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(Stock Exchange Code 8125)

May 7, 2024

(Date of commencement of measures for electronic provision: April 30, 2024)

To Shareholders with Voting Rights:

Teiji Wakita
President and Representative Director
Wakita & Co., LTD.
1-3-20 Edobori, Nishi-ku,
Osaka, Japan

**NOTICE OF CONVOCATION OF
THE 64TH ORDINARY GENERAL MEETING OF SHAREHOLDERS**

Please be informed that the 64th Ordinary General Meeting of Shareholders of Wakita & Co., LTD. (the “Company”) will be held as set forth below.

We have adopted measures for the electronic provision of information for this General Meeting of Shareholders. The information to be provided electronically is available on the following website.

The Company’s website: <https://www.wakita.co.jp/english/>

The information is also available from the following website.

Tokyo Stock Exchange website (Tokyo Stock Exchange Listed Company Search)
<https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>

Please access the website shown above and enter “Wakita” in the “Issue name (company name)” box or “8125” in the “Code” box to search. Click on “Basic Information” then “Documents for public inspection/PR information” to view the information in “Notice of General Shareholders Meeting /Informational Materials for a General Shareholders Meeting” under “Filed information available for public inspection.”

If you decide not to attend the meeting in person on the day, you may exercise your voting rights via the Internet, etc., or in writing. In this case, please review the “Reference Documents for the General Meeting of Shareholders” provided through the measures for the electronic provision of information, and exercise your voting rights by the end of business (5:30 p.m.) on Wednesday, May 22, 2024, Japan time.

- 1. Date and Time:** Thursday, May 23, 2024 at 10:00 a.m. Japan time (Doors will open at 9:00 a.m.)
- 2. Place:** Ninth floor conference room of the Head Office of the Company,
located at 1-3-20 Edobori, Nishi-ku, Osaka, Japan.
- 3. Meeting Agenda:**
Matters to be reported:
 1. The Business Report, Consolidated Financial Statements for the Company’s 64th Fiscal Year (March 1, 2023 - February 29, 2024) and results of audits by the Accounting Auditor and the Audit and Supervisory Committee of the Consolidated Financial Statements
 2. Non-consolidated Financial Statements for the Company’s 64th Fiscal Year (March 1, 2023 - February 29, 2024)

Proposals to be resolved:

< Proposals by the Company: Proposals No. 1 through No. 4 >

- Proposal No. 1:** Appropriation of Surplus
- Proposal No. 2:** Partial Amendments to the Articles of Incorporation
- Proposal No. 3:** Election of Four (4) Directors (Excluding Directors who are Audit and Supervisory Committee Members)
- Proposal No. 4:** Election of Two (2) Directors who are Audit and Supervisory Committee Members

< Shareholder Proposals: Proposals No. 5 through No. 8 >

- Proposal No. 5:** Appropriation of Surplus
- Proposal No. 6:** Amendment to the Articles of Incorporation concerning the Establishment of a Corporate Value Improvement Committee
- Proposal No. 7:** Amendment to the Articles of Incorporation concerning Chairperson of the Board of Directors
- Proposal No. 8:** Amendment to the Articles of Incorporation concerning Individual Compensation for Representative Director

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- Please bring with you the enclosed Voting Rights Exercise Form and submit it at the reception desk.
 - Pursuant to provisions of laws and regulations as well as Article 15 of the Company's Articles of Incorporation, the following information provided electronically is not presented in the paper copy sent to shareholders.
 - Business Report: "Structure to Ensure Appropriateness of Business Operations, and the Management Status of the Structure"
 - Consolidated Financial Statements: "Consolidated Statements of Changes in Net Assets" and "Notes"
 - Non-consolidated Financial Statements: "Non-consolidated Statements of Changes in Net Assets" and "Notes"Accordingly, the paper copy presents a portion of the Consolidated Financial Statements and Non-consolidated Financial Statements audited by the Audit and Supervisory Committee Members and the Accounting Auditor when they prepared the Audit and Supervisory Committee's Audit Report and Accounting Auditor's Audit Report, respectively.
 - Any revisions to the information provided electronically will be posted on each of the websites on which the information is presented.

Reference Documents for the General Meeting of Shareholders

Proposals and References

< Proposals by the Company: Proposals No. 1 through No. 4 >

Proposal No. 1: Appropriation of Surplus

The Company considers that returning profits to shareholders is an important task for management. Its basic policy is to pay out stable dividends while considering the necessities to improve its financial status and to meet financing needs for future business development.

In consideration of this policy, the Company proposes an ordinary dividend of 62 yen per share for the year-end dividend for the fiscal year ended February 29, 2024, an increase of 24 yen per share compared to the previous fiscal year.

Matters concerning the year-end dividend

- (1) Type of dividend property
Cash
- (2) Allotment of dividend property to the shareholders and total amount of dividends
62 yen per common share of the Company
Total amount of dividends: 3,066,054,318 yen
- (3) Effective date of appropriation of surplus
May 24, 2024

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

1. Reasons for the proposal

- (1) Business purposes shall be added to Article 2 (Purpose) of the current Articles of Incorporation in order to improve the quality of information-based construction services that utilize the Group’s information and communication technology (ICT).
- (2) In line with the above amendment, the articles shall be renumbered.

2. Details of the amendments

Details of the amendments are as follows.

(Amended parts are underlined.)

Current Articles of Incorporation	Proposed amendments
(Purpose) Article 2. The purpose of the Company shall be to engage in the following businesses.	(Purpose) Article 2. (Unchanged)
1. – 30. (Omitted)	1. – 30. (Unchanged)
(New)	<u>31. Leasing and sale of surveying software;</u>
(New)	<u>32. Surveying contracts;</u>
(New)	<u>33. Aerial photography and aerial surveying;</u>
<u>31. – 32.</u> (Omitted)	<u>34. – 35.</u> (Unchanged)

Proposal No. 3: Election of Four (4) Directors (Excluding Directors who are Audit and Supervisory Committee Members)

The terms of all Directors (excluding Directors who are Audit and Supervisory Committee Members) (four (4) Directors) will expire at the conclusion of this General Meeting of Shareholders. Accordingly, the Company proposes the election of four (4) Directors (excluding Directors who are Audit and Supervisory Committee Members).

This Proposal has received an opinion from the Audit and Supervisory Committee that all the candidates are qualified.

The candidates for Director (excluding Directors who are Audit and Supervisory Committee Members) are as follows.

No.	Name (Age)	Candidate Attributes	Current positions at the Company	Length of service as Director	Attendance at Board of Directors meetings
1	Teiji Wakita (67)	Reelection	President and Representative Director	32 years	100% (16 out of 16 meetings)
2	Kazuhiro Shimizu (67)	Reelection	Senior Managing Director	8 years	100% (16 out of 16 meetings)
3	Keiji Ishikawa (65)	Reelection	Director	5 years	94% (15 out of 16 meetings)
4	Atsuhiko Nariyama (55)	New election	Executive Officer	-	-

(Notes)

1. There are no special interests between the Company and any of the above director candidates.
2. The Company has taken out directors and officers liability insurance, as stipulated in Article 430-3, Paragraph 1 of the Companies Act. The directors who are included as the insured shall receive compensation for their liability borne from performance of their duties or for their liability arising from claims in pursuit of that liability. If the candidates assume the office of Director, they will be included among the insured under the said insurance policy. The Company plans to renew the said insurance policy during the term of office of each candidate.

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
1	Teiji Wakita (February 10, 1957) (67 years old) <u>Reelection</u>	<p>April 1992 Joined the Company May 1992 Director, Chief of President's Office May 1998 Managing Director, in charge of President's Office August 2000 Managing Director, Deputy General Manager of Sales Division May 2002 Senior Managing Director, Deputy General Manager of Sales Division May 2004 President and Representative Director May 2016 President and Representative Director, General Manager of Sales Division (to present)</p>	1,072,600
<p>[Length of service as Director] 32 years [Attendance at Board of Directors meetings] 100% (16 out of 16 meetings) [Reason for election] Mr. Teiji Wakita has achievements of having led the entire Group as President and Representative Director. The Company believes that his wealth of experience and high degree of insight regarding overall management are indispensable for the management of the Group, and therefore nominated him again as a candidate for Director.</p>			
2	Kazuhiro Shimizu (June 30, 1956) (67 years old) <u>Reelection</u>	<p>April 1979 Joined the Company March 2007 President and Representative Director, CHIBA LEASE KOGYO CORPORATION May 2011 Executive Officer, Branch Manager, Tokyo Chuo Branch, the Company May 2016 Director, Deputy Chief Officer of Construction Equipment Leasing Division May 2018 Managing Director, Deputy Chief Officer of Construction Equipment Business Division, the Company May 2019 Managing Director, Deputy General Manager of Sales Division and Chief Officer of Construction Equipment Business Division May 2021 Senior Managing Director, Deputy General Manager of Sales Division, Chief Officer of Construction Equipment Business Division, in charge of International Trading Department, the Company (to present) February 2023 Director, Daiki Sangyo Co., Ltd. (to present)</p>	26,800
<p>[Length of service as Director] 8 years [Attendance at Board of Directors meetings] 100% (16 out of 16 meetings) [Reason for election] Mr. Kazuhiro Shimizu has served in the Construction Equipment Business Division for many years, and has a wealth of experience, achievements and a high degree of insight in his field of specialty. The Company believes that he is qualified to make decisions on important matters related to the Group's corporate management and execute business, and therefore nominated him again as a candidate for Director.</p>			

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
3	Keiji Ishikawa (January 14, 1959) (65 years old) <u>Reelection</u>	<p>April 1984 Joined the Company</p> <p>May 2018 Executive Officer, General Manager of Systems Sales Division</p> <p>May 2019 Director, General Manager of Systems Business Division</p> <p>September 2022 Director, General Manager of Systems Business Division and General Manager of Frontier Business Division (to present)</p> <p>March 2023 Director, Sunnetworklive Corporation (to present)</p> <p>April 2023 Director, Nichii carenet & Co., LTD (presently Wakita carenet & Co., LTD) (to present)</p> <p>April 2023 Director, Chief Officer of Commercial Affairs Business Department, the Company (to present)</p> <p>[Significant concurrent positions] Director, Sunnetworklive Corporation Director, Wakita carenet & Co., LTD</p>	5,500
	<p>[Length of service as Director] 5 years</p> <p>[Attendance at Board of Directors meetings] 94% (15 out of 16 meetings)</p> <p>[Reason for election] Mr. Keiji Ishikawa has served in the Systems Business Division for many years, and has a wealth of experience, achievements and insight. The Company believes that he is a person who will contribute to the future development of our Group's commercial affairs business department, and therefore nominated him again as a candidate for Director.</p>		
4	Atsuhiko Nariyama (March 2, 1969) (55 years old) <u>New election</u>	<p>April 1992 Joined The Sumitomo Bank, Ltd. (presently Sumitomo Mitsui Banking Corporation)</p> <p>May 2021 Joined the Company, Associate Officer, General Manager of General Affairs Division</p> <p>May 2021 Executive Officer, General Manager of General Affairs Division (to present)</p>	2,211
	<p>[Length of service as Director] -</p> <p>[Attendance at Board of Directors meetings] -</p> <p>[Reason for election] Mr. Atsuhiko Nariyama has expert knowledge and a wide range of insight as a person with a background in a financial institution, and after joining the Company, he has been engaged in general affairs and personnel operations as Executive Officer and General Manager of the General Affairs Division. The Company believes that his insight and skill regarding overall management qualify him to make decisions on important matters related to the Group's corporate management and execute business, and therefore nominated him as a candidate for Director.</p>		

Proposal No. 4: Election of Two (2) Directors who are Audit and Supervisory Committee Members

At the conclusion of this General Meeting of Shareholders, Director who is an Audit and Supervisory Committee Member Mr. Shoichi Washio will resign, and the term of Director who is an Audit and Supervisory Committee Member Mr. Katsuhiko Aoki will expire. Accordingly, the Company proposes the election of two (2) Directors who are Audit and Supervisory Committee Members.

This Proposal has received the consent of the Audit and Supervisory Committee.

The candidates for Directors who are an Audit and Supervisory Committee Members are as follows.

No.	Name (Age)	Candidate Attributes	Current positions at the Company	Length of service as Director (Audit and Supervisory Committee Member)	Attendance at meetings
1	Shigeru Ohno (63)	New election	-	-	-
2	Katsuhiko Aoki (67)	Reelection Outside Independent	Outside Director (Audit and Supervisory Committee Member)	4 years	Board of Directors meetings: 100% (16 out of 16 meetings) Audit and Supervisory Committee meetings: 93% (14 out of 15 meetings)

(Notes)

1. There are no special interests between the Company and any of the above director candidates.
2. Mr. Katsuhiko Aoki is a candidate for Outside Director. He will have served four years as an Outside Director who is an Audit and Supervisory Committee Member as of the conclusion of this General Meeting of Shareholders.
3. The Company has designated Mr. Katsuhiko Aoki as an independent officer in accordance with the requirements of the Tokyo Stock Exchange and notified the exchange accordingly. If he is elected and assumes the office of Director who is an Audit and Supervisory Committee Member, the Company intends to maintain his status as an independent officer.
4. Based on the provisions of Article 427, Paragraph 1 of the Companies Act and Article 28 of the Company's Articles of Incorporation, the Company has entered into an agreement with Mr. Katsuhiko Aoki to limit his liability for damages provided in Article 423, Paragraph 1 of the Companies Act. If his reelection is approved, the Company intends to continue said agreement with him. The liability limit for Directors who are Audit and Supervisory Committee Members under this agreement is the minimum amount stipulated in Article 425, Paragraph 1 of the Companies Act. In addition, if Mr. Shigeru Ohno assumes the office of Director who is an Audit and Supervisory Committee Member, the Company intends to enter into a similar agreement with him.
5. The Company has taken out directors and officers liability insurance, as stipulated in Article 430-3, Paragraph 1 of the Companies Act, which insures all Directors who are Audit and Supervisory Committee Members. The directors who are included as the insured shall receive compensation for their liability borne from performance of their duties or for their liability arising from claims in pursuit of that liability. If the candidates assume the office of Director, they will be included among the insured under the said insurance policy. The Company plans to renew the said insurance policy during the term of office of each candidate.

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
1	Shigeru Ohno (October 24, 1960) (63 years old) <u>New election</u>	<p>April 1984 Joined The Sanwa Bank, Limited (presently MUFG Bank, Ltd.)</p> <p>November 2013 General Manager of Financial Corporation Sales Division, Manulife Life Insurance Company</p> <p>June 2018 Representative Director and Senior Managing Director, Mitsubishi UFJ Home Loan Credit Co., Ltd. (presently Mitsubishi UFJ Loan Business Co., Ltd.)</p> <p>August 2023 Joined the Company, Deputy General Manager of Administration Division (to present)</p>	0
	<p>[Length of service as Director who is an Audit and Supervisory Committee Member] - [Attendance at Board of Directors meetings] - [Attendance at Audit and Supervisory Committee meetings] - [Reason for election]</p> <p>Mr. Shigeru Ohno has many years of abundant experience and a wide range of insight cultivated at financial institutions and business companies, and can be expected to leverage that knowledge to provide useful advice regarding corporate management. The Company believes that he is qualified to make decisions on important management matters and supervise business execution, and has therefore nominated him as a candidate for Director who is an Audit and Supervisory Committee Member.</p>		
2	Katsuhiko Aoki (September 19, 1956) (67 years old) <u>Reelection</u> <u>Outside</u> <u>Independent</u>	<p>April 1980 Joined Mitsubishi Corporation</p> <p>June 2001 Manager of M&A Unit, Financial Business Division, Mitsubishi Corporation</p> <p>April 2012 Senior Vice President, General Manager of CEO Office, Industrial Finance, Logistics & Development Group, Mitsubishi Corporation</p> <p>June 2015 Managing Director, Mitsubishi UFJ Lease & Finance Company Limited</p> <p>June 2018 Managing Executive Officer, General Manager of Real Estate Business Division, Mitsubishi UFJ Lease & Finance Company Limited</p> <p>July 2019 Advisor, Corporate Directions, Inc. (to present)</p> <p>May 2020 Outside Director (Audit and Supervisory Committee Member), the Company (to present)</p> <p>June 2020 Outside Corporate Auditor, AIG Japan Holdings Kabushiki Kaisha (to present)</p> <p>[Significant concurrent positions] Advisor, Corporate Directions, Inc. Outside Corporate Auditor, AIG Japan Holdings Kabushiki Kaisha</p>	0
	<p>[Length of service as Outside Director] 4 years [Attendance at Board of Directors meetings] 100% (16 out of 16 meetings) [Attendance at Audit and Supervisory Committee meetings] 93% (14 out of 15 meetings) [Reason for election and overview of expected role]</p> <p>Mr. Katsuhiko Aoki has many years of abundant experience and a wide range of insight cultivated at a general trading company and a financial institution, and can be expected to leverage that knowledge to provide useful advice regarding corporate management. The Company believes that he is qualified to make decisions on important management matters and supervise business execution, and has therefore nominated him again as a candidate for Outside Director who is an Audit and Supervisory Committee Member.</p>		

[Reference] Skills Matrix

The matrix below shows the main areas of expertise, background, and the insight and experience expected of each Director, if Proposal No. 3 and Proposal No. 4 are approved and passed.

	Main areas of expertise and background (insight and experience expected of Directors)					
	1	2	3	4	5	6
	Corporate management	Industry insight	Accounting and finance	Personnel and HR development	Legal and compliance	Diversity
Teiji Wakita	●	●	●	●		
Kazuhiro Shimizu	●	●				
Keiji Ishikawa	●	●				
Atsuhiko Nariyama			●	●	●	
Shigeru Ohno	●				●	
Yasuhiro Kuraguchi			●			●
Noriko Ishida					●	●
Katsuhiko Aoki	●		●			

< Shareholder Proposals: Proposals No. 5 through No. 8 >

Proposals No. 5 through No. 8 have been proposed by two shareholders.

The content, agenda, outline and reasons for the proposals are organized by proposal and are presented just as they were submitted by the proposing shareholders.

Content of the Proposals:

Where formal adjustments (including, but not limited to, the amendment of article numbering) become necessary to the chapters or articles presented in 2 to 4 below (hereinafter “these Proposals”) due to the adoption or rejection of another Proposal at this Ordinary General Meeting of Shareholders (including proposals by the Company), the chapters and articles of the Company’s Articles of Incorporation under these Proposals shall be considered as if the necessary adjustments had already been made. See <https://stracap.jp/english/wp-content/uploads/2023/04/PRESS-RELEASE-regarding-WAKITA-CO-LTD-8125.pdf> or the Campaign Websites link at the top right of the Strategic Capital, Inc. homepage: <https://stracap.jp/english/>. All figures presented in the shareholder proposals are based on the consolidated financial statements unless otherwise indicated.

(Note from the Company) “2 to 4 below” refers to the proposals from Proposal No. 6 to Proposal No. 8.

Proposal No. 5: Appropriation of Surplus

1. Outline of the Proposal:

(1) Type of dividend property

Cash

(2) Allotment of dividend property to the shareholders and total amount of dividends

Use the dividend per common share based on the proposal concerning the appropriation of surplus made by the Company’s Board of Directors and adopted in the 64th Ordinary General Meeting of Shareholders (hereinafter “the Company’s Appropriation of Surplus Proposal”), and the appropriation of surplus (including a scheduled appropriation) at the end of February 2024 adopted by the day of the 64th Ordinary General Meeting of Shareholders in accordance with Article 34 of the Company’s Articles of Incorporation, as the amount of dividend per common share determined by the Company’s Board of Directors (hereinafter collectively referred to as “the Company’s Dividend Amount”). Deduct the Company’s Dividend Amount from the amount of net assets per share (the number of treasury shares is deducted from the number of shares issued, and the figure is calculated in accordance with the Accounting Standards Board of Japan Guidance No. 4, Guidance on Accounting Standard for Earnings Per Share) at the end of the 64th fiscal year (rounded down to the nearest whole number; the same applies hereinafter) multiplied by 0.06 (hereinafter “the Amount Equivalent to 6% DOE”), add the result to the Company’s Dividend Amount, and pay it as a dividend.

The total amount of dividends is the dividend amount multiplied by the number of shares eligible for dividends as of the record date of voting rights in the Company’s 64th Ordinary General Meeting of Shareholders.

(3) Effective date of appropriation of surplus

The day after the 64th Ordinary General Meeting of Shareholders of the Company is held.

If a proposal on the appropriation of surplus is made by the Company in the 64th Ordinary General Meeting of Shareholders, this Proposal shall be an additional proposal that is independent from the said proposal, and is compatible with the said proposal.

2. Reasons for the Proposal:

This is a proposal that aims to convert 6% of equity into dividends.

As of the end of February 2023, the Company’s equity ratio was approximately 71%, which is very high. In addition, the Company holds assets unrelated to its core business, such as cross-shareholdings.

Therefore, the Company should set a shareholder return policy of 6% DOE (119 yen at the end of November 2023).

If ROE is less than 6%, the payout ratio will exceed 100%, and through this, the Company should gradually reduce equity and improve capital efficiency, as well as demonstrate a policy of providing stable shareholder returns.

While the Company’s current policy is to maintain a 100% total return ratio, its market capitalization is

approximately 79.8 billion yen as of March 11, 2024, and stable shareholders, consisting of the founder's family, etc., are estimated to account for over 50%. Moreover, acquiring treasury shares from the market will lead to a further decline in liquidity. Therefore, it is preferable that shareholder returns be based on dividends, and treasury shares be acquired separately from stable shareholders.

< Opinion of the Board of Directors on Proposal No. 5 >

The Board of Directors of the Company opposes Proposal No. 5.

• **Opinion of the Board of Directors**

The Company considers that returning profits to shareholders is an important task for management. Its basic policy is to pay out stable dividends while considering the necessities to improve its financial status and to meet financing needs for future business development.

To further enhance shareholder returns, the Company has established the policy of a total return ratio of 100%, including dividends and share buybacks, each fiscal year for the three years from the fiscal year ended February 28, 2023, to the fiscal year ending February 28, 2025. This policy was presented under “Growth Investment Together with Shareholder Returns” in “Notice on the Establishment of the 2025 Medium-term Management Plan (Fiscal Year ended February 28, 2023, to Fiscal Year ending February 28, 2025)” announced on April 8, 2022.

For the fiscal year ended February 29, 2024, the second year of the Medium-term Management Plan, we plan to propose a dividend of 62 yen per common share of the Company at the 64th Ordinary General Meeting of Shareholders scheduled for May 23, 2024, as announced in “Notice on Revision of Financial Results Forecast and Dividend Forecast (Dividend Increase)” (in Japanese) on January 26, 2024. If this proposal is approved and passed then, in combination with share buybacks, the Company will achieve a total return ratio of 133%, which would significantly exceed the shareholder return policy of 100% set forth in the Medium-term Management Plan.

• **Reasons**

As announced in the “Consolidated Financial Results for the Fiscal Year ended February 29, 2024 (Japanese GAAP)” on April 12, 2024, the Company intends to set a payout ratio of 100% for the fiscal year ending February 28, 2025.

This proposal requests that dividends for the fiscal year ended February 29, 2024 be set at an amount equivalent to 6% DOE. However, if dividends are paid in accordance with this proposal, the amount of dividends will significantly exceed the amount of profit for the fiscal year ended February 29, 2024. In view of this, this proposal is based on a short-term perspective that does not sufficiently consider future investments for the maintenance and expansion of business, nor the need to secure funds as a prerequisite for such investments. Accordingly, the Company does not believe that this proposal is appropriate from the perspective of improving corporate value over the medium- to long-term. Moreover, the Company is able to achieve stable dividends and sufficient returns to shareholders for improving equity value of the Company without implementing such a dividend, through shareholder returns based on the policy described above.

Proposal No. 6: Amendment to the Articles of Incorporation concerning the Establishment of a Corporate Value Improvement Committee

1. Outline of the Proposal:

Add the following article to the current Articles of Incorporation.

Chapter 4 Directors and Board of Directors
(Corporate Value Improvement Committee)

Article 29. The Board of Directors shall establish a Corporate Value Improvement Committee under the Board of Directors to support decision-making by the Board of Directors.

2. The Corporate Value Improvement Committee shall be comprised of Outside Directors of the Company as well as shareholders who hold 3% or more of the total number of issued shares of the Company as of the end of the most recent fiscal year and who wish to serve as committee members, excluding individuals who are relatives within the second degree of kinship or in-laws of the founder, Mr. Fumio Wakita (hereinafter “relatives of the founder”), and companies in which a majority of the voting rights are held by relatives of the founder (hereinafter “the founder’s family, etc.”).

3. The Corporate Value Improvement Committee shall appoint external advisors at its discretion, and such external advisors may provide advice regarding the activities of the Corporate Value Improvement Committee as set forth in the following paragraph from a standpoint independent of the Company’s Board of Directors.

4. The Corporate Value Improvement Committee shall be independent from the Company’s Board of Directors and shall carry out the activities specified below in order to improve the Company’s corporate value.

(1) Hearing opinions from shareholders, including the founder’s family, etc., regarding general business measures (including, but not limited to, reform of the real estate business), financial measures (including, but not limited to, capital policies such as evaluating and understanding cost of capital and setting management indicators to improve capital efficiency), and corporate governance measures (hereinafter collectively referred to as “corporate value improvement measures”) that contribute to improving the Company’s corporate value

(2) Considering measures to improve corporate value based on collected information and presenting said measures to the Board of Directors

(3) Providing explanations to shareholders and other stakeholders concerning corporate value improvement measures presented to the Board of Directors and reference materials provided alongside said presentations

5. The Corporate Value Improvement Committee shall meet at least once a quarter, and shall be convened by an Outside Director determined in advance by the Board of Directors. Resolutions by the Corporate Value Improvement Committee shall be passed by a majority vote in the presence of a majority of the members who may participate in the resolutions. In addition, details of procedures for convening and holding committee meetings, methods of appointing and dismissing external advisors, terms of office, and other matters shall be determined by the Corporate Value Improvement Committee Regulations established by the Corporate Value Improvement Committee.

6. The Company shall bear the costs necessary for the activities of the Corporate Value Improvement Committee, including compensation for members and external advisors.

2. Reasons for the Proposal:

Since 2010, the Company’s PBR has never exceeded 1, and drastic management reforms and changes in capital policies are necessary.

For example, as of the end of the FY ended February 28, 2023, the Company owned rental properties with a market value of 56.6 billion yen. If these assets were transferred to a real estate investment trust (hereinafter “REIT”) at a reasonable price, and the Company or its subsidiary were to become a REIT operating company, capital efficiency of the Company would improve greatly.

Furthermore, the ROE target in the Company’s Medium-Term Management Plan is only 5%, and the proposing shareholders have requested that the plan be revised.

Despite this, the Company has not taken up any of these proposals and has left the share price in the doldrums, raising concerns that management by relatives of the founder has started to become an obstacle to increasing corporate value.

To this end, the Company should establish a committee whose members comprise of large shareholders

(excluding relatives of the founder) and Outside Directors, use the knowledge of external advisors to consider ways to improve the Company's corporate value from a standpoint independent of the Board of Directors, and re-formulate the Medium-Term Management Plan.

< Opinion of the Board of Directors on Proposal No. 6 >

The Board of Directors of the Company opposes Proposal No. 6.

• **Opinion of the Board of Directors**

The Company's Board of Directors is comprised of executive directors who are familiar with the Company's business and possess knowledge and experience in areas such as corporate management, industry insight, finance, personnel, and legal affairs, as well as Outside Directors who provide advice and suggestions based on their individual expertise. The Company believes that the Board of Directors makes management decisions and supervises business execution in a way that leads to sustainable improvement in the Company's corporate value and will thus serve the interests of shareholders.

In this proposal, it is stated that the "Corporate Value Improvement Committee" shall "be comprised of Outside Directors of the Company as well as shareholders who hold 3% or more of the total number of issued shares of the Company as of the end of the most recent fiscal year and who wish to serve as committee members (...)" and that the committee may "appoint external advisors at its discretion." However, the Company believes that having individuals with excellent knowledge serve as Outside Directors, regardless of whether or not they own Company shares, and having them provide advice and suggestions that benefit shareholders, contributes to increasing the Company's corporate value. Therefore, the Company considers the establishment of a new body unnecessary.

• **Reasons**

The Company has always referred to the opinions of shareholders received at General Meetings of Shareholders, financial results briefings, interviews, etc., and obtained advice from external advisors as necessary. Based on this, the Company's Board of Directors makes decisions regarding business measures, financial measures, and corporate governance measures from the perspective of sustainably increasing the Company's corporate value. Therefore, the Company considers the establishment of a new body such as the "Corporate Value Improvement Committee" suggested in this proposal unnecessary.

Furthermore, the use of a real estate investment trust ("REIT"), which is cited as an example for drastic management reforms in the reasons for the proposal, means that the Company would withdraw from the real estate leasing business that it currently operates, and change the nature of its business to real estate management. However, the Company has identified the real estate business, including the real estate leasing business, as an important business generating stable revenue under its 2025 Medium-term Management Plan announced in April 2022. The Company considers that continuing the real estate leasing business will contribute to stable shareholder returns in the future.

Proposal No. 7: Amendment to the Articles of Incorporation concerning Chairperson of the Board of Directors

1. Outline of the Proposal:

Amend Article 22 of the current Articles of Incorporation as follows.

Current Articles of Incorporation

(Persons authorized to convene and chair meetings of the board of directors)

Article 22. Except as otherwise provided by laws and regulations, the President shall convene and chair meetings of the Board of Directors. In the absence or incapacity of the President, another Director shall convene and preside at the meeting of the Board of Directors in accordance with the order previously determined by the Board of Directors.

Proposed Amendments

(Persons authorized to convene and chair meetings of the board of directors)

Article 22. Except as otherwise provided by law and regulations, the President shall convene meetings of the Board of Directors. In the absence or incapacity of the President, another Director shall convene the meeting of the Board of Directors in accordance with the order previously determined by the Board of Directors.

2. The Board of Directors shall be chaired by an Outside Director previously determined by the Board of Directors. If such Outside Director is unable to act as Chair, another Outside Director shall take the chair in the order previously determined by the Board of Directors. In the absence or incapacity of all Outside Directors, a Director other than an Outside Director shall chair the meeting in other order previously determined by the Board of Directors.

2. Reasons for the Proposal:

Principle 4-3 of the Corporate Governance Code requires the Board of Directors to fulfill a highly effective supervisory function over management from an independent and objective standpoint.

In this regard, the supervisory function of the Board of Directors must be questioned, as Mr. Teiji Wakita, a relative of the founder, is effectively the largest shareholder of the Company and serves as the President and Representative Director of the Company in addition to the Chairperson of the Board of Directors.

The Company's share price has consistently remained below 1x PBR, underlining the need for the Board of Directors to strengthen its function to supervise whether the management team is executing on its business operations that contribute to increasing shareholder value. To this end, the Board of Directors should be chaired by an outside director rather than an executive to further improve corporate governance.

< Opinion of the Board of Directors on Proposal No. 7 >

The Board of Directors of the Company opposes Proposal No. 7.

• Opinion of the Board of Directors

The Company's Board of Directors is chaired by the President and Representative Director, who is closely familiar with the Company's business operations. A framework is in place for the checking and supervision of management by other Directors and highly independent Outside Directors, who comprise one-third (1/3) of all Directors, and we believe that the Board of Directors is fulfilling its supervisory function.

• Reasons

The Company's Board of Directors is chaired by the President and Representative Director, who is closely familiar with the Company's business operations. A framework is in place for the checking and supervision of management by highly independent Outside Directors, who comprise one-third (1/3) of all Directors. Under this framework, opportunities are provided for Outside Directors to be briefed in advance on important agenda items prior to the day of the relevant meeting of the Board of Directors, and ample time is secured for deliberation on proposals.

Meetings of the Board of Directors feature lively discussions, including appropriate advice and suggestions from the Outside Directors, and optimal decisions are made after exhausting those discussions. Evaluation of the effectiveness of the Board of Directors has also revealed that Directors consider that the Board of Directors is fulfilling its role and responsibilities as a supervisory organ. In this way, we believe that the Board of Directors is fulfilling its supervisory function under the framework described above.

Proposal No. 8: Amendment to the Articles of Incorporation concerning Individual Compensation for Representative Director

1. Outline of the Proposal:

Add the following chapter and article to the current Articles of Incorporation.

Chapter 7 Disclosure of Executive Compensation

(Disclosure of individual compensation for representative director)

Article 38. The Company shall disclose, in the CG Report which it submits to the Tokyo Stock Exchange, the amount paid as compensation to representative director in the previous fiscal year (including non-monetary compensation).

2. Reasons for the Proposal:

Despite a share price that continues to be below 1x PBR, the Company's management has failed to implement significant measures to increase shareholder value. We are concerned that the President is receiving excessive compensation despite the depressed share price and lacks the incentive to increase shareholder value, further depressing the share price. To dispel such concerns, we request the disclosure of individual compensation.

Although the Company does have a voluntary Nomination and Compensation Committee, Mr. Teiji Wakita, a relative of the founder and effectively the leading shareholder of the Company, serves as chairman, and it is possible the supervisory function of individual compensation is not sufficiently effective for the President. Therefore, the Company should disclose the individual compensation of representative director to show the amount is appropriate.

< Opinion of the Board of Directors on Proposal No. 8 >

The Board of Directors of the Company opposes Proposal No. 8.

• **Opinion of the Board of Directors**

The Company has established a Nomination and Compensation Committee composed of a majority of independent Outside Directors as a non-statutory body to advise the Board of Directors, with the aims of ensuring the fairness, transparency, and objectivity of processes related to the nomination and compensation of Directors and enhancing the Company's corporate governance structure. Compensation, etc. for individual Directors, including the Representative Director, is determined by the Board of Directors after referral to, and report by, the Nomination and Compensation Committee, with respect for the contents of the report. Through these procedures, the Company believes that independence and objectivity in determining compensation, etc. for individual Directors are ensured.

• **Reasons**

This proposal requests that the Company's Articles of Incorporation stipulate the disclosure of individual compensation, etc. for the Representative Director, but regarding disclosure of compensation, etc. for Directors, including the Representative Director, the Company properly discloses the total amount of compensation and the number of recipients for each class of officer in its Business Report and Annual Securities Report, in accordance with laws and regulations. The Company's Board of Directors believes that the Company provides sufficient disclosure to enable confirmation by its shareholders. Because none of the Company's officers receives individual compensation, etc. totaling 100 million yen or greater on a consolidated basis, the individual amounts of compensation are not disclosed in the Annual Securities Report, in accordance with laws and regulations.

The Company's Board of Directors therefore considers the decision process and method of disclosure of the amounts of compensation for the Company's officers, including the Representative Director, to be appropriate, and considers the amendment to the Articles of Incorporation set forth in this proposal to be unnecessary.

End of Document

Consolidated Financial Statements

Consolidated Balance Sheet

(As of February 29, 2024)

(Millions of yen)

Description	Amount	Description	Amount
Assets		Liabilities	
Current assets	47,866	Current liabilities	21,519
Cash and deposits	18,338	Notes and accounts payable - trade	10,192
Notes receivable – trade	7,807	Short-term borrowings	490
Accounts receivable – trade	12,457	Current portion of long-term borrowings	169
Lease receivables and investments in leases, net	1,349	Lease liabilities	29
Securities	600	Income taxes payable	1,183
Merchandise and finished goods	5,965	Provision for bonuses	481
Work in process	186	Provision for product warranties	9
Raw materials and supplies	182	Provision for shareholder benefit program	350
Other	1,050	Other	8,612
Allowance for doubtful accounts	(72)	Non-current liabilities	21,578
Non-current assets	96,078	Long-term borrowings	424
Property, plant and equipment	76,108	Lease liabilities	78
Assets for rent	12,911	Deferred tax liabilities	2,426
Real estate for rent	40,031	Deferred tax liabilities for land revaluation	435
Buildings and structures	8,883	Provision for share based compensation expenses for directors	93
Land	11,564	Provision for retirement benefits for directors (and other officers)	51
Leased assets	37	Retirement benefit liability	361
Other	2,679	Long-term accounts payable - facilities	13,709
Intangible assets	11,973	Other	3,996
Goodwill	6,959	Total liabilities	43,097
Customer-related intangible assets	4,192	Net assets	
Other	820	Shareholders' equity	99,563
Investments and other assets	7,996	Share capital	13,821
Investment securities	5,019	Capital surplus	16,627
Retirement benefit asset	1,014	Retained earnings	72,383
Deferred tax assets	180	Treasury shares	(3,268)
Other	2,371	Accumulated other comprehensive income	317
Allowance for doubtful accounts	(588)	Valuation difference on available-for-sale securities	2,041
Total assets	143,944	Deferred gains or losses on hedges	176
		Revaluation reserve for land	(2,144)
		Remeasurements of defined benefit plans	243
		Non-controlling interests	966
		Total net assets	100,847
		Total liabilities and net assets	143,944

(Note) Figures presented in the financial statements are rounded down to the nearest million yen.

Consolidated Statement of Income

(March 1, 2023 – February 29, 2024)

(Millions of yen)

Description	Amount	
Net sales		88,654
Cost of sales		63,791
Gross profit		24,863
Selling, general and administrative expenses		19,321
Operating profit		5,541
Non-operating income		
Interest income	1	
Dividend income	132	
Purchase discounts	40	
Foreign exchange gains	54	
Gain on investments in investment partnerships	30	
Other	119	379
Non-operating expenses		
Interest expenses	190	
Other	17	208
Ordinary profit		5,712
Extraordinary income		
Gain on sale of non-current assets	14	14
Extraordinary losses		
Loss on retirement of non-current assets	160	
Other	1	162
Profit before income taxes		5,565
Income taxes - current	2,368	
Income taxes - deferred	(66)	2,301
Profit		3,263
Profit attributable to non-controlling interests		104
Profit attributable to owners of parent		3,158

(Note) Figures presented in the financial statements are rounded down to the nearest million yen.

Non-consolidated Financial Statements

Non-consolidated Balance Sheet

(As of February 29, 2024)

(Millions of yen)

Description	Amount	Description	Amount
Assets		Liabilities	
Current assets	32,842	Current liabilities	16,587
Cash and deposits	12,931	Notes payable - trade	3,756
Notes receivable - trade	5,813	Accounts payable - trade	3,095
Accounts receivable – trade	8,525	Accounts payable - other	683
Lease receivables and investments in leases, net	1,349	Income taxes payable	790
Securities	600	Accrued consumption taxes	491
Merchandise	3,112	Provision for bonuses	269
Supplies	73	Provision for shareholder benefit program	350
Other	458	Accounts payable - facilities	4,036
Allowance for doubtful accounts	(23)	Other	3,114
Non-current assets	97,758	Non-current liabilities	15,020
Property, plant and equipment	63,978	Deferred tax liabilities	729
Assets for rent	8,592	Deferred tax liabilities for land revaluation	435
Real estate for rent	39,273	Provision for retirement benefits	0
Buildings	4,294	Provision for share based compensation expenses for directors	93
Structures	1,478	Long-term deposits received	40
Land	8,190	Long-term accounts payable - facilities	10,054
Other	2,150	Guarantee deposits received	2,652
Intangible assets	503	Other	1,013
Leasehold right	152	Total liabilities	31,607
Other	350	Net assets	
Investments and other assets	33,275	Shareholders' equity	99,102
Investment securities	4,986	Share capital	13,821
Shares of subsidiaries and associates	24,477	Capital surplus	16,627
Lease and guarantee deposits	625	Legal capital surplus	15,329
Prepaid pension costs	663	Other capital surplus	1,297
Other	2,993	Retained earnings	71,921
Allowance for doubtful accounts	(469)	Legal retained earnings	1,182
Total assets	130,600	Other retained earnings	70,739
		Reserve for reduction entry of buildings	157
		Reserve for reduction entry of land	91
		General reserve	42,000
		Retained earnings brought forward	28,490
		Treasury shares	(3,268)
		Valuation and translation adjustments	(109)
		Valuation difference on available-for-sale securities	2,034
		Revaluation reserve for land	(2,144)
		Total net assets	98,992
		Total liabilities and net assets	130,600

(Note) Figures presented in the financial statements are rounded down to the nearest million yen.

Non-consolidated Statement of Income

(March 1, 2023 – February 29, 2024)

(Millions of yen)

Description	Amount	
Net sales		58,267
Cost of sales		44,111
Gross profit		14,156
Selling, general and administrative expenses		9,659
Operating profit		4,496
Non-operating income		
Interest income	7	
Dividend income	131	
Purchase discounts	40	
Foreign exchange gains	45	
Other	250	475
Non-operating expenses		
Interest expenses	127	
Other	10	138
Ordinary profit		4,834
Extraordinary income		
Gain on sale of non-current assets	1	1
Extraordinary losses		
Loss on retirement of non-current assets	127	127
Profit before income taxes		4,707
Income taxes - current	1,496	
Income taxes - deferred	54	1,551
Profit		3,156

(Note) Figures presented in the financial statements are rounded down to the nearest million yen.