

Proposal No. 3 Election of Three (3) Directors (excluding those who are members of the Audit and Supervisory Committee)

Proposal No. 4 Election of Three (3) Directors who are members of the Audit and Supervisory Committee

Proposal No. 5 Election of One (1) Director who is a substitute member of the Audit and Supervisory Committee

The end

If you plan to attend the meeting, please submit the enclosed Voting Form to the reception desk at the venue.

Any amendments to the Business Report, Financial Statements, Consolidated Financial Statements and reference documents for the General Meeting of Shareholders attached to this Notice of the General Meeting of Shareholders will be posted on the Company's website (<https://www.meiho-est.com/>).

Measures to Prevent COVID-19 Infection

- * The body temperature of shareholders will be checked before entry. Shareholders who are judged by the management staff to be in poor health will be notified and may be refused admission.
- * Shareholders planning to attend in person are asked to be sure to bring a mask. Please be sure to wear your mask at all times inside the venue.
- * The management staff of this general meeting will check the physical condition of those entering, including checking body temperature, and they will be required to wear a mask.
- * In order to reduce the risk of the spread of infection and to ensure the continuation of the company's business, only some of our executives may attend the meeting or their attendance will be made online, regardless of their health condition on the day of the meeting.
- * Depending on the circumstances regarding the spread of COVID-19, the venue or the start time may be changed.

In that case, we will post a notification on our website (<https://www.meiho-est.com/>). Even if you plan to attend the meeting in person, please be sure to check the Company's website beforehand.

- * Please note that the number of seats has been significantly reduced in order to provide sufficient space between seats for shareholders. Please note that we may have to refuse entry if all available seats are taken.

(Documents Provided)

Business Report

(August 1, 2021 to
July 31, 2022)

1. Current Status of the Corporate Group

(1) Overview of business for the current consolidated fiscal year

1) Business progress and results

During the consolidated fiscal year, the Japanese economy showed signs of economic recovery with a gradual easing of restrictions on business activities amid the prolonged impact of the COVID-19 pandemic, backed by the establishment of infection control measures and implementation of various measures including vaccination. However, the outlook remains unpredictable, as the number of new infections has begun to rise again due to a new variant of the virus. In addition, the outlook remains uncertain because of soaring raw material and crude oil prices associated with the prolonged situation in Ukraine and the concerns over currency fluctuations caused by the rapid depreciation of the yen.

The real estate industry, in which the Company operates, has been relatively unaffected by the COVID-19 pandemic, with backing from various government support programs and continued low interest rates, and willingness to buy remains at a high level. On the other hand, the supply of construction materials and housing equipment has been restricted due to land prices and the tense global situation, raising concerns about the impact on real estate prices due to further increases in construction costs.

Under these business circumstances, the Group made the following efforts in each business segment.

In the real estate sales business, the Group is proceeding to enhance its ability to procure properties by leveraging its strengths in information analysis and business planning to its fullest while strengthening its resistance to market fluctuation risks by carefully selecting locations and reducing procurement costs. Regarding the sales activities of our main brands MIJAS and EL FARO, since March the Group has been striving to find potential customers and strengthen sales activities by holding real estate investment seminars for individual investors in the Head Office's newly opened customer service/seminar room.

We also delivered nine buildings, including Mijas Nakano Arai Yakushi II (Nakano-ku, Tokyo), ten buildings including El Faro Yoyogi Uehara II (Shibuya-ku, Tokyo) constructed by Kyoeigumi Co., Ltd., which became a Group company in August, one building in the ME BLD. (M.E. Build) series, a real estate revitalization business, and two properties for development projects.

In the real estate leasing business, in order to maximize profits for existing owners, in addition to area marketing, we aim to eliminate vacancies by setting the optimal rent based on the AI assessment system and contract execution examples and by proposing leasing strategies utilizing our network of brokerage firms in the Tokyo metropolitan area, thereby achieving high occupancy rates in the properties managed by the Group. We have also introduced an application for information exchange with owners and continue to share and exchange information through CS surveys and other measures. For our main brands, the MIJAS and EL FARO series, the Group offers a one-stop service, from the creation of products to their management, thereby endeavoring to maintain high quality and high occupancy rates. Consequently, the series is creating synergies within the Group, with their positive recognition as highly profitable real estate investment products, triggering repeated purchases of real estate investment product series.

In the real estate brokerage business, the Group is working to increase revenues by introducing properties in line with customer needs through the use of its unique information network comprising real estate sales business and other businesses.

In the contracting business, the Group completed and delivered four buildings in the MIJAS and EL FARO series, planned and constructed three buildings, and renovated and remodeled other properties under management to suit their characteristics in an effort to generate profits.

As a result of the above, revenues for the fiscal year under review were 11,160 million yen (up 9.6% year on year) as the sales of real estate investment products in the main brands including MIJAS and EL FARO secured higher profit margins and amounts than originally expected. For the profit at each stage, operating profit was 1,116 million yen (up 13.6% year on year), ordinary profit was 932 million yen (down 3.0% year on year), and profit attributable to owners of the parent was 640 million yen (down 22.4% year on year).

Overview of Reportable Segments

- A. In the real estate sales business, we sold nine buildings in the MIJAS series of apartment development projects and ten buildings in the EL FARO series of rental condominiums. We also sold one building in the ME BLD. series in the real estate revitalization business and an additional two properties for development projects. As a result, revenues were 8,553 million yen (up 10.4% year on year), and segment profit was 1,050 million yen (up 33.4% year on year).
- B. In the real estate leasing business, revenues were 2,036 million yen (down 3.8% year on year), and segment profit was 219 million yen (down 34.9% year on year), due to property management fees for the management business of the real estate management company, a Group company.
- C. In the real estate brokerage business, revenues were 28 million yen (down 50.7% year on year), and segment profit was 25 million yen (up 37.7% year on year), reflecting real estate brokerage and other fees.
- D. In the contracting business, revenues were 506 million yen (up 107.5% year on year) and segment profit was 21 million yen (up 621.1% year on year) due to construction contracts and renovation work.
- E. This section refers to business segments not included in the reportable segments. Due mainly to insurance agency services, revenues were 45 million yen (up 32.3% year on year) and segment profit was 43 million yen (up 31.3% year on year).

2) Information about capital expenditures

A. Major facilities acquired during the current consolidated fiscal year

There is nothing to report.

B. New installation and expansion of major facilities in progress during the current consolidated fiscal year

There is nothing to report.

C. Sales, removal, and loss of important non-current assets during the current consolidated fiscal year

There is nothing to report.

3) Information about financing

Not applicable.

4) Business transfers, absorption-type company split or incorporation-type company split

Not applicable.

5) Acquisition of the business of other companies

Not applicable.

6) Acquisition or disposal of the shares or other equity or stock acquisition rights of other companies

Not applicable.

7) Succession of rights and obligations related to the business of other corporations, etc. through absorption-type merger or absorption-type split

Not applicable.

(2) Status of assets and profit (loss)

Category	51st Term (FY ended July 31, 2019)	52nd Term (FY ended July 31, 2020)	53rd Term (FY ended July 31, 2021)	54th Term (Current consolidated fiscal year) (FY ended July 31, 2022)
Revenues (million yen)	10,638	9,907	10,181	11,160
Ordinary profit (million yen)	291	444	961	932
Profit attributable to owners of parent (million yen)	138	305	825	640
Basic earnings per share (yen)	5.85	12.96	34.95	27.11
Total assets (million yen)	11,521	11,448	11,607	13,987
Net assets (million yen)	4,190	4,372	5,085	5,530
Net assets per share (yen)	176.98	184.69	214.75	234.19

(3) Information about significant parent companies and subsidiaries

Significant subsidiaries

Company name	Share capital	Ratio of voting rights of the Company	Main business activities
Meiho Properties Co., Ltd.	33,200thousand yen	100.0%	Real estate leasing, real estate brokerage
House Saison Enterprise Co., Ltd.	15,000thousand yen	100.0%	Real estate leasing, real estate brokerage
Moon Asset Co., Ltd.	50thousand yen	100.0%	Real estate development and management

(4) Issues to be addressed

In the market for rental real estate for investment, which is the focus of the Company's MIJAS brand of rental apartments, the number of vacant houses continues to increase, particularly in regional cities. In order to secure stable occupancy rates in spite of the nationwide difficulty in recovering demand, it is necessary to focus on supplying properties in urban areas, where a high occupancy rate can be expected in the future, and to implement a strategy of differentiation by offering value-added services.

In this business environment, in line with the Company's corporate philosophy of being a "comprehensive developer focused on creating things" in order to build lifelong relationships with our customers, the real estate sales business saw strong sales in its core business, including the Group's one-stop service product, rental apartment brand MIJAS, which combines development, sales, and property management (nine properties supplied in the fiscal year ended July 31, 2022), and the rental condominium brand EL FARO (10 properties supplied in the fiscal year ended July 31, 2022), with a target of supplying around 25 properties per year.

The Group's business base, including the markets for its core businesses, remains strong, and although the impact of the COVID-19 pandemic is currently limited, we will continue to actively purchase land for business and carry out sales activities, while giving due consideration to preventing the spread of COVID-19 over the next fiscal year and beyond.

(5) Main business activities (as of July 31, 2022)

Business Category	Description of Business
Real estate sales business	Sales of the MIJAS rental apartment series and EL FARO series of rental apartments, etc.
Real estate leasing business	Subleasing of rental apartments, etc.
Real estate brokerage business	Brokerage services arising in connection with the real estate sales business
Contracting business	Contract construction and renovation
Other	Insurance agency business, etc.

(6) Main sales offices (as of July 31, 2022)

Our Company	Head office: Meguro-ku, Tokyo, Kansai branch: Kyoto-shi, Kyoto
Meiho Properties Co., Ltd.	Head office: Meguro-ku, Tokyo
House Saison Enterprise Co., Ltd.	Head office: Kyoto-shi, Kyoto
Moon Asset Co., Ltd.	Head office: Kyoto-shi, Kyoto

(7) Status of employees (as of July 31, 2022)

1) Information about the Group employees

Number of employees	Change from the end of the previous consolidated fiscal year
88people	Increase of 17 people

2) Information about the Company employees

Number of employees	Change from the end of the previous business year	Average age	Average years of service
33people	Increase of 4 people	38.8 ^{years} _{old}	6.9year(s)

(8) Information about major creditors (as of July 31, 2022)

Creditors	Balance of borrowings
Kinkisangyou Shinkumi Bank	942million yen
Kyoto Chuo Shinkin Bank	887million yen
Setagaya Shinkin Bank	696million yen
Kiraboshi Bank, Ltd.	553million yen
Higashi-Nippon Bank Ltd.	428million yen

(9) Other significant matters concerning the Group

Not applicable.

2. Information about the Company

(1) Information about shares (as of July 31, 2022)

- 1) Total number of outstanding shares 24,661,000shares
 2) Number of shareholders 6,736people

3) Information about major shareholders

Name of shareholder	Number of shares held (shares)	Shareholding ratio (%)
Mitsuru Yabuki	7,246,400	30.69
House Saison Co., Ltd.	3,417,700	14.47
Primavera Co., Ltd.	900,000	3.81
Seiho Tanaka	607,100	2.57
Tetsuzo Kimura	500,000	2.12
Shoei Co., Ltd.	428,400	1.81
Akihiko Masuda	345,800	1.46
PHILLIP SECURITIES CLIENTS (RETAIL) (Phillip Securities Japan, Ltd.)	311,200	1.32
Masaru Ishihara	184,000	0.78
Minoru Wada	155,000	0.66

(Note) Although the Company holds 1,047,160 shares of treasury stock, it is excluded from the major shareholders above.

The shareholding ratio is also calculated excluding the treasury stock (1,047,160 shares).

(2) Share acquisition rights, etc.

- 1) Status of the share acquisition rights held by Company Directors as compensation for execution of duties (as of July 31, 2022)

Not applicable.

- 2) Status of the share acquisition rights issued to employees, etc. as compensation for execution of duties during the current fiscal year
 Not applicable.
- 3) Other status of share acquisition rights, etc.
 Not applicable.

(3) Information about directors

1) Board members (as of July 31, 2022)

Position within the Company	Name	Responsibilities and other important positions	
Chairman & Representative Director	Mitsuru Yabuki	Azabu Building Co., Ltd. Land Capital Partners Co., Ltd.	President and Representative Director President and Representative Director
President	Takahiro Umeki	Meiho Properties Co., Ltd. House Saison Enterprise Co., Ltd.	Director Director
Director and Senior Managing Executive Officer	Shunji Yasuda	Manager Meiho Properties Co., Ltd. House Saison Enterprise Co., Ltd.	Auditor Auditor
Director (Audit and Supervisory Committee Member)	Yui Kayano	Vasco Da Gama Offices	Partner
Director (Audit and Supervisory Committee Member)	Kazuya Shimamura	Shimamura Law & Accounting 3-D Matrix, Ltd. Cosmo Bio Co., Ltd. AZoom Co., Ltd. CAICA Inc.	Representative Outside Director Outside Director Outside Auditor Outside Director
Director (Audit and Supervisory Committee Member)	Tetsuzo Kimura	Shoei Co., Ltd.	Representative Director
Director (Audit and Supervisory Committee Member)	Taiji Yamamoto	SXA Inc.	Representative Director
Director (Audit and Supervisory Committee Member)	Yuhei Matsumoto	FitLife, Inc.	President and Representative Director

(Note) 1. Yui Kayano, Kazuya Shimamura, Tetsuzo Kimura, Taiji Yamamoto and Yuhei Matsumoto are Outside Directors.

- The Company does not appoint full-time Audit and Supervisory Committee members. Instead, it has designated specific Audit and Supervisory Committee members to gather information through attendance at the Board of Executive Officers meetings and regular interviews with the internal audit department to ensure the effectiveness of audits.
- Director Kazuya Shimamura is a certified public accountant and has considerable knowledge of finance and accounting.
- The Company has designated Directors Kazuya Shimamura and Taiji Yamamoto as independent Directors in accordance with the provisions of the Tokyo Stock Exchange and has notified the Exchange of such designation.

2) Matters related to the policy for determining remuneration, etc. for each individual Director

The Company resolved a policy on determining the details of remuneration, etc. for individual Directors (excluding those who are members of the Audit and Supervisory Committee) at the Board of Directors meeting held on February 25, 2021, and for individual Outside Directors at the Audit and Supervisory Committee, respectively.

Remuneration for Company Directors is delegated to Representative Directors by the Board of Directors within the compensation limits resolved at the General Meeting of Shareholders. Remuneration for Directors is fixed remuneration only; performance-linked remuneration has not been adopted.

The mandatory is the Chairman and Representative Director, Mitsuru Yabuki. The authority delegated to him is the discretionary authority to determine the remuneration of each Director within the compensation limits resolved at the General Meeting of Shareholders, taking into consideration the duties and responsibilities of each Director, their performance, and the business environment. The reason for the delegation of authority is that the term of office of Company Directors is one year, and the Representative Director has an overall view of the Company, which enables him to determine the appropriate remuneration for each Director, taking into consideration his or her duties, responsibilities and performance, as well as the management environment, etc. It is also intended to motivate each Director to play an active role without delay. In determining the remuneration, the Representative Director listens to and gives due consideration to the opinions of the Audit and Supervisory Committee.

Because the amount of remuneration for each individual Director is determined based on the above, the Board of Directors believes that such remuneration is in line with the decision-making policy.

The amount of remuneration for each Audit and Supervisory Committee member is a fixed amount that is not affected by the Company's business performance, as the members of the Audit and Supervisory committee are responsible for auditing the execution of duties of the entire Group, and is determined through discussions among members of the Audit and Supervisory Committee.

3) Total remuneration, etc. for Directors

Category	Persons paid	Amount paid
Directors (excluding Audit and Supervisory Committee members) (portion to Outside Directors)	4 people (-) people	78 million yen (-) million yen
Director (Audit and Supervisory Committee)	6 people	17 million yen

Meiho Enterprise Co., Ltd.
Notice of the 54rd Ordinary General Meeting of Shareholders

members) (portion to Outside Directors)	(6) people	(17) million yen
Total (portion to Outside Directors)	10 people (6) people	95 million yen (17) million yen

- (Note) 1. The maximum amount of remuneration for Directors (excluding Audit and Supervisory Committee members) was resolved at the Ordinary General Meeting of Shareholders held on October 29, 2015 to be 200 million yen per year. The number of Directors (excluding Audit and Supervisory Committee members) as of the close of this Ordinary General Meeting of Shareholders is six (6).
2. The maximum amount of remuneration for Directors who are Audit and Supervisory Committee members was resolved at the Ordinary General Meeting of Shareholders held on October 29, 2015 to be 20 million yen per year. The number of Directors (Audit and Supervisory Committee members) as of the close of this Ordinary General Meeting of Shareholders is three (3).

4) Outline of the Directors and Officers Liability Insurance

The Company has entered into a Directors and Officers Liability Insurance contract as stipulated in Article 430-3, Paragraph 1 of the Companies Act, with the Directors, Corporate Auditors, and Executive Officers of the Company, and its subsidiaries as insured parties. The insurance covers losses that may arise due to insured parties assuming liability for their execution of duties, or receiving a claim for the pursuit of such liability. However, there are certain exemptions, such as non-coverage of damages caused by acts committed with the knowledge that such acts are in violation of laws and regulations. The insurance premiums are fully paid by the Company, and the insured persons do not bear the cost of the premiums.

5) Matters concerning Outside Directors

Outside Directors (Audit and Supervisory Committee members)

- A. Status of concurrent positions held by executive officers of other companies and the relationship between the Company and the other companies
 - Not applicable.
- B. Status of concurrent positions held by Outside Directors of other companies and the relationship between the Company and the other companies
 - Not applicable.
- C. Main activities during the current fiscal year
 - Attendance at meetings of the Board of Directors and the Audit and Supervisory Committee

Category	Name	Main activities
Outside Directors (Audit and Supervisory Committee members)	Yui Kayano	He attended all 20 meetings of the Board of Directors and all 12 meetings of the Audit and Supervisory Committee held during the current fiscal year. As a legal expert through his career as an attorney-at-law, he appropriately fulfilled the role expected of an Outside Director, supervising the execution of duties by Directors and Executive Officers, and making necessary comments on proposals and deliberations as appropriate.
	Kazuya Shimamura	He attended all 20 meetings of the Board of Directors and all 12 meetings of the Audit and Supervisory Committee held during the current fiscal year. He appropriately fulfilled the role expected of an Outside Director, supervising the execution of duties by Directors and Executive Officers, and making necessary comments on proposals and deliberations from his professional perspective as a certified public accountant and lawyer.
	Tetsuzo Kimura	He attended 19 out of the 20 meetings of the Board of Directors and all 12 meetings of the Audit and Supervisory Committee held during the current fiscal year. He appropriately fulfilled the role expected of an Outside Director, supervising the execution of duties by Directors and Executive Officers, and making necessary comments on proposals and deliberations from his expert perspective as someone with many years of experience as a manager.
	Taiji Yamamoto	He attended all 20 meetings of the Board of Directors and all 12 meetings of the Audit and Supervisory Committee held during the current fiscal year. He appropriately fulfilled the role expected of him as an Outside Director, supervising the execution of duties by Directors and Executive Officers, and making necessary comments on proposals, deliberations, etc. from an objective standpoint based on his experience and broad insight cultivated at multiple companies.
	Yuhei Matsumoto	He has attended 16 out of the 17 meetings of the Board of Directors and 9 out of the 10 meetings of the Audit and Supervisory Committee held since he assumed the office of Outside Director (Audit and Supervisory Committee member). He appropriately fulfilled the role expected of him as an Outside Director, supervising the execution of duties by Directors and Executive Officers, and making necessary comments on proposals, deliberations, etc. from an objective standpoint based on his experience and broad insight cultivated at multiple companies.

D. Summary of the Liability Limitation Agreement

Based on the provisions of Article 427, Paragraph 1 of the Companies Act, the Company and each member of the Audit and Supervisory Committee have entered into an agreement to limit their liability for damages as stipulated in Article 423, Paragraph 1 of the same act. The limit on liability for damages under the agreement is the amount stipulated in laws and regulations.

(4) Information about the Accounting Auditor

1) Name: Johnan Audit Corporation

(Note) The former accounting auditor of the Company, Johnan Accounting Office, resigned at the conclusion of the 53rd Ordinary General Meeting of Shareholders held on October 27, 2021. At the same General Meeting of Shareholders, Johnan Audit Corporation was newly elected the accounting auditor and took office.

2) Amount of Remuneration, etc.

	Johnan Accounting Office	Johnan Audit Corporation
1. Remuneration, etc. for the current fiscal year	9 million yen	17 million yen
2. Total amount of money and other financial benefits to be paid by the Company and its subsidiaries to the Accounting Auditor	9 million yen	17 million yen

(Notes) 1. In the contract between the Company and the Accounting Auditor, the amount of remuneration for audits based on the Companies Act and the amount of remuneration for audits based on the Financial Instruments and Exchange Act are not clearly distinguished, nor are they practically distinguishable, so the amount of remuneration for the fiscal year under review includes the sum of these amounts.

2. The Company's Audit and Supervisory Committee, reviewed the content of the Accounting Auditor's audit plan, their execution of duties in the previous fiscal year and the basis for the estimate of audit remuneration by acquiring the necessary materials and reports from the Directors, relevant internal departments and the accounting auditor, while referring to the Practical Guidelines for Coordination with Accounting Auditors published by the Japan Corporate Auditors Association. As a result, the Audit and Supervisory Committee has given its approval in accordance with Article 399, Paragraph 1 of the Companies Act.

3) Policy on Dismissal or Non-reappointment of the Accounting Auditor

The Audit and Supervisory Committee shall dismiss the Accounting Auditor with the unanimous consent of the Audit and Supervisory Committee members if the Accounting Auditor falls under any of the reasons set forth under Article 340, Paragraph 1 of the Companies Act. In addition, if it is deemed difficult for the Accounting Auditor to properly fulfill its duties, the Audit and Supervisory Committee will determine the details of the proposal for dismissal or non-reappointment of the Accounting Auditor which will be submitted to the General Meeting of Shareholders.

(5) Summary of the resolution regarding the establishment of systems, etc. to ensure the proper execution of operations

The details of the resolution on the establishment the Company's internal control system to be implemented in accordance with Article 362, Paragraph 4, Item 6 of the Companies Act, and the establishment of an internal control system as stipulated in Article 100 of the Ordinance for Enforcement of the Companies Act are summarized below.

1) System to ensure that the execution of duties by Directors complies with laws and regulations and the Company's Articles of Incorporation

Directors mutually supervise the execution of duties by other Directors through the Board of Directors. The Directors who are members of the Audit and Supervisory Committee have voting rights at the Board of Directors meetings and check the legality of the execution of duties by the Directors who are not members of the Audit and Supervisory Committee in compliance with laws and regulations and the Articles of Incorporation through statements of opinions from a viewpoint independent of the Directors who are not members of the Audit and Supervisory Committee and audits conducted in accordance with the Audit and Supervisory Committee Regulations and audit plans.

2) Systems for the storage and management of information related to the execution of duties by Directors

The Company carries out the appropriate storage and management of records related to decision-making at important meetings such as the Board of Directors and the Board of Executive Officers, as well as other important documents and information concerning the execution of duties by Directors, in accordance with laws and regulations and internal rules, and verifies and reviews the status of operations as necessary. When decisions are made in writing, they are managed in accordance with the preparation procedures and storage methods stipulated in the Rules of the Internal Approval System.

3) Regulations and other systems for managing the risk of loss

Directors have the authority and responsibility to establish systems and measures for managing risk. Accordingly, an Internal Audit Office under the direct control of the Representative Director and a Legal Department in the Management Department, which is in charge of providing guidance on legal compliance and implementing checks to avoid risk of loss. In the event of a serious incident at the Company or one of its subsidiaries, the Company will convene an Emergency Response Council, take prompt action, and establish a system to minimize loss and damage.

4) System to ensure the efficient execution of duties by Directors

The Board of Directors shall meet once a month to make decisions on important matters stipulated in laws and regulations and the Board of Directors Rules, and to supervise the execution of duties by Directors. In addition, by establishing the Board of Executive Officers as a decision-making body for the execution of duties, the Board of Directors has focused its functions on the supervisory function, thereby improving the efficiency of the execution of duties and strengthening the checking function of the Board of Directors. The Board of Executive Officers is composed of Directors, Directors of the Company's subsidiaries, and other executives of equivalent rank or higher. It meets at least once a month to deliberate and review important matters, make decisions on the execution of duties in a flexible manner, and share information.

5) System to ensure that the execution of duties by employees of the Company and its subsidiaries complies with laws and regulations and the Company's Articles of Incorporation

The Company and its subsidiaries have established the Rules on Division of Responsibilities, the Rules on Administrative Authority, the Rules of the Internal Approval System, and the Code of Ethics to clarify the authority and responsibilities of each officer and employee, and to establish a system to ensure that their duties are executed in a lawful, appropriate, and efficient manner.

In addition, the Company and its subsidiaries have established an Internal Audit Office under the direct control of the Representative Director. In accordance with the Internal Audit Rules, the Internal Audit Office periodically conducts internal audits of overall business operations, including compliance with laws and regulations, the Articles of Incorporation, and internal regulations, as well as the appropriateness of procedures and the execution of duties, and reports the results to the Representative Director, the Board of Directors, and the Audit and Supervisory Committee. In addition, the Internal Audit Office shall follow up on the status of improvement and implementation of recommendations and matters identified through internal audits.

In accordance with the Internal Reporting System Operation Rules, the Company and its subsidiaries have established a system to ensure the proper handling of reports and consultations to ensure the early detection and correction of legal violations and other issues related to compliance.

6) System to ensure the appropriate operation of the business by corporate group consisting of the Company and its subsidiaries

Information on the management of the Company's subsidiaries is reported to the Board

of Executive Officers as necessary, and the system ensures that the Company's intentions are reflected in important decisions concerning their management. The audits by Directors who are members of the Company's Audit and Supervisory Committee and regular internal audits by the Internal Audit Office also cover subsidiaries, and the results of these audits are reported to the Board of Directors and the Audit and Supervisory Committee.

- 7) Matters concerning the system for employees required to assist the Audit and Supervisory Committee in its duties and the independence of such employees from the Directors

Due to its size, the Company does not currently have employees to assist the Audit and Supervisory Committee in its duties. However, the Internal Audit Office shall assist the Audit and Supervisory Committee in its duties upon receiving a request for investigation from the Audit and Supervisory Committee. Furthermore, if the Audit and Supervisory Committee deems it necessary, full-time employees shall be assigned to assist the Audit and Supervisory Committee within a reasonable scope after discussions with the Audit and Supervisory Committee. The appointment and transfer of such employees shall be subject to the consent of the Audit and Supervisory Committee, and such employees shall remain independent from the Directors.

- 8) Systems for Directors and employees to report to the Audit Committee and other systems for reporting to the Audit Committee, and systems for ensuring that the Audit Committee's audits are conducted effectively

The Audit and Supervisory Committee audits the execution of duties by Directors in accordance with laws and regulations, the Audit and Supervisory Committee rules, and the Audit and Supervisory Committee auditing standards.

In order to ensure the effectiveness of audits and appropriate reporting to the Audit and Supervisory committee, the system shall be such that Directors who are Audit and Supervisory committee members may attend meetings of the Board of Directors and the Board of Executive Officers, receive reports on important management information in a timely manner, and express their opinions. They may also inspect important internal documents such as minutes and approval documents at any time at their discretion, and have the authority to request explanations from Directors and employees as necessary.

The Audit and Supervisory Committee shall share information with the Internal Audit Office, collaborate with the Accounting Auditor, and use internal organizations to efficiently investigate the legality and appropriateness of the business activities of Directors and employees.

Employees may report the following matters directly to the Audit and Supervisory Committee.

- A. Facts that could potentially cause significant damage to the Company
- B. Serious violations of laws and regulations or the Articles of Incorporation

- 9) Policies related to procedures for prepayment or reimbursement of expenses incurred in the execution of duties by Directors who are Audit and Supervisory Committee Members or the treatment of expenses and debts arising in the execution of such duties

When a Director who is a member of the Audit and Supervisory Committee makes a request to the Company for advance payment of expenses in connection with the execution of his or her duties, the Company shall promptly settle such expenses and debts after deliberation by the department in charge, unless it is proven that the expenses or debts related to such request are not necessary for the execution of the duties of the Director in question.

- 10) System to ensure the reliability of financial reporting

To ensure the reliability of financial reporting and the effective and appropriate submission of internal control reports as stipulated in the Financial Instruments and Exchange Act, the Company shall, under the direction of the Representative Director, develop and establish an internal control system, continuously evaluate that the system functions effectively and appropriately, and take corrective actions when necessary. The Company shall also ensure compliance with the Financial Instruments and Exchange Act and related laws and regulations.

- 11) Preventing Relationships with Antisocial Forces

a) The Company shall take a firm stance against any person or group that engages in antisocial activities, violence, or unreasonable demands, such as organized crime groups or corporate racketeers, and shall block all relationships with them.

b) In the event of aggression toward the Company by antisocial forces, the Company shall not give in to them, but firmly reject them and respond appropriately in accordance with the Manual for Preventing Damage from Antisocial Forces.

The implementation status of measures to improve the internal control system during the past year is as follows.

The Company and its subsidiaries, led by the Management Department, aim to establish an internal control system that meets the needs of the times, including the thorough internal dissemination of the Compliance Manual (Code of Ethics) and internal training on the prohibition of insider trading, and are conducting employee training with this in mind. Through these initiatives, we will continue to strive to further enhance our internal

control system to strengthen and thoroughly enforce compliance.

(6) Overview of the Operation of Systems to Ensure the Appropriateness of Business Activities

The following is an overview of the "Operation of Systems to Ensure the Appropriateness of Business Activities" of the Company.

The Company periodically reports to the Board of Directors on the operation of the system to ensure the appropriateness of business activities, and conducts reviews of the system as necessary.

- 1) As the basis of the compliance system, we have conducted one training session for the officers and employees of the Company and its subsidiaries in order to raise their awareness of compliance and to prevent wrongful acts, based on the Conduct Guidelines, which serve as a guide to corporate behavior. The Management Department as the lead department, the Company has tried to establish, maintain, and improve the internal control system, and as necessary, has had each department develop rules, guidelines, manuals, etc., and evaluate the operation status.
- 2) The Internal Audit Office is responsible for conducting internal audits, and the Management Department, as the department in charge of compliance, have conducted 14 audits based on the annual audit plan.
- 3) Directors who are members of the Audit and Supervisory Committee can make a request to the General Manager of the Internal Audit Office to investigate internal audits as necessary, and also exchange information with the Accounting Auditor on a regular basis.
- 4) In the event that a Director discovers a serious violation of laws or regulations or any other material fact related to compliance at the Company, the Director is required to report the matter to the Compliance Committee immediately, and to report the matter to the Board of Directors without delay. The Company has confirmed that there were no such reports during the current business year.
- 5) As an internal reporting system for violations of laws and regulations and other compliance-related issues, the Company has established an internal reporting system, whereby the General Manager of the Legal Division and Directors who are members of the Audit and Supervisory Committee receive information, which shall be operated in accordance with the Internal Reporting System Operation Rules. The Company has confirmed that there were no such reports during the current business year.

Consolidated Balance Sheet

(as of July 31, 2022)

(Unit: thousand yen)

Assets		Liabilities	
Title	Amount	Title	Amount
Current assets	12,980,191	Current liabilities	4,020,187
Cash and deposits	3,528,925	Accounts payable	278,927
Accounts receivable - trade and contract assets	93,625	Short-term borrowings	884,500
Real estate for sale	2,222,879	Current portion of long-term borrowings	1,994,094
Real estate for sale in process	6,075,515	Current portion of bonds payable	16,000
Short-term loans receivable	725,500	Lease obligations	1,807
Other	334,414	Income taxes payable	258,723
Allowance for doubtful accounts	(668)	Provision for bonuses	72,973
Non-current assets	1,007,393	Other	513,161
Property, plants and equipment	646,123	Non-current liabilities	4,437,193
Buildings and structures	190,949	Long-term borrowings	4,212,341
Land	428,215	Corporate bonds	16,000
Leased assets	2,766	Lease obligations	1,365
Construction in progress	5,060	Other	207,486
Other	19,132	Total liabilities	8,457,381
Intangible assets	4,993	Net assets	
Investments and other assets	356,276	Shareholders' equity	5,526,203
Investment securities	19,800	Share capital	100,000
Long-term loans receivable	428,349	Capital surplus	1,500,411
Long-term accounts receivable	395,440	Retained earnings	4,306,266
Deferred tax assets	66,770	Treasury shares	(380,474)
Other	266,355	Accumulated other comprehensive income	4,000
Allowance for doubtful accounts	(820,440)	Valuation difference on available-for-sale securities	4,000
		Total net assets	5,530,203
Total assets	13,987,584	Total liabilities and net assets	13,987,584

(Note) Amounts are rounded down to the nearest thousand yen.

Consolidated Statement of Income

(August 1, 2021 to July
 31, 2022)

(Unit: thousand yen)

Title	Amount	
Revenues		11,160,825
Cost of sales		8,890,851
Gross profit		2,269,974
Selling, general and administrative expenses		1,153,556
Operating profit		1,116,417
Non-operating income		
Interest income	26,934	
Penalty income	3,275	
Compensation for damage	3,000	
Surrender value of insurance policies	1,775	
Reversal allowance for doubtful accounts	10,000	
Other	4,637	49,623
Non-operating expenses		
Interest expenses	158,022	
Commissions expenses	74,620	
Other	734	233,377
Ordinary profit		932,664
Extraordinary losses		
Loss on retirement of non-current assets	3,691	3,691
Profit before income taxes		928,973
Income taxes - current	312,928	
Income taxes - deferred	(26,332)	286,595
Profit		642,377
Profit attributable to non-controlling interests		2,128
Profit attributable to owners of parent		640,248

(Note) Amounts are rounded down to the nearest thousand yen.

Consolidated Statement of Changes in Equity

(August 1, 2021 to
 July 31, 2022)

(Unit: thousand yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Beginning balance	100,000	1,495,610	3,854,929	(380,474)	5,070,065
Changes during period					
Profit attributable to owners of parent			640,248		640,248
Dividends of surplus			(188,910)		(188,910)
Acquisition of additional shares of a subsidiary		4,800			4,800
Changes in items other than shareholders' equity (net)					
Total changes during period	-	4,800	451,337	-	456,138
Ending balance	100,000	1,500,411	4,306,266	(380,474)	5,526,203

	Accumulated other comprehensive income		Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Total accumulated other comprehensive income		
Beginning balance	1,100	1,100	13,840	5,085,005
Changes during period				
Profit attributable to owners of parent				640,248
Dividends of surplus				(188,910)
Acquisition of additional shares of a subsidiary				4,800
Changes in items other than shareholders' equity (net)	2,900	2,900	(13,840)	(10,940)
Total changes during period	2,900	2,900	(13,840)	445,198
Ending balance	4,000	4,000	-	5,530,203

(Note) Amounts are rounded down to the nearest thousand yen.

Meiho Enterprise Co., Ltd.
Notice of the 54rd Ordinary General Meeting of Shareholders

Notes to Consolidated Financial Statements

I. Notes to Going Concern Assumptions

Not applicable.

II. Important notes related to significant matters forming the basis for the preparation of consolidated financial statements

1. Matters concerning the scope of consolidation

Number of consolidated subsidiaries	3 companies
Names of consolidated subsidiaries	Meiho Properties Co., Ltd. House Saison Enterprise Co., Ltd. Moon Asset Co., Ltd.

2. Application of the equity method

Number of companies accounted for by the equity method Not applicable.

3. Matters concerning the fiscal year, etc. of consolidated subsidiaries

The fiscal year end of the consolidated subsidiaries is the same as the consolidated fiscal year end.

4. Accounting Policy Matters

(1) Valuation standards and methods for important assets

1) Valuation standards and methods for securities

Other securities

Securities other than shares that do not have a market value	Market value method based on market prices, etc. as of the closing date (All valuation differences are directly charged or credited to net assets, and the cost of securities sold is calculated using the moving average method)
Shares that do not have a market value	Cost method based on the moving average method

2) Valuation standards and methods for inventory

A. Real estate for sale, Cost method based on the specific cost method (consolidated balance sheet real estate for sale in process amounts are calculated by writing down the book value of assets based on their decline in profitability)

B. Supplies Cost method based on the moving average method
(Included in current assets "Other")

(2) Method for depreciation of important depreciable assets

1) Property, plant and equipment: Declining-balance method

(excluding leased assets) However, for buildings (excluding building fixtures) acquired on or after April 1, 1998, and building fixtures and structures acquired on or after April 1, 2016, the straight-line method is applied.
The main useful lifespans are as follows.
Buildings and structures: 7 to 50 years

2) Intangible assets: Straight-line method

(excluding leased assets) However, software for internal use is amortized using the straight-line method based on the internal usage period (5 years).

3) Leased assets

Leased assets related to finance lease transactions that do not transfer ownership

The straight-line method is applied, which uses zero for the residual value for the useful lifespan that equals lease period.

(3) Standards on recognition of material allowances

Meiho Enterprise Co., Ltd.
Notice of the 54rd Ordinary General Meeting of Shareholders

1) Allowance for loan losses

In order to prepare for losses due to uncollectible accounts, for normal obligors, the amounts deemed necessary are provided in the allowance based on the actual ratio of credit losses in the past. In the case of intensive control obligors and certain other obligors, the expected uncollectible amounts are provided in the allowance after considering the recoverability of each claim.

2) Provision for bonuses

It is recorded based on the estimated amount deemed necessary for bonus payments to employees.

(4) Accounting standards for significant income and expenses

The contents of principal performance obligations in the main business concerning revenue from contracts with customers of the Company and its consolidated subsidiaries and the ordinary points in time that such performance obligations are satisfied (the ordinary points in time to recognize revenue) are as follows:

1) Real estate sales business

In the real estate sales business, the Company sells condominiums through joint ventures and by itself. For condominium sales by itself, the Company deems a performance obligation to be satisfied upon delivery of goods to a customer and recognizes revenue at such point in time.

2) Real estate leasing business

In the real estate leasing business, the Company leases residences, offices, retail premises, etc., and provides contract-related services and building management services for real estate owned by others. Revenues from the leasing of residences, offices, retail premises, etc. are recognized according to the Accounting Standard for Lease Transactions. The Company deems a performance obligation to be satisfied upon completion of a contract such as move-in/out for contract-related services and building management services, and upon completion of the provision of services for building management services, respectively, and recognizes revenue at such point in time.

3) Real estate brokerage business

In the real estate brokerage business, the Company brokers land for condominiums, etc. that arises in connection with the real estate sales business. For the brokerage business, the Company deems a performance obligation to be satisfied upon the conclusion of a sales contract with a customer and recognizes revenue at such point in time.

4) Contracting business

In the contracting business, the Company provides construction contracting and renovation works. For such business, the Company deems a performance obligation to be satisfied as construction progresses and recognizes revenue over a certain period. However, when the period from the start date of the transaction based on the contract to the time that the performance obligation is expected to be fully satisfied is considerably short, the Company does not recognize revenue for a certain period but does so when such obligation is fully satisfied.

(5) Other important matters for the preparation of consolidated financial statements

1) Deferred charges

Bond Issuance Costs are recognized as expenses when incurred.

2) Consumption taxes and local consumption taxes

Consumption taxes and local consumption taxes are primarily excluded from the transaction amounts, Consumption taxes, etc. on fixed assets that are not deductible are recorded as "Other" under investments and other assets and amortized over five years on a straight-line basis, and recorded under selling, general and administrative expenses.

3) Application of the consolidated tax payment system

The Company applies the consolidated tax payment system. Note that the Company will transition to the non-consolidated tax payment system from the next consolidated fiscal year.

4) Accounting for income taxes and local income taxes, or tax effect accounting regarding these taxes

The Company and our consolidated subsidiaries traditionally applied the consolidated tax payment system. However, having filed the non-application of the Group Aggregation System during the current consolidated fiscal year, we will transition to the non-consolidated tax payment system from the next consolidated fiscal year. In line with this, for tax effect accounting regarding income taxes and local income taxes, the Company performs accounting and disclosure on the premise of applying the non-consolidated

Meiho Enterprise Co., Ltd.
Notice of the 54rd Ordinary General Meeting of Shareholders

tax payment system from the next consolidated fiscal year, based on the Treatment of Accounting and Disclosure in the Case of Applying the Group Aggregation System (Practical Issues Report No. 42, August 12, 2021).

As the consolidated tax payment system is applied to accounting and disclosure regarding income taxes and local income taxes for the current consolidated fiscal year, we followed Tentative Treatment of Tax Effect Accounting in the Case of Consolidated Tax Payment System (Part 1) (Practical Issues Report No. 5, February 16, 2018) and Tentative Treatment of Tax Effect Accounting in the Case of Consolidated Tax Payment System (Part 2) (Practical Issues Report No. 7, February 16, 2018).

III. Notes to Changes in Accounting Policies

1. Application of Accounting Standard for Revenue Recognition, etc.

Effective from the beginning of the current fiscal year, the Company adopted the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020; hereinafter, "Accounting Standard for Revenue Recognition"), etc., to recognize revenue at the amount expected to be received in exchange for promised goods or services when control of the promised goods or services has been transferred to the customer.

In applying the Revenue Recognition Accounting Standard, etc., the Company has followed the transitional handling as stipulated in the proviso of Paragraph 84 of the Revenue Recognition Accounting Standard, and the cumulative impact of retroactively applying the new accounting policy prior to the beginning of the current fiscal year has been added to or deducted from retained earnings at the beginning of the current fiscal year, while the new accounting policy was applied from the balance at the beginning of the current period. However, the Company has applied the method set forth in Paragraph 86 of the Revenue Recognition Accounting Standard and has not applied the new accounting policy retrospectively to contracts in which almost all the revenue amounts were recognized in accordance with the previous treatment prior to the beginning of the current fiscal year. The Company has also applied the method stipulated in Paragraph 86, Clause (1) of the Revenue Recognition Accounting Standard, and performed accounting based on the contract terms after reflecting all contractual changes for contractual changes made prior to the beginning of the current fiscal year. The cumulative impact was added to or deducted from the retained earnings at the beginning of the current fiscal year.

As a result, there is no impact on profits/losses or balance of retained earnings at the beginning of the current fiscal year.

Due to the application of the Revenue Recognition Accounting Standard, etc., "Accounts receivable - trade" in "Current assets" in the consolidated balance sheet for the previous consolidated fiscal year is presented as "Accounts receivable - trade and contract assets" from the current fiscal year.

2. Application of Accounting Standards for Calculation of Fair Value, etc.

The Accounting Standard for Fair Value Calculation (ASBJ Statement No. 30, July 4, 2019; hereinafter referred to as the "Accounting Standard for Fair Value Calculation"), etc. were applied from the beginning of the current consolidated fiscal year, and in accordance with the transitional treatment prescribed in paragraph 19 of the Accounting Standard for Fair Value Calculation and paragraph 44-2 of the Accounting Standard for Financial Instruments (ASBJ Statement No. 10, July 4, 2019), the new accounting policy prescribed by the Accounting Standard for Fair Value Calculation, etc. will be applied in the future.

The adoption of this accounting standard had no impact on the consolidated financial statements.

Also, notes on the matters regarding the breakdown, etc. of financial instruments based on the appropriate classification of market values are provided in the Notes to Financial Instruments.

IV. Notes to the Revenue Recognition

(1) Revenue breakdown

The Company and its consolidated subsidiaries are engaged in the real estate sales business, real estate leasing business, real estate brokerage business, contracting business, and other businesses. In the real estate sales business, the main types of goods or services and revenue are our main brands MIJAS and EL FARO of 7,275,929 thousand yen and other condominium sales of 1,277,327 thousand yen. In the real estate leasing business, the main types of goods or services and revenue are contract-related services and building management services of 529,785 thousand yen. In the real estate brokerage business, the main type of goods or services and revenue is brokerage services of 28,555 thousand yen. In the contracting business, the main

Meiho Enterprise Co., Ltd.
 Notice of the 54rd Ordinary General Meeting of Shareholders

types of goods or services and revenue are construction contracting and renovation works of 497,517 thousand yen.

(2) Basic information for understanding revenue

Basic information for understanding revenue is as described in (4) Accounting standards for significant income and expenses, 4. Accounting Policy Matters, Important notes related to significant matters forming the basis for the preparation of consolidated financial statements.

(3) Information for understanding revenue for the current and future fiscal years

1) Balance, etc. of contract assets and contract liabilities

Contract assets and contract liabilities in the Company and its consolidated subsidiaries are omitted as the balances are insignificant and no material changes have arisen. The revenues generated from the performance obligation satisfied (or partially satisfied) in a previous period and recognized in the current consolidated fiscal year have no materiality.

2) Transaction prices allocated to the remaining performance obligations

The Company and its consolidated subsidiaries apply practical expedient and omit the transaction prices allocated to the remaining performance obligations as there are no material contracts whose initially anticipated contract period exceeds one year. Also, there are no material amounts of consideration arising from contracts with customers that are not included in the transaction prices.

V. Notes to Accounting Estimates

These are items for which the amount was recorded in the consolidated financial statements for the current consolidated fiscal year based on accounting estimates, none of which might have a material impact on the consolidated financial statements for the following consolidated fiscal year.

VI. Notes to the Consolidated Balance Sheet

1. Accumulated depreciation of property, plants, and equipment	50,133thousand yen
2. Pledged assets and corresponding liabilities	
(1) Pledged assets	
Real estate for sale	1,925,547thousand yen
Real estate for sale in process	5,938,962thousand yen
Buildings	146,095thousand yen
Land	428,215thousand yen
Total	8,438,821thousand yen
(2) Liabilities corresponding to the above	
Short-term borrowings	884,500thousand yen
Current portion of long-term borrowings	1,870,906thousand yen
Long-term borrowings	3,979,465thousand yen
Total	6,734,872thousand yen

VII. Notes to Consolidated Statements of Changes in Equity

1. Type and total number of shares issued and type and number of treasury shares

	Number of shares at the start of the current consolidated fiscal year	Number of shares increased in the current consolidated fiscal year	Number of shares decreased in the current consolidated fiscal year	Number of shares at the end of the current consolidated fiscal year
Issued shares				
Ordinary shares	24,661,000	-	-	24,661,000
Treasury shares				

Meiho Enterprise Co., Ltd.
Notice of the 54rd Ordinary General Meeting of Shareholders

Ordinary shares	1,047,160	-	-	1,047,160
-----------------	-----------	---	---	-----------

2. Matters concerning dividends

(1) Dividends paid

Resolutions	Share type	Dividend amount (thousand yen)	Dividend per share (yen)	Record date	Effective date
October 27, 2021 Ordinary General Meeting of Shareholders	Ordinary shares	188,910	8.00	July 31, 2021	October 28, 2021

(2) Dividends with a record date falling in the current consolidated fiscal year but an effective date that falls in the following consolidated fiscal year

Resolutions	Share Type	Dividend Source	Total dividends (thousand yen)	Dividend per share (yen)	Record date	Effective date
October 27, 2022 Ordinary General Meeting of Shareholders	Ordinary shares	Retained earnings	188,910	8.00	July 31, 2022	October 28, 2022

3. Type and number of shares to be issued upon exercise of stock acquisition rights as of the end of the current consolidated fiscal year

Not applicable.

VIII. Notes to Financial Instruments

1. Matters concerning the status of financial instruments

(1) Policy on financial instruments

Based on its business and capital investment plans, the Group raises necessary funds mainly by borrowing from banks and other financial institutions and issuing bonds.

(2) Details of financial instruments and their risks

Accounts receivable are exposed to the credit risk of business partners.

Short-term loans receivable are exposed to the risk of delays in repayment depending on the financial conditions and business progress of the loanees.

Investment securities consist mainly of stocks, and listed stocks are exposed to the risk of market price fluctuations.

Long-term loans receivable are long-term loans receivable from employees, and long-term accounts receivable consist of long-term loans receivable and long-term accounts receivable from business partners. Long-term loans receivable from business partners and long-term accounts receivable from business partners (hereinafter referred to as "long-term receivables") are receivables from business partners who have invested in real estate development projects in China, and are exposed to the risk of difficulties in collection due to the slowdown of the Chinese economy, country risk, and the progress of relevant real estate development projects, as well as the credit risk of business partners.

Most of the accounts payable, which consist mainly of trade liabilities, are due within one year.

Funds from loans payable and bonds payable are mainly used for working capital, and some long-term borrowings payable and bonds payable are exposed to the risk of interest rate fluctuations.

(3) Risk management system for financial instruments

1) Management of credit risk (risk related to contractual default by business partners, etc.)

Meiho Enterprise Co., Ltd.
Notice of the 54rd Ordinary General Meeting of Shareholders

The Group strives to reduce risks associated with trade receivables by following the Group's internal management regulations. In addition, each department monitors the status of major customers on a regular basis, managing their due dates and balances, and strives for the early identification and mitigation of collection concerns due to deterioration in financial conditions, etc.

With regard to receivables from major shareholders, in accordance with the Group's internal management regulations, the Finance Division monitors the status of the counter parties and manages the use, due dates, and outstanding balances of such receivables. At the same time, other reference items concerning financial conditions, etc. are used as the basis for early identification of collection concerns, which are periodically reported to the Board of Directors and the Board of Executive Officers.

With regard to long-term receivables, the Company identifies potential collection concerns at an early stage by analyzing trends in the Chinese economy and country risks, monitoring the progress of real estate development projects in China, and obtaining financial statements of business partners and analyzing their financial conditions, etc. The findings are reported to the Board of Directors and the Board of Executive Officers.

2) Management of market risks (risk of fluctuations in stock prices, interest rates, etc.)

The Group periodically monitors the market value of investment securities and the financial status, etc. of issuers (business partners) and reports to the Board of Directors. In addition, the Group continuously reviews the status of its holdings, taking into account market conditions and relationships with business partners.

With regard to loans and bonds, the Company prepares a list of borrowing interest rates for each financial institution and monitors rate fluctuations.

3) Management of liquidity risk related to fund procurement (risk of being unable to make payments on due dates)

The Group manages liquidity risk through the timely preparation and updating of cash flow plans by the Finance Group of the management Department based on reports from each department, as well as by maintaining liquidity on hand.

(4) Supplementary explanation of matters related to the market value of financial instruments

The market value of financial instruments includes values based on market prices and, where market prices are not available, values calculated rationally. Since the factors incorporated in the calculation of such values are variable, the values may fluctuate due to the adoption of different assumptions, etc.

Meiho Enterprise Co., Ltd.
 Notice of the 54rd Ordinary General Meeting of Shareholders

2. Matters concerning the market value of financial instruments

The total amount recorded on the consolidated balance sheet as of July 31, 2022, the market value and the difference between the two are as follows.

(Units: thousand yen)

	Amount recorded on the consolidated balance sheet	Market value	Difference
Investment securities	19,800	20,560	760
Other securities			
Long-term receivables			
Long-term loans receivable	428,349		
Long-term accounts receivable	395,440		
Allowance for doubtful accounts (*2)	(820,440)		
	3,349	3,349	-
Total assets	23,149	23,909	760
Long-term borrowings (including long-term borrowings to be repaid within one year)	6,206,436	6,163,246	(43,189)
Bonds (including bonds scheduled to be redeemed within 1 year)	32,000	31,979	(20)
Total liabilities	6,238,436	6,195,225	(43,210)

(*1) Cash and deposits, accounts receivable - trade and contract assets, short-term loans receivable, accounts payable, and short-term borrowings are omitted as they are cash, and their market value is close to their book value since they are settled in the short term.

(*2) The allowance for doubtful accounts recorded individually for long-term loans receivable and long-term accounts receivable is deducted.

3. Matters regarding the breakdown, etc. of financial instruments based on the appropriate classification of market values

The market values of financial instruments are classified into the following three levels based on their observability and materiality of the inputs used in the calculation of the market values.

Level 1 market value: Market value calculated based on the (unadjusted) market price in an active market for identical asset or liability

Level 2 market value: Market value calculated using the inputs that are directly or indirectly observable, other than those in Level 1

Level 3 market value: Market value calculated using inputs that are material but not observable

When using multiple inputs that have a significant impact on the calculation of market value, the market value is classified to the level that has the lowest priority in the calculation of market value among the levels to which each of those inputs belongs.

Meiho Enterprise Co., Ltd.
Notice of the 54rd Ordinary General Meeting of Shareholders

(1) Financial instruments that use the market value as the amount recorded on the consolidated balance sheet
(Units: thousand yen)

Classification	Market value			
	Level 1	Level 2	Level 3	Total
Investment securities				
Other securities				
Shares	18,500	-	-	18,500
Total assets	18,500	-	-	18,500

(2) Financial instruments that do not use the market value as the amount recorded on the consolidated balance sheet
(Units: thousand yen)

Classification	Market value			
	Level 1	Level 2	Level 3	Total
Investment securities				
Other securities				
Other	-	2,060	-	2,060
Long-term receivables	-	3,349	-	3,349
Total assets	-	5,409	-	5,409
Long-term borrowings	-	6,163,246	-	6,163,246
Corporate bonds	-	31,979	-	31,979
Total liabilities	-	6,195,225	-	6,195,225

(Note) Explanation of the valuation techniques used in and inputs related to the calculation of market values

Investment securities

The market value of listed shares is mainly based on the market price and is classified as a Level 1 market value.

The market value of golf club membership in the form of shares is based on the market price. However, as it is not frequently traded in the market and its market price is not considered to be one in an active market, the market value is classified as a Level 2 market value.

Long-term receivable (long-term loans receivable and long-term accounts receivable)

The market value of long-term loans receivable to employees is calculated by discounting the total amount of principal interest by the interest rate assumed when a similar new loan is made.

Other long-term loans receivable and long-term accounts receivable are doubtful receivables, and their market value is calculated by discounted cash flow using the estimated amount of collection based on the collateral and the financial position of the loanee.

The market value calculated for these loans is classified as a Level 2 market value.

Long-term borrowings and bonds payable

The market value of long-term borrowings and bonds is calculated by discounting the total amount of principal and interest by the interest rate assumed for similar new loans or bonds and is classified as a Level 2 market value.

Meiho Enterprise Co., Ltd.
Notice of the 54rd Ordinary General Meeting of Shareholders

IX. Notes to Per Share Information

- | | |
|-----------------------------|------------|
| 1. Net assets per share | 234.19 yen |
| 2. Basic earnings per share | 27.11 yen |

X. Notes on Material Post-Balance Sheet Events

(Business combination through acquisition)

At the Board of Directors meeting held on August 25, 2022, the Company resolved to acquire shares of Kyoeigumi Co., Ltd. (hereinafter referred to as "Kyoeigumi") and acquired its shares on August 31, 2022.

(1) Overview of the business combination

1) Name of the acquired company and its business

Name of the acquired company: Kyoeigumi Co., Ltd.

Business: Contracting for construction work, etc.

2) Main reasons for the business combination

Kyoeigumi is a general construction company headquartered in Setagaya-ku, Tokyo, with 70 years of history since its establishment in 1952.

Kyoeigumi has many certified construction-related personnel and engineers and has completed a large number of construction jobs, mainly for public buildings, condominiums, commercial buildings, and large-scale renovations.

The Group currently consists of the Company and three consolidated subsidiaries, and operates a planning and sales business for whole-building investment products, a property management business, a construction contracting business, and so on.

In particular, one of our subsidiaries, Meiho Properties Co., Ltd., constructs five to six buildings per year in our mainstay MIJAS and EL FARO series, which are newly-constructed whole-building investment apartments for rent. However, to counter the shortage and aging of construction engineers and the rising construction costs in the future, as well as to further increase the number of buildings we supply and expand the scale of our sales, we need to secure a construction company that can continuously and stably undertake our construction work. We believe that Kyoeigumi's participation in the Group will greatly contribute in this regard.

This also helps Kyoeigumi and the Group share designing and construction technology by collaborating in the construction of commercial buildings and development of real estate, and enables us to improve construction technology and expand sales scale Group-wide by exchanging employees, mainly engineers, within the Group.

For the above reasons, we determined that making Kyoeigumi our subsidiary will contribute to the enhancement of the Group's business foundation and the expansion of our business in the medium to long term, and decided to acquire its shares.

3) Date of business combination

August 31, 2022 (share acquisition date)

September 30, 2022 (deemed acquisition date)

4) Legal form of business combination

Acquisition of shares

5) Name of the company after combination

Unchanged.

6) Ratio of voting rights acquired

92%

7) Primary basis for determining the acquiring company

By the Company's acquiring shares for cash consideration.

(2) Cost of acquiring the acquired company and breakdown by type of consideration

Not disclosed, due to the non-disclosure agreement with the counterparty.

(3) Details and amount of major acquisition-related costs

Not confirmed at this time.

(4) Amount of goodwill accrued, reason for the accrual, amortization method and amortization period

Not confirmed at this time.

Meiho Enterprise Co., Ltd.
Notice of the 54rd Ordinary General Meeting of Shareholders

XI. Other notes
Not applicable.

Balance Sheet

(as of July 31, 2022)

(Unit: thousand yen)

Assets		Liabilities	
Title	Amount	Title	Amount
Current assets	10,061,175	Current liabilities	3,302,838
Cash and deposits	2,421,065	Accounts payable	85,825
Accounts receivable	2,163	Short-term borrowings	884,500
Real estate for sale	1,157,267	Current portion of long-term borrowings	1,942,688
Real estate for sale in process	5,938,962	Current portion of bonds payable	16,000
Supplies	1,940	Lease obligations	1,179
Advance payments to suppliers	178,421	Accounts payable	22,269
Prepaid expenses	13,970	Accrued expenses	8,454
Accounts receivable	51,581	Advances received	10,117
Other	295,803	Deposits received	28,608
Non-current assets	261,544	Provision for bonuses	53,325
Property, plants and equipment	32,972	Income taxes payable	246,179
Buildings	22,571	Other	3,691
Tools, furniture and fixtures	9,173	Non-current liabilities	3,145,724
Leased assets	1,228	Long-term borrowings	3,108,876
Intangible assets	16	Corporate bonds	16,000
Other	16	Lease obligations	198
Investments and other assets	228,555	Guarantee deposits received	20,649
Investment securities	18,500		
Shares of subsidiaries and associate	82,769	Total liabilities	6,448,562
Long-term loans receivable	425,000		
Long-term loans receivable from employees	3,349	Net assets	
Long-term accounts receivable	395,440	Shareholders' equity	3,870,157
Deferred tax assets	52,207	Share capital	100,000
Other	71,728	Capital surplus	1,488,913
		Other capital surpluses	1,488,913

Meiho Enterprise Co., Ltd.
 Notice of the 54rd Ordinary General Meeting of Shareholders

Allowance for doubtful accounts	(820,440)	Retained earnings	2,661,718
		Legal retained earnings	25,000
		Other retained earnings	2,636,718
		Retained earnings brought forward	2,636,718
		Treasury shares	(380,474)
		Valuation and translation adjustments	4,000
		Valuation difference on available-for-sale securities	4,000
		Total net assets	3,874,157
Total assets	10,322,720	Total liabilities and net assets	10,322,720

(Note) Amounts are rounded down to the nearest thousand yen.

Statement of Income

(August 1, 2021 to
 July 31, 2022)

(Unit: thousand yen)

Title	Amount	
Revenues		8,585,215
Cost of sales		7,033,588
Gross profit		1,551,626
Selling, general and administrative expenses		662,484
Operating profit		889,141
Non-operating income		
Interest income	686	
Dividends received	930,818	
Surrender value of insurance policies	1,770	
Reversal allowance for doubtful accounts	10,000	
Other	3,157	946,431
Non-operating expenses		
Interest expenses	147,135	
Commissions expenses	73,083	
Other	734	220,953
Ordinary profit		1,614,619
Extraordinary losses		
Loss on retirement of non-current assets	1,906	1,906
Profit before income taxes		1,612,713
Income taxes - current	237,571	
Income taxes - deferred	(29,944)	207,626
Profit		1,405,087

(Note) Amounts are rounded down to the nearest thousand yen.

Statement of Changes in Equity

(August 1, 2021 to July
 31, 2022)

(Unit: thousand yen)

	Shareholders' equity					
	Share capital	Capital surplus		Retained earnings		
		Other capital surpluses	Total capital surpluses	Legal retained earnings	Other retained earnings	Total retained earnings
				Retained earnings brought forward		
Beginning balance	100,000	1,488,913	1,488,913	25,000	1,420,542	1,445,542
Changes during period						
Profit					1,405,087	1,405,087
Dividends of surplus					(188,910)	(188,910)
Changes in items other than shareholders' equity (net)						
Total changes during period	-	-	-	-	1,216,176	1,216,176
Ending balance	100,000	1,488,913	1,488,913	25,000	2,636,718	2,661,718

	Shareholders' equity		Valuation and translation adjustments		Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Beginning balance	(380,474)	2,653,980	1,100	1,100	2,655,080
Changes during period					
Profit		1,405,087			1,405,087
Dividends of surplus		(188,910)			(188,910)
Changes in items other than shareholders' equity (net)			2,900	2,900	2,900
Total changes during period	-	1,216,176	2,900	2,900	1,219,076
Ending balance	(380,474)	3,870,157	4,000	4,000	3,874,157

(Note) Amounts are rounded down to the nearest thousand yen.

Meiho Enterprise Co., Ltd.
Notice of the 54rd Ordinary General Meeting of Shareholders

Notes to specific items

I. Notes to Going Concern Assumptions

Not applicable.

II. Notes to Important Accounting Policies

1. Valuation standards and methods for assets

(1) Valuation standards and methods for securities

Shares of subsidiaries and affiliatesCost method based on the moving average method

Other securities

Securities other than shares that do not have a market valueMarket value method based on market prices, etc. as of the closing date
(All valuation differences are directly charged or credited to net assets, and the cost of securities sold is calculated using the moving average method)

Shares that do not have a market valueCost method based on the moving average method

(2) Valuation standards and methods for inventory

1) Real estate for sale, real estate for sale in processCost method based on the specific cost method (balance sheet amounts are calculated by writing down the book value of assets based on their decline in profitability)

2) SuppliesCost method based on the moving average method

2. Depreciation method for non-current assets

(1) Property, plants, and equipment Declining-balance method

(excluding leased assets) However, for buildings (excluding building fixtures) acquired on or after April 1, 1998, and building fixtures and structures acquired on or after April 1, 2016, the straight-line method is applied.
The main useful lifespans are as follows.
Buildings: 8 to 50 years
Tools, furniture, and fixtures: 4 to 15 years

(2) Intangible assets Straight-line method

(excluding leased assets) However, software for internal use is amortized using the straight-line method based on the internal usage period (5 years).

(3) Leased assets

Leased assets related to finance lease transactions that do not transfer ownership

The straight-line method is applied, using the lease period as the useful lifespan and assuming a residual value of zero.

3. Accounting standards for allowances

(1) Allowance for doubtful accounts

In order to prepare for losses due to uncollectible accounts, for normal obligors, the amounts deemed necessary are provided in the allowance based on the actual ratio of credit losses in the past. In the case of intensive control obligors and certain other obligors, the expected uncollectible amounts are provided in the allowance after considering the recoverability of each claim.

(2) Provision for bonuses

To provide for the payment of employee bonuses, an allowance is provided based on the estimated payment amount.

4. Accounting standards for significant income and expenses

The contents of principal performance obligations in the main business related to revenue from contracts with customers of the Company and the ordinary points in time that such performance obligations are satisfied (the ordinary points in time to recognize revenue) are as follows:

Meiho Enterprise Co., Ltd.
Notice of the 54rd Ordinary General Meeting of Shareholders

(1) Real estate sales business

In the real estate sales business, the Company sells condominiums through joint ventures and by itself.

For condominium sales by itself, the Company deems a performance obligation to be satisfied upon delivery of goods to a customer and recognizes revenue at such point in time.

(2) Real estate leasing business

Revenues from the real estate leasing business of the Company are recognized according to the Accounting Standard for Lease Transactions.

(3) Real estate brokerage business

In the real estate brokerage business, the Company brokers land for condominiums, etc. that arises in connection with the real estate sales business. For the brokerage business, the Company deems a performance obligation to be satisfied upon the conclusion of a sales contract with a customer and recognizes revenue at such point in time.

5. Other important matters forming the basis for the preparation of financial statements

(1) Method of accounting for deferred assets

Bond issuance costs are fully expensed at the time of expenditure.

(2) Accounting for consumption tax, etc.

Consumption tax and local consumption tax are accounted for by the tax exclusion method.

Consumption taxes, etc. on non-current assets that are not deductible are recorded as "Other" under investments and other assets and amortized over five years on a straight-line basis, and recorded under selling, general and administrative expenses.

(3) Application of the consolidated taxation system

The Company applies the consolidated tax payment system. Note that the Company will transition to the non-consolidated tax payment system from the next fiscal year.

(4) Accounting for income taxes and local income taxes, or tax effect accounting regarding these taxes

The Company traditionally applied the consolidated tax payment system. However, having filed the non-application of the Group Aggregation System during the current fiscal year, we will transition to the non-consolidated tax payment system from the next fiscal year. In line with this, for tax effect accounting regarding income taxes and local income taxes, the Company performs accounting and disclosure on the premise of applying the non-consolidated tax payment system from the next fiscal year, based on the Treatment of Accounting and Disclosure in the Case of Applying the Group Aggregation System (Practical Issues Report No. 42, August 12, 2021).

As the consolidated tax payment system is applied to accounting and disclosure regarding income taxes and local income taxes for the current fiscal year, we followed Tentative Treatment of Tax Effect Accounting in the Case of Consolidated Tax Payment System (Part 1) (Practical Issues Report No. 5, February 16, 2018) and Tentative Treatment of Tax Effect Accounting in the Case of Consolidated Tax Payment System (Part 2) (Practical Issues Report No. 7, February 16, 2018).

III. Notes to Changes in Accounting Policies

1. Application of Accounting Standard for Revenue Recognition, etc.

Effective from the beginning of the current fiscal year, the Company adopted the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020; hereinafter, "Accounting Standard for Revenue Recognition"), etc., to recognize revenue at the amount expected to be received in exchange for promised goods or services when control of the promised goods or services has been transferred to the customer.

In applying the Revenue Recognition Accounting Standard, etc., the Company has followed the transitional handling as stipulated in the proviso of Paragraph 84 of the Revenue Recognition Accounting Standard, and the cumulative impact of retroactively applying the new accounting policy prior to the beginning of the current fiscal year has been added to or deducted from retained earnings at the beginning of the current fiscal year, while the new accounting policy was applied from the balance at the beginning of the current period. However, the Company has applied the method set forth in Paragraph 86 of the Revenue Recognition Accounting Standard and has not applied the new accounting policy retrospectively to contracts in which almost all the revenue amounts were recognized in accordance with the previous treatment prior to the beginning of the current fiscal year. The Company has also applied the method stipulated in Paragraph 86, Clause (1) of the Revenue Recognition

Meiho Enterprise Co., Ltd.
Notice of the 54rd Ordinary General Meeting of Shareholders

Accounting Standard, and performed accounting based on the contract terms after reflecting all contractual changes for contractual changes made prior to the beginning of the current fiscal year. The cumulative impact was added to or deducted from the retained earnings at the beginning of the current fiscal year.

As a result, there is no impact on profits/losses or balance of retained earnings at the beginning of the current fiscal year.

2. Application of Accounting Standards for Calculation of Fair Value, etc.

The Accounting Standard for Fair Value Calculation (ASBJ Statement No. 30, July 4, 2019; hereinafter referred to as the "Accounting Standard for Fair Value Calculation"), etc. were applied from the beginning of the current fiscal year, and in accordance with the transitional treatment prescribed in paragraph 19 of the Accounting Standard for Fair Value Calculation and paragraph 44-2 of the Accounting Standard for Financial Instruments (ASBJ Statement No. 10, July 4, 2019), the new accounting policy prescribed by the Accounting Standard for Fair Value Calculation, etc. will be applied in the future.

The adoption of this accounting standard had no impact on the financial statements.

IV. Notes to the Revenue Recognition

(1) Basic information for understanding revenue

Basic information for understanding revenue is as described in 4. Accounting standards for significant income and expenses, II. Notes to Important Accounting Policies.

V. Notes to Accounting Estimates

These are items for which the amount was recorded in the financial statements for the current fiscal year based on accounting estimates, none of which might have a material impact on the financial statements for the following fiscal year.

VI. Notes to the Balance Sheet

1. Accumulated depreciation of property, plants, and equipment

9,914thousand yen

2. Assets pledged as collateral and corresponding liabilities

(1) Assets pledged as collateral

Real estate for sale 1,033,582thousand yen

Real estate for sale in process 5,938,962thousand yen

Total 6,972,544thousand yen

(2) Amount of liabilities corresponding to the above

Short-term borrowings 884,500thousand yen

Current portion of long-term borrowings 1,819,500thousand yen

Long-term borrowings 2,876,000thousand yen

Total 5,580,000thousand yen

3. Monetary claims and liabilities to affiliated companies

Receivables from and payables to affiliated companies, excluding those listed separately, are as follows.

Short-term monetary claims 71,515thousand yen

Short-term monetary liabilities 1,474thousand yen

Long-term monetary liabilities 20,649thousand yen

4. Guarantee obligations

The Company provides debt guarantees to the following consolidated subsidiaries for borrowing from financial institutions.

Meiho Properties Co., Ltd. 267,472thousand yen

Moon Asset Co., Ltd. 377,400thousand yen

Meiho Enterprise Co., Ltd.
 Notice of the 54rd Ordinary General Meeting of Shareholders

VII. Notes to the Statement of Income

Value of transactions with affiliated companies

Business transactions

Value of purchases

78,358thousand yen

Transactions other than business transactions

924,968thousand yen

VIII. Notes to the Statement of Changes in Net Assets

Matters concerning the type and number of shares of treasury stock

	Number of shares at the beginning of the current fiscal year	Increase in the number of shares during the current fiscal year	Decrease in the number of shares during the current fiscal year	Number of shares at the end of the current fiscal year
Treasury shares				
Ordinary shares	1,047,160	-	-	1,047,160

IX. Notes to Tax Effect Accounting

Breakdown of deferred tax assets and deferred tax liabilities by major cause

(Deferred tax assets)

Allowance for doubtful accounts

283,872thousand yen

Investment securities

16,203thousand yen

Other

51,150thousand yen

Subtotal of deferred tax assets

351,226thousand yen

Valuation allowance

(299,018)thousand yen

Total deferred tax assets

52,207thousand yen

X. Notes to Transactions with Related Parties

(1) Subsidiaries, etc.

(Unit: thousand yen)

Attribute	Name of company	Percentage of voting rights held (Owned)	Relationship with the related party	Transaction details	Transaction value	Title	Ending balance
Subsidiary	Meiho Properties Co., Ltd.	Direct 100%	Interlocking Directors Debt guarantee Order for construction	Receipt of dividends (Note) 2	100,000	-	-
				Debt guarantee (Note) 3	267,472	-	-
				Order for construction (Note) 4	367,906	Real estate for sale	1,000
						Real estate for sale in process	366,906
Amount attributable individually due to consolidated taxation (Note) 5	25,171	Accounts receivable	25,171				

Meiho Enterprise Co., Ltd.
 Notice of the 54rd Ordinary General Meeting of Shareholders

Subsidiary	House Saison Enterprise Co., Ltd.	Direct 100%	Borrowing of funds Interlocking Directors	Borrowing of funds (Note) 1	730,000	Short-term borrowings	-
				Repayment of borrowings	730,000	-	-
				Payment of interest (Note) 1	5,520	-	-
				Receipt of dividends (Note) 2	830,200	-	-
				Amount attributable individually due to consolidated taxation (Note) 5	22,898	Accounts receivable	22,898
Subsidiary	Moon Asset Co., Ltd.	Direct 100%	Debt guarantee	Debt guarantee (Note) 6	377,400	-	-

The above amounts do not include consumption tax, etc.

Meiho Enterprise Co., Ltd.
 Notice of the 54rd Ordinary General Meeting of Shareholders

Transaction terms and policies for determining transaction terms

(Note) 1. With regard to borrowing of funds, the borrowing interest rate is determined reasonably in consideration of the market interest rate.

2. Dividends received are based on the amounts determined by governing bodies of the subsidiary, such as the General Meeting of Shareholders.
3. The Company provides debt guarantees for Meiho Properties Co., Ltd. to obtain loan contracts from financial institutions. The debt guarantee transaction total represents the loan balance as of July 31, 2022. The Company does not receive payment of fees for the guarantees.
4. Orders for construction work are placed on the same general terms as for transactions with independent third parties.
5. The amount individually attributable to consolidated tax payments is allocated based on the Company's calculation of consolidated tax payments.
6. The Company provides debt guarantees for Moon Asset Co., Ltd. to obtain loan contracts from financial institutions. The debt guarantee transaction total represents the loan balance as of July 31, 2022. The Company does not receive payment of fees for the guarantees.

(2) Directors and major shareholders (limited to individuals)

(Unit: thousand yen)

Type	Name or company name	Business field or occupation	Voting rights, etc. held (owned) (%)	Relationship with the related party	Transaction details	Transaction value	Title	Ending balance
Board member	Mitsuru Yabuki	Chairman & Representative Director of the Company	(Owned) directly 30.69	Debt guarantee	Debt guarantee	104,024	-	-

The above amounts do not include consumption tax, etc.

Transaction terms and policies for determining transaction terms

(Note) The Company has received a debt guarantee for a loan agreement from our financial institution. The debt guarantee transaction total represents the loan balance as of July 31, 2022. In addition, the Company has not paid any guarantee fees.

XI. Notes to Per Share Information

1. Net assets per share 164.06 yen
2. Basic earnings per share 59.50 yen

XII. Notes on Material Post-Balance Sheet Events

(Business combination through acquisition)

At the Board of Directors meeting held on August 25, 2022, the Company resolved to acquire shares of Kyoiegumi Co., Ltd. (hereinafter referred to as "Kyoiegumi") and acquired its shares on August 31, 2022.

(1) Overview of the business combination

1) Name of the acquired company and its business

Name of the acquired company: Kyoiegumi Co., Ltd.

Business: Contracting for construction work, etc.

2) Main reasons for the business combination

Kyoiegumi is a general construction company headquartered in Setagaya-ku, Tokyo, with 70 years of history since its establishment in 1952.

Meiho Enterprise Co., Ltd.
Notice of the 54rd Ordinary General Meeting of Shareholders

Kyoeigumi has many certified construction-related personnel and engineers and has completed a large number of construction jobs, mainly for public buildings, condominiums, commercial buildings, and large-scale renovations.

The Group currently consists of the Company and three consolidated subsidiaries, and operates a planning and sales business for whole-building investment products, a property management business, a construction contracting business, and so on.

In particular, one of our subsidiaries, Meiho Properties Co., Ltd., constructs five to six buildings per year in our mainstay MIJAS and EL FARO series, which are newly-constructed whole-building investment apartments for rent. However, to counter the shortage and aging of construction engineers and the rising construction costs in the future, as well as to further increase the number of buildings we supply and expand the scale of our sales, we need to secure a construction company that can continuously and stably undertake our construction work. We believe that Kyoeigumi's participation in the Group will greatly contribute in this regard.

This also helps Kyoeigumi and the Group share designing and construction technology by collaborating in the construction of commercial buildings and development of real estate, and enables us to improve construction technology and expand sales scale Group-wide by exchanging employees, mainly engineers, within the Group.

For the above reasons, we determined that making Kyoeigumi our subsidiary will contribute to the enhancement of the Group's business foundation and the expansion of our business in the medium to long term, and decided to acquire its shares.

3) Date of business combination

August 31, 2022 (share acquisition date)

September 30, 2022 (deemed acquisition date)

4) Legal form of business combination

Acquisition of shares

5) Name of the company after combination

Unchanged.

6) Ratio of voting rights acquired

92%

7) Primary basis for determining the acquiring company

By the Company's acquiring shares for cash consideration.

(2) Cost of acquiring the acquired company and breakdown by type of consideration

Not disclosed, due to the non-disclosure agreement with the counterparty.

(3) Details and amount of major acquisition-related costs

Not confirmed at this time.

(4) Amount of goodwill accrued, reason for the accrual, amortization method and amortization period

Not confirmed at this time.

XIII. Other notes

Not applicable.

Accounting Auditor's Audit Report on Consolidated Financial Statements

Independent Auditor's Report

September 21, 2022

Meiho Enterprise Co., Ltd.
To the Board of Directors

Johan Audit Corporation
Shibuya-ku, Tokyo

Designated Partner
Executive Member

Certified
Public
Accountant

Takao Yamakawa

Designated Partner
Executive Member

Certified
Public
Accountant

Haruo Shiono

Auditor's Opinion

We have performed an audit of the consolidated financial statements, namely, the Consolidated Balance Sheet, the Consolidated Statement of Income, the Consolidated Statement of Changes in Equity, and the Notes to the Consolidated Financial Statements of Meiho Enterprise Co., Ltd. for the fiscal year from August 1, 2021 to July 31, 2022, in accordance with Article 444, Section 4 of the Companies Act.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position and operational results of the corporate group consisting of Meiho Enterprise Co., Ltd. and its consolidated subsidiaries for the period for which they were prepared, in accordance with accounting principles generally accepted in Japan.

Basis for the Auditor's Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibility in regard to auditing standards is stated in the Auditor's Responsibility for the Audit of Consolidated Financial Statements. In accordance with the rules of professional ethics in Japan, we are independent of the Company and its consolidated subsidiaries, and we have fulfilled our other ethical responsibilities as auditors. We have concluded that we have obtained sufficient and appropriate audit evidence to form the basis for our opinion.

Emphasis of Matter

As described in the Notes on Material Post-Balance Sheet Events, at the Board of Directors meeting held on August 25, 2022, the Company resolved to acquire shares of Kyoeigumi Co., Ltd. and acquired its shares on August 31, 2022.

Such matter does not affect our opinion.

Other Information

Other information refers to Business Report and its attached detailed statements. Management is responsible for preparing and disclosing the other information. Also, it is the responsibility of the Audit and Supervisory Committee to monitor the execution of duties by the Directors in the development and operation of the reporting process of the other information.

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

Our responsibility in auditing the consolidated financial statements is to read through the other information, and in the process of reading it, we examine whether there are material differences between the other information and the consolidated financial statements or the knowledge we have gained in the auditing process, and we also pay attention as to whether there are any indications in the other

information of material errors besides such material differences.

If we determine there to be material errors in the other information based on the work we have performed, we are required to report those facts.

There are no matters to report regarding the other information.

Responsibilities of Management and the Audit and Supervisory Committee for the Consolidated Financial Statement

It is the responsibility of management to prepare and properly display consolidated financial statements in accordance with corporate accounting standards generally accepted in Japan. This includes establishing and operating the internal controls deemed necessary by management to enable the preparation and fair presentation of consolidated financial statements that are free of any material misstatement, whether due to fraud or error.

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

It is the responsibility of the Audit and Supervisory Committee to monitor the execution of duties by the Directors in the development and operation of the financial reporting process.

Responsibilities of the Auditor for the Audit of the Consolidated Financial Statements

The Auditor is responsible for obtaining reasonable assurance that the consolidated financial statements as a whole are free of material misstatement, whether due to fraud or error, based on the audit performed by the Auditor, and to express an opinion on the consolidated financial statements from an independent standpoint in the Auditor's Report. A misstatement is considered to be material if it is likely to result from fraud or error and, individually or in the aggregate, to affect the decisions of those using the consolidated financial statements.

The auditor exercises professional judgment throughout the audit process in accordance with auditing standards generally accepted in Japan, and performing the following while maintaining an attitude of professional skepticism.

- Identify and assess risks of material misstatement due to fraud or error. Also, formulate and implement audit procedures that address the risks of material misstatement. The selection and application of audit procedures shall be at the discretion of the Auditor. Furthermore, the Auditor shall obtain sufficient appropriate audit evidence to provide a basis for expressing an opinion.
- Although the purpose of an audit of consolidated financial statements is not to express an opinion on the effectiveness of internal controls, in making those risk assessments, the Auditor shall consider internal controls that are relevant to the audit in order to formulate audit procedures that are appropriate in the circumstances.
- The Auditor shall evaluate the appropriateness of the accounting policies in use and how they are applied by management, as well as the rationality of accounting estimates made by management and the adequacy of related notes.
- The Auditor shall conclude whether it is appropriate for management to prepare the consolidated financial statements on the going concern basis and, whether there is any material uncertainty regarding events or conditions that could potentially cast significant doubt on the Company's ability to continue as a going concern based on the audit evidence obtained. In the event that a material uncertainty regarding the Company's ability to continue as a going concern is identified, the Auditor is required to draw attention to the Notes to the Consolidated Financial Statements in the Auditor's Report or, if these Notes are not appropriate, to express a qualified opinion with exceptive items on the consolidated financial statements. The Auditor's conclusions shall be based on audit evidence obtained up to the date of the Auditor's Report, but subsequent events or circumstances could potentially make it impossible for the Company to continue as a going concern.
- The Auditor shall evaluate whether the presentation of the consolidated financial statements and related notes conform to the accounting standards generally accepted in Japan, and whether the presentation, structure, and content of the consolidated financial statements, including the related notes, and the consolidated financial statements fairly present the underlying transactions and accounting events.
- The Auditor shall obtain sufficient appropriate audit evidence regarding the finances of the Company and its consolidated subsidiaries to express an opinion on the consolidated financial statements. The Auditor is responsible for the direction, supervision, and implementation of the audit of the consolidated financial statements. The auditor has sole responsibility for the auditor's opinion.

The Auditor shall report to the Audit and Supervisory Committee on the scope and timing of the planned audit, significant audit findings, including significant deficiencies in internal controls, identified in the course of performing the audit, as well as other matters required by auditing standards.

Meiho Enterprise Co., Ltd.
Notice of the 54rd Ordinary General Meeting of Shareholders

The Auditor shall report to the Audit and Supervisory Committee regarding compliance with the Japanese rules of professional ethics regarding independence, and on matters that could reasonably be considered to affect the independence of the Auditor, and on any safeguards taken in order to eliminate or reduce impediments.

Interests

The Company and its consolidated subsidiaries have no interest in us or our executive members that requires disclosure pursuant to the provisions of the Certified Public Accountant Law.

The end

Accounting Auditor's Audit Report on Financial Statements

Independent Auditor's Report

September 21, 2022

Meiho Enterprise Co., Ltd.
To the Board of Directors

Johnan Audit Corporation
Shibuya-ku, Tokyo

Designated Partner	Certified	
Executive Member	Public	Takao Yamakawa
	Accountant	

Designated Partner	Certified	
Executive Member	Public	Haruo Shiono
	Accountant	

Auditor's Opinion

We have audited the financial statements, namely, the Balance Sheet, the Statement of Income, the Statement of Changes in Equity, the Notes to the Financial Statements, and the attached detailed statements thereof (hereinafter referred to as the "Financial Statements, etc.") of Meiho Enterprise Co., Ltd. for the 54th fiscal year from August 1, 2021 to July 31, 2022, in accordance with Article 436, Section 2, Paragraph 1 of the Companies Act.

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

Basis for the Auditor's Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibility in regard to auditing standards is stated in the Auditor's Responsibility for the Audit of Financial Statements. We are independent of the Company and have fulfilled our other ethical responsibilities as Auditors in accordance with the rules of professional ethics in Japan. We have concluded that we have obtained sufficient and appropriate audit evidence to form the basis for our opinion.

Emphasis of Matter

As described in the Notes on Material Post-Balance Sheet Events, at the Board of Directors meeting held on August 25, 2022, the Company resolved to acquire shares of Kyoiegumi Co., Ltd. and acquired its shares on August 31, 2022.

Such matter does not affect our opinion.

Other Information

Other information refers to Business Report and its attached detailed statements. Management is responsible for preparing and disclosing the other information. Also, it is the responsibility of the Audit and Supervisory Committee to monitor the execution of duties by the Directors in the development and operation of the reporting process of the other information.

The scope of our audit opinion on the financial statements does not include the other information, and we do not express an opinion on such information.

Our responsibility in auditing the financial statements is to read through the other information, and in the process of reading it, we examine whether there are material differences between the other information and the financial statements, etc. or the knowledge we have gained in the auditing process, and we also pay attention as to whether there are any indications in the other information of material errors besides such material differences.

If we determine there to be material errors in the other information based on the work we have performed, we are required to report those facts.

There are no matters to report regarding the other information.

The responsibility of management and the Audit and Supervisory Committee for Financial Statements, etc.

It is the responsibility of management to prepare and properly display Financial Statements, etc. in accordance with corporate accounting standards generally accepted in Japan. This includes establishing and operating the internal controls deemed necessary by management to enable the preparation and fair presentation of financial statements that are free of any material misstatement, whether due to fraud or error.

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

It is the responsibility of the Audit and Supervisory Committee to monitor the execution of duties by the Directors in the development and operation of the financial reporting process.

Responsibilities of the Auditor for the Audit of the Financial Statements, etc.

The Auditor is responsible for obtaining reasonable assurance that the Financial Statements, etc. as a whole are free of material misstatement, whether due to fraud or error, based on the audit performed by the Auditor, and to express an opinion on the Financial Statements, etc. from an independent standpoint in the Auditor's Report. A misstatement is considered to be material if it is likely to result from fraud or error and, individually or in the aggregate, to affect the decisions of those using the Financial Statements, etc.

The auditor exercises professional judgment throughout the audit process in accordance with auditing standards generally accepted in Japan, and performing the following while maintaining an attitude of professional skepticism.

- Identify and assess risks of material misstatement due to fraud or error. Also, formulate and implement

audit procedures that address the risks of material misstatement. The selection and application of audit procedures shall be at the discretion of the Auditor. Furthermore, the Auditor shall obtain sufficient appropriate audit evidence to provide a basis for expressing an opinion.

- Although the purpose of an audit of Financial Statements, etc. is not to express an opinion on the effectiveness of internal controls, in making those risk assessments, the Auditor shall consider internal controls that are relevant to the audit in order to formulate audit procedures that are appropriate in the circumstances.

- The Auditor shall evaluate the appropriateness of the accounting policies in use and how they are applied by management, as well as the rationality of accounting estimates made by management and the adequacy of related notes.

- The Auditor shall conclude whether it is appropriate for management to prepare the Financial Statements, etc. on the going concern basis and, whether there is any material uncertainty regarding events or conditions that could potentially cast significant doubt on the Company's ability to continue as a going concern based on the audit evidence obtained. In the event that a material uncertainty regarding the Company's ability to continue as a going concern is identified, the Auditor is required to draw attention to the Notes to the Financial Statements, etc. in the Auditor's Report or, if these Notes are not appropriate, to express a qualified opinion with exceptive items on the Financial Statements. The Auditor's conclusions shall be based on audit evidence obtained up to the date of the Auditor's Report, but subsequent events or circumstances could potentially make it impossible for the Company to continue as a going concern.

- The Auditor shall evaluate whether the presentation of the Financial Statements, etc. and related notes conform to the accounting standards generally accepted in Japan, and whether the presentation, structure, and content of the Financial Statements, etc., including the related notes, and the Financial Statements, etc. fairly present the underlying transactions and accounting events.

The Auditor shall report to the Audit and Supervisory Committee on the scope and timing of the planned audit, significant audit findings, including significant deficiencies in internal controls, identified in the course of performing the audit, as well as other matters required by auditing standards.

The Auditor shall report to the Audit and Supervisory Committee regarding compliance with the Japanese rules of professional ethics regarding independence, and on matters that could reasonably be considered to affect the independence of the Auditor, and on any safeguards taken in order to eliminate or reduce impediments.

Interests

The Company has no interest in us or our executive members that requires disclosure pursuant to the provisions of the Certified Public Accountant Law.

The end

Audit Report of the Audit and Supervisory Committee

Audit Report

The Audit and Supervisory Committee has audited the execution of duties by the Directors for the 54th fiscal year from August 1, 2021 to July 31, 2022. The methods and results of the audit are reported as follows.

1. Audit Method and Details

The Audit and Supervisory Committee received regular reports from the Directors and employees, etc. on the details of the resolutions of the Board of Directors regarding the matters listed in Article 399-13, Paragraph 1, Item 1 (b) and (c) of the Companies Act and the status of the systems (internal control systems) established based on such resolutions. We requested explanations and expressed our opinions as necessary, and conducted our audit in the following manner.

In accordance with the Audit Policy and division of duties established by the Audit and Supervisory Committee, in cooperation with the Company's Internal Control Department, we attended important meetings, received reports from Directors and employees, etc., on matters related to the execution of their duties, requested explanations as necessary, reviewed important approval documents, etc., and investigated the status of operations and assets at the head office and other major business locations. In regard to subsidiaries, we communicated and exchanged information with their Directors and corporate auditors, and received reports from the subsidiaries on their business activities as necessary.

In regard to the matters noted in Article 118, Item 5 (a) of the Ordinance for Enforcement of the Companies Act and the judgment and reasons described in (b) of the same item, which are stated in the business report, we conducted examinations based on deliberations at meetings of the Board of Directors and other meetings.

We monitored and verified that the Accounting Auditor maintained its independence and conducted appropriate audits, received reports from the Accounting Auditor on the execution of its duties, and requested explanations as necessary. We also received notification from the Accounting Auditor that it has established a "system to ensure the proper execution of its duties" (matters set forth under Article 131 of the Ordinance on Company Accounting) in accordance with the Quality Control Standards for Audits (October 28, 2005, Business Accounting Council) and other relevant standards, and requested explanations when necessary.

Based on the above methods, we have reviewed the Business Report and its attached detailed statements, the financial statements (Balance Sheet, Statement of Income, Statement of Changes in Equity and Notes to specific items) and their attached detailed statements, and the consolidated financial statements (Consolidated Balance Sheet, Consolidated Statement of Income, Consolidated Statement of Changes in Equity, and Notes to Consolidated Financial Statements) for the fiscal year under review.

2. Audit Results

1) Results of the audit of the Business Report, etc.

1. In our opinion, the Business Report and attached detailed statements fairly present the condition of the Company in conformity with the related laws and regulations and the Company's Articles of Incorporation.
2. We have found no evidence of wrongful acts or material facts in violation of laws and regulations or the Articles of Incorporation in connection with the Directors' execution of their duties.
3. In our opinion, the content of the resolutions of the Board of Directors regarding the internal control system is appropriate. We have found no matters worthy of mention regarding the content of the Business Report and the execution of duties by the Directors with respect to the internal control system.

2) Results of the audit of financial statements and attached detailed statements

In our opinion, the auditing methods and results of the Accounting Auditor, Johnan Accounting Office, are appropriate.

3) Results of the audit of the consolidated financial statements

In our opinion, the auditing methods and results of the Accounting Auditor, Johnan Accounting Office, are appropriate.

September 22, 2022

Meiho Enterprise Co., Ltd. Audit and Supervisory Committee	
Chairman of the Audit and Supervisory Committee	Yui Kayano
Audit and supervisory committee member	Kazuya Shimamura
Audit and supervisory committee member	Tetsuzo Kimura
Audit and supervisory committee member	Taiji Yamamoto
Audit and supervisory committee member	Yuhei

Meiho Enterprise Co., Ltd.
Notice of the 54rd Ordinary General Meeting of Shareholders

committee member

Matsumoto

(Note) Audit and supervisory committee members, Yui Kayano, Kazuya Shimamura, Tetsuzo Kimura, Taiji Yamamoto, and Yuhei Matsumoto are Outside Directors as stipulated in Article 2, Item 15 and Article 331, Paragraph 6 of the Companies Act.

The end

Reference Documents for the General Meeting of Shareholders

Proposals and references

Proposal No. 1: Appropriation of Surplus

Matters concerning the end of term dividend

Regarding the appropriation of surplus, the Company proposes the following, taking into consideration business results for the current fiscal year and future business development, etc.

(1) Type of dividend property

To be paid in cash

(2) Matters concerning the allocation of dividend property and the total amount thereof

8.00 yen per share of the Company's ordinary shares

Total dividends: 188,910,720 yen

(3) The day on which the distribution of dividend of surplus takes effect

October 28, 2022

Proposal No. 2: Partial Amendments to the Articles of Incorporation

1. Reason for changes

As the revised provisions stipulated in the proviso to Article 1 of the Supplementary Provisions of the "Act for Partial Revision of the Companies Act" (Act No. 70 of 2019) came into effect on September 1, 2022, to prepare for the introduction of the electronic provision of materials for the General Meeting of Shareholders, the Articles of Incorporation of the Company shall be amended as follows.

(1) Article 17, Section 1 of the proposed amendment is to establish provisions to the effect that the Company will take measures for the electronic provision of the information contained in the reference documents for general meetings of shareholders, etc.

(2) Article 17, Section 2 of the proposed amendment is to establish provisions to limit the scope of matters to be stated in the documents to be delivered to shareholders who have requested the delivery of documents.

(3) The provisions on the Internet disclosure and deemed provision of reference documents, etc. (Article 17 of the current Articles of Incorporation) are no longer necessary, so they shall be deleted.

(4) Supplementary provisions will be established regarding the effective date, etc. in connection with the above establishment and deletion.

2. Details of changes

The following changes will be made:

(Changes are underlined.)

Current Articles of Incorporation	Proposed Amendments
<p><u>(Internet Disclosure of Reference Documents, etc. and Deemed Provision)</u> <u>Article 17</u> The Company may, upon convocation of a General Meeting of Shareholders, deem that it has provided information pertaining to matters to be stated or indicated in Reference Documents for General Meetings of Shareholders, Business Reports, Financial Statements, and Consolidated Financial Statements to the shareholders by disclosing such information via the Internet pursuant to the provisions of the applicable Ordinance of the Ministry of Justice.</p> <p style="text-align: center;"><Newly established></p>	<p style="text-align: center;"><Deleted></p> <p><u>(Measures for the Electronic Provision, etc.)</u> <u>Article 17</u> When calling for a shareholders meeting, the Company shall take measures for the electronic provision of the information contained in the reference documents for the annual meeting of shareholders, etc. <u>2. The Company shall not be required to include all or part of the matters for which it takes measures for the electronic provision, which are specified in the Ordinance of the Ministry of Justice, in the document to be delivered to the shareholders who have requested the delivery of the document.</u></p>
<p style="text-align: center;"><Newly established></p>	<p><u>(Supplementary Provisions)</u> <u>Article 2</u> <u>The following supplementary provisions shall be held until the later of the date on which six months have passed from September 1, 2022, or the date on which three months have passed from the date of the last shareholders meeting held within six months from September 1 of the same year,</u> <u>The Company may, upon convocation of a General Meeting of Shareholders, deem that it has provided information pertaining to matters to be stated or indicated in Reference Documents for General Meetings of Shareholders, Business Reports, Financial Statements, and Consolidated Financial Statements to the shareholders by disclosing such information via the Internet pursuant to the provisions of the applicable Ordinance of the Ministry of Justice.</u> <u>2. These supplementary provisions shall be deleted on any of the dates specified in the preceding paragraph, whichever comes later.</u></p>

Meiho Enterprise Co., Ltd.
 Notice of the 54rd Ordinary General Meeting of Shareholders

Proposal No. 3: Election of Three (3) Directors (excluding those who are members of the Audit and Supervisory Committee)

As the terms of office of all three (3) Directors (excluding those who are members of the Audit and Supervisory Committee; the same shall apply hereinafter in this agenda) will expire at the conclusion of this General Meeting of Shareholders, the Company proposes the election of three (3) Directors.

The candidates for Director are as follows.

Candidate number	Name (date of birth)	History, position in the Company, and responsibilities (important concurrent positions)	Company shares held
1	Mitsuru Yabuki (born September 5, 1969)	<p>August 2000 Azabu Building Co., Ltd. President and Representative Director (current position)</p> <p>March 2007 LandCapitalPartnersCo.,Ltd. President and Representative Director (current position)</p> <p>September 2020 Chairman and Representative Director of the Company (current position) (to the present)</p> <p>(Important concurrent positions) Azabu BuildingCo., Ltd.President and Representative Director Land Capital Partners Co., Ltd. President and Representative Director</p>	Ordinary shares 7,246,400 shares
2	Shunji Yasuda (born January 6, 1960)	<p>April 1983 Joined Daiho Corporation</p> <p>October 2003 Chief of Corporate Planning Section, Corporate Planning Office & General Manager, Legal Division of the same company</p> <p>April 2006 Joined the Company</p> <p>August 2008 Executive Officer, General Manager of Legal Department</p> <p>October 2010 Director, Head of the Management Department</p> <p>February 2012Executive Officer, Head of the Management Department</p> <p>August 2015 House Saison Enterprise Co., Ltd. Auditor</p> <p>October 2015 Director and Executive Officer, Manager</p> <p>October 2017 Director and Executive Officer, Head of the Management Department</p> <p>October 2017 House Saison Enterprise Co., Ltd. Director</p> <p>September 2020 Meiho Properties Co., Ltd., Auditor (current position)</p> <p>September 2020 House Saison Enterprise Co., Ltd. Auditor (current position)</p> <p>October 2021 Director and Senior Managing Executive Officer (current position)</p> <p>September Kyoeigumi Co., Ltd.</p>	Ordinary shares 6,900 shares

Meiho Enterprise Co., Ltd.
Notice of the 54rd Ordinary General Meeting of Shareholders

		2022	Director (current position) (to the present)	
		(Important concurrent positions)		
		Meiho Properties Co., Ltd.	Auditor	
		House Saison Enterprise Co., Ltd.	Auditor	
		Kyoeigumi Co., Ltd.	Director	

Meiho Enterprise Co., Ltd.
 Notice of the 54rd Ordinary General Meeting of Shareholders

Candidate number	Name (date of birth)	History, position in the Company, and responsibilities (important concurrent positions)	Company shares held
3	Shigeki Yoshida (born August 17, 1957)	<p>April 1980 Joined Japan New City Development Co., Ltd. July 1982 Joined Kintetsu Real Estate Co., Ltd. June 2002 Kintetsu Real Estate Co., Ltd. General Manager in Tokyo Metropolitan Business Division June 2013 Kintetsu Real Estate Co., Ltd. Executive Officer, General Manager of Nagoya Branch June 2015 Joined the Company General Manager of Sales Management Department August 2016 Executive Officer, General Manager of Sales Division (current position) October 2021 Meiho Properties Co., Ltd. Director (current position) September Kyoiegumi Co., Ltd. 2022 Director (current position) (to the present)</p> <p>(Important concurrent positions) Meiho Properties Co., Ltd. Director Kyoiegumi Co., Ltd. Director</p>	Ordinary shares 20,900 shares

(Note) 1. There are no special interests between any of the candidates and the Company.

2. The Company has entered into a Directors and Officers Liability Insurance contract with an insurance company, as provided for in Article 430-3, Paragraph 1 of the Companies Act. The insurance contract covers any damages that may arise due to the insured person's responsibility for the performance of their duties or the receipt of a claim for the pursuit of such responsibility. A candidate who is elected and assumes office will be included as an insured person under the insurance contract. The insurance policy will be renewed with the same contents at the time of the next renewal.

Proposal No. 4: Election of Three (3) Directors who are members of the Audit and Supervisory Committee

Because the terms of office of three (3) Directors who are members of the Audit and Supervisory Committee will expire at the conclusion of this General Meeting of Shareholders, the Company proposes the election of three (3) Directors who are members of the Audit and Supervisory Committee. The Company has obtained the consent of the Audit and Supervisory Committee for this proposal.

The candidates for Directors who are members of the Audit and Supervisory Committee are as follows.

Candidate number	Name (date of birth)	History, position in the Company, and responsibilities (important concurrent positions)	Company shares held
1	Yui Kayano (born April 28, 1985)	December 2013 Registered Attorney December 2013 Joined Vasco Da Gama Offices January 2020 Vasco Da Gama Offices Partner (current position) October 2020 Director of the Company (Audit and Supervisory Committee member) (current position) (to the present) (Important concurrent positions) Vasco Da Gama Offices Partner	-
2	Tetsuzo Kimura (born February 13, 1970)	April 1993 Joined Kagami Real Estate Co., Ltd. February 1995 Established Shoei Ltd. Representative Director April 2006 Land Support Inc. Director January 2008 Shoei Co., Ltd. Representative Director (current position) October 2020 Director of the Company (Audit and Supervisory Committee member) (current position) (to the present) (Important concurrent positions) Shoei Co., Ltd. Representative Director	Ordinary shares 500,000 shares
3	Taiji Yamamoto (born June 19, 1976)	April 2001 Joined Goldman Sachs Japan Co., Ltd. January 2008 Joined Lone Star Japan Acquisitions Ltd. September 2013 Joined SIGMAXYZ Inc. April 2015 Transferred to SXA Inc. October 2020 Director of the Company (Audit and Supervisory Committee member) (current position) (to the present) (Important concurrent positions) SXA Inc. Representative Director	-

(Note) 1. There are no special interests between any of the candidates and the Company.

The Company has designated Taiji Yamamoto as an Independent Director in accordance with the provisions of the Tokyo Stock Exchange and has notified the Exchange of such designation.

2. Yui Kayano, Tetsuzo Kimura and Taiji Yamamoto are candidates for Outside Director.
3. Mr. Kayano, Mr. Kimura and Mr. Yamamoto are currently Outside Directors (Audit and Supervisory Committee members) of the Company, and their terms of office as Outside Director (Audit and Supervisory Committee member) will be 2 years at the conclusion of this General Meeting of Shareholders.
4. The reasons for the appointment of Mr. Kayano, Mr. Kimura and Mr. Yamamoto as candidates for Outside Director are as follows.

Yui Kayano has a wealth of experience and a high level of insight and expertise from his many years of service as an attorney. In the event that he assumes the position of Outside Director, as a specialist in law, he can be expected to strengthen the effectiveness of the decision-making and supervisory functions of the Board of Directors from a standpoint independent of management, and we therefore propose his election as an Outside Director who is a member of the Audit and Supervisory Committee.

The Company proposes to elect Tetsuzo Kimura as an Outside Director who is a member of the Audit and Supervisory Committee so that in the event that he assumes the position of Outside Director he can use his long years of experience as a corporate manager within the structure of the Company's Audit and Supervisory Committee.

The Company proposes to elect Taiji Yamamoto as an Outside Director who is a member of the Audit and Supervisory Committee so that in the event that he assumes the position of Outside Director he can use his experience and broad insight cultivated at multiple companies from a neutral and objective standpoint within the structure of the Company's Audit and Supervisory Committee.

5. Neither candidate is an executive or officer of a specified related business entity of the Company, nor have they served as an executive or officer of a specified related business entity of the Company during the past 10 years.
6. Neither candidate has any arrangement to receive a large amount of money or other assets from the Company or any business entity in a special relationship with the Company, nor have they received any such assets within the past 2 years.
7. Neither candidate is the spouse, a relative within the third degree of kinship, or similar relation to an executive or Director of the Company or any business entity in a special relationship with the Company.
8. Neither candidate has been an executive of a joint stock company whose rights and obligations were inherited by the Company within the past 2 years as a result of a merger, absorption-type split, incorporation-type split, or transfer of business immediately prior to such merger, etc.
9. The Company has entered into a liability limitation agreement with Yui Kayano, Tetsuzo Kimura and Taiji Yamamoto which limits their liability for damages to the amount stipulated by law. In the event that they are reappointed, the Company intends to continue the above liability limitation agreement.
10. The Company has entered into a Directors and Officers Liability Insurance contract with an insurance company, as provided for in Article 430-3, Paragraph 1 of the Companies Act. The insurance contract covers any damages that may arise due to the insured person's responsibility for the performance of their duties or the receipt of a claim for the pursuit of such responsibility. A candidate who is elected and assumes office will be included as an insured person under the insurance contract. The insurance policy will be renewed with the same contents at the time of the next renewal.

Meiho Enterprise Co., Ltd.
 Notice of the 54rd Ordinary General Meeting of Shareholders

(Reference)

Expertise and experience (skill matrix) expected of Directors (incumbent/candidate) by the Company

Position	Name	Attribute		Years in office	Field of experience expected of Directors (incumbent/candidate) *						
					Corporate management	Sales Business strategy	Legal affairs Compliance Risk management	Human resources Labor relations Human resource development	Accounting Financial affairs	ESG	
Chairman & Representative Director	Mitsuru Yabuki	Reappointment		2 years	•	•					•
Senior Managing Director	Shunji Yasuda	Reappointment		7 years	•		•		•		
Director	Shigeki Yoshida	New appointment		-		•					
Outside Director	Yui Kayano	Reappointment		2 years			•	•			•
Outside Director	Kazuya Shimamura	Current position	Independent Director	3 years			•	•	•		
Outside Director	Tetsuzo Kimura	Reappointment		2 years	•	•					•
Outside Director	Tajji Yamamoto	Reappointment	Independent Director	2 years	•	•					•
Outside Director	Yuhei Matsumoto	Current position		1 year	•	•					•

* The three main areas of field experience expected of Directors (incumbent/candidates) are listed.

Proposal No. 5: Election of One (1) Director who is a substitute member of the Audit and Supervisory Committee

The Company proposes the election of one (1) substitute member of the Audit and Supervisory Committee in advance to fill the vacancy in the number of members stipulated by law.

The Company has obtained the consent of the Audit and Supervisory Committee for this proposal.

In regard to the effect of this appointment, the appointment may be canceled by a resolution of the Board of Directors with the consent of the Audit and Supervisory Committee only before the elected candidate takes office.

The candidates for the position of substitute Director who is a member of the Audit and Supervisory Committee is as follows

Name (date of birth)	Brief history and important concurrent positions	Company shares held
Toru Uchihashi (born November 27, 1978)	September 2007 Registered Attorney September 2007 Joined Tamiya Godo Law Office March 2008 Delegate to the Japan Federation of Bar Associations April 2011 Standing member of the Daini Tokyo Bar Association April 2018 Standing member of the Daini Tokyo Bar Association (to the present)	-

(Note) 1. There are no special interests between the Company and the candidate to become a Director who is a substitute member of the Audit and Supervisory Committee.

2. Toru Uchihashi is a candidate for Outside Director who is a substitute member of the Audit and Supervisory Committee.
3. The reasons for selecting Toru Uchihashi as a candidate for Outside Director who is a substitute member of the Audit and Supervisory Committee and his expected roles are as follows.
 - (1) Reasons for the selection as a candidate for Outside Director who is a substitute member of the Audit and Supervisory Committee

The Company proposes to elect Toru Uchihashi as an Outside Director who is a substitute member of the Audit and Supervisory Committee so that in the event that he assumes the position of Outside Director he can use his experience and expertise as an attorney within the structure of the Company's Audit and Supervisory Committee.

- (2) Reasons for believing that Mr. Uchihashi will be able to appropriately perform his duties as a member of the Audit and Supervisory Committee and his expected role

The Company expects that Toru Uchihashi will monitor overall management and provide effective advice as an Outside Director who is a member of the Audit and Supervisory Committee, taking advantage of his rich experience as an attorney, and proposes to elect him as a Director who is a substitute member of the Audit and Supervisory Committee.

4. The candidate is not an executive or officer of a specified related business entity of the Company, nor has he been an executive or officer of a specified related business entity of the Company during the past 10 years.
5. The candidate has no arrangement to receive a large amount of money or other assets from the Company or any business entity in a special relationship with the Company, nor has he received any such properties within the past 2 years.
6. The candidate is not the spouse, a relative within the third degree of kinship, or similar relation to an executive or Director of the Company or any business entity in a special relationship with the Company.
7. The candidate has not been an executive of a joint stock company whose rights and obligations were

Meiho Enterprise Co., Ltd.
Notice of the 54rd Ordinary General Meeting of Shareholders

- inherited by the Company within the past 2 years as a result of a merger, absorption-type split, incorporation-type split, or transfer of business immediately prior to such merger, etc.
8. In the event that the candidate assumes the office of Director who is a member of the Audit and Supervisory Committee, the Company plans to enter into an agreement with him to limit his liability for damages under Article 423, Paragraph 1 of the Companies Act, in accordance with the provisions of Article 427, Paragraph 1 of the same act.
 9. The Company has entered into a Directors and Officers Liability Insurance contract with an insurance company, as provided for in Article 430-3, Paragraph 1 of the Companies Act. The insurance contract covers any damages that may arise due to the insured person's responsibility for the performance of their duties or the receipt of a claim for the pursuit of such responsibility. A candidate who is elected and assumes office will be included as an insured person under the insurance contract. The insurance policy will be renewed with the same contents at the time of the next renewal.

The end