., LTD

Reasons for selection as a candidate for Director

Mr. Kotaro Okamoto has a track record of managing three corporations as President and Representative Director. In addition to his experience as a corporate manager, the candidate has abundant knowledge of accounting. The Company has determined that he will be able to contribute to further growth of the Company and the enhancement of corporate value, and therefore proposes the reelection of the candidate as Director of the Company.

Reference Documents for the Annual Meeting of Shareholders

No. **4** Dai Komiyama (October 19, 1975)

Reappointment

Number of the Company's shares held

1,200 shares

Board of Directors meetings attendance

100% (17/17 times)

* As Mr. Komiyama assumed his position on November 20, 2020, his attendance covers the Board of Directors meetings held on and after November 20.

Brief personal record, position, responsibilities and important concurrent posts

- Oct. 2013: President and Representative Director of MAXIS Holdings Inc. (current MAXIS Education Inc.)
- Nov. 2018: Joined the Company, Executive Officer, in charge of Academic Division
- Oct. 2019: In charge of Cram School Development Headquarters
- Apr. 2020: Deputy General Manager of Meikogijuku Business Headquarters (present)
Chairperson and Representative Director of MAXIS Education Inc. (present)
- Aug. 2020: General Manager, Kobetsu School Business of the Company (present)
- Nov. 2020: Director (present)

[Important concurrent posts]

Chairperson and Representative Director of MAXIS Education Inc.

Reasons for selection as a candidate for Director

Mr. Dai Komiyama has abundant knowledge and experience of franchising business. The candidate also has abundant experience in and broad insight into the education industry and the field of human resource development. The Company expects that based on his abundant experience and broad insight, he will be able to continue contributing to further enhancement of corporate value, and therefore proposes the reelection of the candidate as Director of the Company.

No. **5** Noriko Yao (Date of birth: Aug. 27, 1967)

Reappointment

Outside Director

Number of the Company's shares held

- shares

Board of Directors meetings attendance

95% (19/20 times)

■ **Brief personal record, position, responsibilities and important concurrent posts**

- Mar. 1995: Graduated Legal Training and Research Institute of the Supreme Court of Japan
- Apr. 1995: Registered as Attorney-at-Law in Fukuoka Bar Association
Joined Fuji Law Office
- Jun. 2001: Graduated from Georgetown University Law Center (LL.M.)
- Sept. 2001: Joined Paul, Hastings, Janofsky & Walker LLP (Los Angeles Office)
- Oct. 2002: Registered as Attorney-at-law in Daini Tokyo Bar Association
Joined Taiyo Law Office (current Paul Hastings Foreign Law Joint Enterprise)
Registered as Attorney-at-law in New York State Bar Association
- Jul. 2007: Joined TMI Associates
- Jan. 2008: Partner of TMI Associates (present)
- Nov. 2015: Director of the Company (present)

■ **[Important concurrent posts]**

Partner of TMI Associates
Outside Auditor of Japan Overseas Infrastructure Investment Corporation for Transport & Urban Development
External Audit & Supervisory Board Member of SATO HOLDINGS CORPORATION
Non-executive Director of Asahi Net, Inc.
Outside Director of JGC HOLDINGS CORPORATION

■ **Reasons for selection as a candidate for Outside Director and Expected Roles**

Ms. Noriko Yao is familiar with corporate legal affairs, etc. as an attorney-at-law. As such, the Company has determined that the candidate will be able to contribute to ensuring management transparency and further strengthening of corporate governance. Based on the professional expertise stated above, the Company expects that the candidate will provide advice on and overall supervision of the management of the Company, and therefore proposes the reelection of the candidate as Outside Director of the Company.

Ms. Yao will have served as Outside Director of the Company for six years at the conclusion of this Annual Meeting of Shareholders.

Reference Documents for the Annual Meeting of Shareholders

No. **6** **Chie Ikegawa** (Date of birth: Feb. 4, 1966)

Reappointment

Outside Director

Number of the Company's shares held

- shares

Board of Directors meetings attendance

100% (20/20 times)

■ Brief personal record, position, responsibilities and important concurrent posts

- Apr. 1989: Joined Procter & Gamble Far East, Inc. (current The Procter & Gamble Company of Japan Limited (P&G Japan Limited))
- Oct. 2006: Joined McDonald's Company (Japan), Ltd.
- Feb. 2010: Joined Lenovo Japan Ltd., Director & CFO, General Manager of Finance Management Division
- Oct. 2011: Auditor of NEC Personal Computers, Ltd.
- Jan. 2014: Joined Kellogg (Japan) G.K., Executive Officer, General Manager of Business Administration and Finance Division
- Dec. 2018: Vice President of Commercial Finance, Business Administration Division of Seiyu GK. (Walmart Japan)
- May 2019: Representative Director of Strat Consulting Co., Ltd. (present)
- Nov. 2019: Director (present)

[Important concurrent posts]

Representative Director, Strat Consulting Co., Ltd.
Outside Director, WILL GROUP, INC.

■ Reasons for selection as a candidate for Outside Director and Expected Roles

Ms. Chie Ikegawa has a profound wealth of knowledge in business administration, planning, finance and accounting of corporations. The Company has determined that the candidate will be able to contribute to the enhancement of corporate value of the Company by drawing on her accumulated experience and knowledge. Based on the professional expertise stated above, the Company expects that the candidate will provide advice on and overall supervision of the management of the Company, and therefore proposes the reelection of the candidate as Outside Director of the Company.

Ms. Ikegawa will have served as Outside Director of the Company for two years at the conclusion of this Annual Meeting of Shareholders.

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- (Notes)
1. None of the candidates for Directors have special conflict of interest with the Company.
 2. The Company has concluded liability limitation agreements with Ms. Noriko Yao and Ms. Chie Ikegawa based on the provisions of Article 427, Paragraph 1 of the Companies Act, for the purpose of limiting the liability for damages arising from the act as set out in Article 423, Paragraph 1 of the Act; provided, however, that the limit of the liability shall be an amount stipulated in Article 425, Paragraph 1 of the Act. The Company plans to continue the agreement with both candidates upon the approval on their reappointment.
 3. The candidates for Directors are incumbent Directors of the Company. The Company has entered into a directors and officers liability insurance contract with an insurance company, which covers the candidates for Directors as the insured persons, as stipulated in Article 430-3, Paragraph 1 of the Companies Act. The insurance contract covers damages and litigation expenses to be borne by the insureds in the event that a claim for damages is made against the insured due to an act (including omission) committed by the insured in his/her capacity as a director or officer of the Company. The insurance premiums are fully borne by the Company. The candidates for Directors will continue to be insured by the insurance contract upon the approval on their reappointment. The Company plans to renew the insurance contract with the same terms and conditions during their terms of office.
 4. Ms. Noriko Yao and Ms. Chie Ikegawa are candidates for Outside Directors. All candidates for Outside Directors are required to meet the election criteria for independent outside officers set out by the Company, and both of the two candidates meet all such criteria.
 5. Ms. Noriko Yao and Ms. Chie Ikegawa meet the requirements for independent officers based on the regulations of Tokyo Stock Exchange, Inc. The Company has designated them as independent officers and registered them as such at Tokyo Stock Exchange, Inc.

<Reference> “Criteria for Election of Independent Outside Officers”

1. Independent Outside Officers should not be currently serving or have served in the past as Director (excluding Outside Director, hereinafter the same shall apply), Corporate Auditor (excluding Outside Corporate Auditor, hereinafter the same shall apply), Executive Officer, Manager and other employee of the Company or the Group.
2. Independent Outside Officers should not be currently serving or have served in the past five years as Director, Corporate Auditor, Executive Officer, Manager and other employee of a major shareholder of the Company.
3. Independent Outside Officers should not be currently serving as Director, Corporate Auditor, Executive Officer, Manager and other employee of a company which, at present, is a principal shareholder of the Company.
4. Independent Outside Officers should not be currently serving or have served in the past three years as Director, Corporate Auditor, Executive Officer, Manager and other employee of a company which is a principal business partners (accounting for more than 2% of the consolidated gross sales of the Company in the previous fiscal year) of the Company or the Group.
5. Independent Outside Officers should not be currently serving as Director (referring to Executive Director only), or other executor of business (referring to officer, member or employee engaged in the execution of business) at an organization (such as public interest incorporated foundation, public interest incorporated association, non-profit corporation) that receives donation or subsidy in excess of certain amount (10 million yen on average over the past three years) from the Company or the Group.
6. Independent Outside Officers should not be currently serving as Director, Corporate Auditor or Executive Officer of a company or its subsidiary where the Company or the Group has seconded a Director or Corporate Auditor (whether full-time or part-time).
7. Independent Outside Officers should not be currently serving or have served in the past five years as Director, Corporate Auditor, Executive Officer, Manager and other employee of a principal financial institution of the Company or the Group (a financial institution vital for fund raising at the Company or the Group, conducting comprehensive review to determine whether there is a situation likely to give rise to an issue of conflicts of interest between the Company and shareholders (involving actual or potential insolvency), and other review, such as financial/credit rating, capital ratio, financing dependency on specific creditors or ability to repay loans of the Company or the Group).
8. Independent Outside Officers should not be currently serving or have served in the past five years as Director (excluding outside Director, hereinafter the same shall apply), Corporate Auditor (excluding outside Corporate Auditor, hereinafter the same shall apply), Executive Officer, Manager and other employee of a brokerage lead manager of the Company.
9. Independent Outside Officers should not be currently serving or have served in the past three years as member, partner or employee of the accounting auditor (or tax accountant’s corporation) of the Company or the Group.
10. Independent Outside Officers should not be currently serving as professional service provider including attorney, certified public accountant, tax accountant and consultant of various natures, who receives compensation in excess of certain amount (10 million yen on average over the past three years) from the Company or the Group.
11. Independent Outside Officers should not be relatives within the second degree of kinship, or other relatives living together with the person concerned in each of the above 1 through 10.
12. However, a person who falls into any of the above may still be appointed as an Independent Outside Officer of the Company, as long as the person is deemed appropriate by the Company as an Independent Outside Officer of the Company in light of his/her character, insight and other qualities, subject to an external explanation justifying such reason for the appointment.
13. Apart from the qualifications listed above, Independent Outside Officers should not be determined to be questionable in terms of his/her independence as an Independent Outside Officer, and may cause substantive and permanent conflicts of interest with general shareholders.

■ Principal expertise and experience particularly expected by the Company out of Directors and Corporate Auditors

No.	Name		Corporate management / business strategy	Industry experience / sales	Financial affairs	DX / IT	Marketing / branding	Legal affairs / compliance	Personnel / labor / human resource development	ESG / sustainability
Director	1	Hirotake Watanabe	•	•			•		•	
	2	Kazuhito Yamashita	•	•			•		•	
	3	Kotaro Okamoto	•		•	•				•
	4	Dai Komiyama	•	•			•		•	
	5	Noriko Yao	Outside		•			•	•	•
	6	Chie Ikegawa	Outside	•		•		•	•	
Corporate Auditor	—	Kazuya Matsushita	Outside		•			•		
	—	Takao Oguchi	Outside					•	•	
	—	Hiroshi Jinza	Outside		•			•		
	—	Nanako Aono	Outside	•		•		•		

The table above shows a maximum of four items that are expected of each Director/Corporate Auditor. The table does not cover all the expertise and experience possessed by each Director/Corporate Auditor.

Consolidated Financial Statements

Consolidated Balance Sheet (As of August 31, 2021)

(Unit: Million yen)

Item	Amount
Assets	
Current assets	10,441
Cash and deposits	8,727
Accounts receivable - trade	767
Securities	200
Merchandise	114
Work in process	13
Supplies	7
Advance payments - trade	19
Prepaid expenses	303
Other	322
Allowance for doubtful accounts	(33)
Non-current assets	4,207
Property, plant and equipment	531
Buildings and structures	469
Tools, furniture and fixtures	52
Land	0
Leased assets	8
Intangible assets	402
Goodwill	203
Software	190
Software in progress	4
Telephone subscription right	4
Investments and other assets	3,274
Investment securities	2,022
Long-term prepaid expenses	42
Deferred tax assets	226
Lease and guarantee deposits	942
Other	40
Total assets	14,649

Item	Amount
Liabilities	
Current liabilities	3,876
Accounts payable - trade	119
Accounts payable - other	102
Accrued expenses	1,139
Income taxes payable	427
Accrued consumption taxes	331
Advances received	1,242
Lease obligations	1
Deposits received	54
Provision for bonuses	404
Other	51
Non-current liabilities	747
Net defined benefit liability	111
Provision for share awards for directors (and other officers)	11
Provision for share awards	34
Long-term accounts payable - employees	104
Long-term accounts payable - directors	117
Deferred tax liabilities	18
Lease obligations	7
Asset retirement obligations	339
Long-term guarantee deposited	1
Total liabilities	4,624
Net assets	
Shareholders' equity	9,632
Capital stock	972
Capital surplus	909
Retained earnings	10,529
Treasury shares	(2,779)
Accumulated other comprehensive income	392
Valuation difference on available-for-sale securities	377
Foreign currency translation adjustment	15
Total net assets	10,025
Total liabilities and net assets	14,649

Consolidated Financial Statements

Consolidated Statement of Income (From September 1, 2020 to August 31, 2021)

(Unit: Million yen)

Item	Amount	
Net sales		19,039
Cost of sales		13,912
Gross profit		5,126
Selling, general and administrative expenses		4,157
Operating income		969
Non-operating income		
Interest income	13	
Dividend income	22	
Share of profit of entities accounted for using equity method	8	
Rent income	18	
Reversal of allowance for doubtful accounts	17	
Subsidy income	57	
Other	19	157
Non-operating expenses		
Interest expenses	1	
Rent expenses	4	
Loss on cancellation of leases	5	
Other	0	12
Ordinary income		1,113
Extraordinary income		
Gain on sale of property, plant and equipment	531	
Gain on sales of investment securities	164	696
Extraordinary losses		
Loss on change in equity	1	
Loss on retirement of property, plant and equipment	11	
Loss on withdrawal from business	41	
Impairment loss	11	65
Profit before income taxes		1,744
Income taxes - current	660	
Income taxes - deferred	(56)	604
Profit		1,140
Profit attributable to owners of the parent		1,140

Consolidated Statement of Changes in Equity (From September 1, 2020 to August 31, 2021)

(Unit: Million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	972	909	10,140	(2,903)	9,119
Changes of items during period					
Dividends of surplus			(627)		(627)
Profit attributable to owners of the parent			1,140		1,140
Purchase of treasury shares				(155)	(155)
Disposal of treasury shares			(124)	279	155
Net changes of items other than shareholders' equity					
Total changes of items during period	-	-	389	124	513
Balance at end of period	972	909	10,529	(2,779)	9,632

	Accumulated other comprehensive income			Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income	
Balance at beginning of period	342	11	354	9,473
Changes of items during period				
Dividends of surplus				(627)
Profit attributable to owners of the parent				1,140
Purchase of treasury shares				(155)
Disposal of treasury shares				155
Net changes of items other than shareholders' equity	34	3	38	38
Total changes of items during period	34	3	38	552
Balance at end of period	377	15	392	10,025

Non-consolidated Financial Statements

Balance Sheet (As of August 31, 2021)

(Unit: Million yen)

Item	Amount	Item	Amount
Assets		Liabilities	
Current assets	5,663	Current liabilities	1,910
Cash and deposits	4,149	Accounts payable - trade	88
Accounts receivable - trade	779	Accounts payable - other	14
Securities	200	Accrued expenses	818
Merchandise	110	Income taxes payable	244
Supplies	6	Accrued consumption taxes	206
Advance payments - trade	13	Advances received	83
Prepaid expenses	175	Lease obligations	1
Other	253	Deposits received	93
Allowance for doubtful accounts	(25)	Provision for bonuses	344
		Other	15
Non-current assets	6,788	Non-current liabilities	421
Property, plant and equipment	293	Provision for share awards for directors (and other officers)	7
Buildings	254	Provision for share awards	24
Tools, furniture and fixtures	30	Long-term accounts payable - employees	104
Land	0	Long-term accounts payable - directors	99
Leased assets	8	Lease obligations	7
Intangible assets	193	Asset retirement obligations	176
Software	184	Long-term guarantee deposited	1
Software in progress	4		
Telephone subscription right	4	Total liabilities	2,332
Investments and other assets	6,301	Net assets	
Investment securities	1,878	Shareholders' equity	9,742
Shares of subsidiaries and associates	3,723	Capital stock	972
Investments in capital	10	Capital surplus	915
Long-term prepaid expenses	35	Legal capital surplus	915
Deferred tax assets	122	Retained earnings	10,633
Lease and guarantee deposits	506	Legal retained earnings	54
Other	25	Other retained earnings	10,579
		General reserve	9,147
		Retained earnings brought forward	1,432
		Treasury shares	(2,779)
		Valuation and translation adjustments	377
		Valuation difference on available-for-sale securities	377
Total assets	12,451	Total net assets	10,119
		Total liabilities and net assets	12,451

Statement of Income (From September 1, 2020 to August 31, 2021)

(Unit: Million yen)

Item	Amount	
Net sales		12,770
Cost of sales		9,152
Gross profit		3,618
Selling, general and administrative expenses		3,007
Operating income		610
Non-operating income		
Interest income	1	
Interest on securities	12	
Dividend income	22	
Rent income	36	
Reversal of allowance for doubtful accounts	17	
Subsidy income	6	
Other	15	114
Non-operating expenses		
Interest expenses	1	
Rent expenses	26	
Loss on cancellation of leases	5	
Other	0	33
Ordinary income		691
Extraordinary income		
Gain on sale of property, plant and equipment	441	
Gain on sales of investment securities	164	
Gain on liquidation of subsidiaries	109	715
Extraordinary losses		
Loss on retirement of property, plant and equipment	3	
Loss on withdrawal from business	55	
Impairment loss	11	69
Profit before income taxes		1,336
Income taxes - current	417	
Income taxes - deferred	(2)	414
Profit		922

Non-consolidated Financial Statements

Statement of Changes in Equity (From September 1, 2020 to August 31, 2021)

(Unit: Million yen)

	Shareholders' equity							
	Capital stock	Capital surplus	Retained earnings				Treasury shares	Total shareholders' equity
		Legal capital surplus	Legal retained earnings	Other retained earnings		Total retained earnings		
				General reserve	Retained earnings brought forward			
Balance at beginning of period	972	915	54	9,147	1,261	10,462	(2,903)	9,447
Changes of items during period								
Dividends of surplus					(627)	(627)		(627)
Profit					922	922		922
Purchase of treasury shares							(155)	(155)
Disposal of treasury shares					(124)	(124)	279	155
Net changes of items other than shareholders' equity								
Total changes of items during period	-	-	-	-	171	171	124	295
Balance at end of period	972	915	54	9,147	1,432	10,633	(2,779)	9,742

	Valuation and translation adjustments	Total net assets
	Valuation difference on available-for-sale securities	
Balance at beginning of period	343	9,790
Changes of items during period		
Dividends of surplus		(627)
Profit		922
Purchase of treasury shares		(155)
Disposal of treasury shares		155
Net changes of items other than shareholders' equity	34	34
Total changes of items during period	34	329
Balance at end of period	377	10,119