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(Stock Exchange Code 8125)  
May 11, 2021

**To Shareholders with Voting Rights:**

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

**NOTICE OF CONVOCAION OF  
THE 61ST ORDINARY GENERAL MEETING OF SHAREHOLDERS**

Please be informed that the 61st Ordinary General Meeting of Shareholders of Wakita & Co., LTD. (the “Company”) will be held as set forth below.

In place of attending the meeting in person on the day, you may exercise your voting rights in writing. In this case, please review the “Reference Documents for the General Meeting of Shareholders” below, indicate your vote for or against the proposals on the enclosed Voting Rights Exercise Form and return it so that it is received by 5:30 p.m. on Wednesday, May 26, 2021, Japan time.

- 1. Date and Time:** Thursday, May 27, 2021 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 61st Fiscal Year (March 1, 2020 - February 28, 2021) 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 61st Fiscal Year (March 1, 2020 - February 28, 2021)

**Proposals to be resolved:**

**< Proposals by the Company: Proposals No. 1 through No. 3 >**

- Proposal No. 1:** Appropriation of Surplus  
**Proposal No. 2:** Election of Six (6) Directors (Excluding Directors who are Audit and Supervisory Committee Members)  
**Proposal No. 3:** Election of Four (4) Directors who are Audit and Supervisory Committee Members

**< Shareholder Proposals: Proposals No. 4 through No. 8 >**

- Proposal No. 4:** Amendment to the Articles of Incorporation concerning Amendment of Purpose  
**Proposal No. 5:** Amendment to the Articles of Incorporation concerning Disclosure of Cost of Capital  
**Proposal No. 6:** Amendment to the Articles of Incorporation concerning Shareholder Dialogue  
**Proposal No. 7:** Amendment to the Articles of Incorporation concerning Sale of Shares Held for Purpose of Cross-Shareholding  
**Proposal No. 8:** Appropriation of Surplus

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- Please bring with you the enclosed Voting Rights Exercise Form and submit it at the reception desk.
  - Any revisions to the Reference Documents for the General Meeting of Shareholders, the Business Report, the Consolidated Financial Statements or the Non-consolidated Financial Statements shall be posted on the Company's website: <http://www.wakita.co.jp/>
  - For documents that are to be provided upon this Notice of Convocation, pursuant to provisions of laws and regulations as well as Article 15 of the Company's Articles of Incorporation, the following information posted on the Company's website (<http://www.wakita.co.jp/>) is not presented in the attached documents of this Notice of Convocation
    - (i) Business Report: "Structure to Ensure Appropriateness of Business Operations, and the Management Status of the Structure"
    - (ii) Consolidated Financial Statements: "Consolidated Statements of Changes in Net Assets" and "Notes"
    - (iii) Non-consolidated Financial Statements: "Non-consolidated Statements of Changes in Net Assets" and "Notes"

Accordingly, the attached documents present 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.

The Company's website: <http://www.wakita.co.jp/>

## Reference Documents for the General Meeting of Shareholders

### Proposals and References

#### < Proposals by the Company: Proposals No. 1 through No. 3 >

##### **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 30 yen per share for the year-end dividend for the fiscal year ended February 28, 2021.

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  
30 yen per common share of the Company  
Total amount of dividends: 1,560,078,630 yen
- (3) Effective date of appropriation of surplus  
May 28, 2021

**Proposal No. 2: Election of Six (6) Directors (Excluding Directors who are Audit and Supervisory Committee Members)**

Since the terms of all Directors (excluding Directors who are Audit and Supervisory Committee Members) (seven (7) Directors) will expire at the conclusion of this General Meeting of Shareholders, the Company proposes the election of six (6) 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	Haruo Toishi (81)	<u>Reelection</u>	Director and Chairman	52 years	100% (16 out of 16 meetings)
2	Teiji Wakita (64)	<u>Reelection</u>	President and Representative Director	29 years	100% (16 out of 16 meetings)
3	Toshio Oda (70)	<u>Reelection</u>	Managing Director	13 years	100% (16 out of 16 meetings)
4	Kazuhiro Shimizu (64)	<u>Reelection</u>	Managing Director	5 years	94% (15 out of 16 meetings)
5	Shoichi Washio (64)	<u>Reelection</u>	Director	5 years	100% (16 out of 16 meetings)
6	Keiji Ishikawa (62)	<u>Reelection</u>	Director	2 years	100% (16 out of 16 meetings)

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

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions		Number of shares of the Company held
1	Haruo Toishi (April 4, 1940) (81 years old)  <u>Reelection</u>	March 1960	Joined the Company	100,448
		April 1969	Director, Branch Manager of Tokyo Branch	
		March 1976	Director, Division General Manager	
		April 1990	Managing Director, Division General Manager	
		May 1998	Senior Managing Director, General Manager of Sales Division	
		May 2004	Director, Vice President, General Manager of Sales Division	
		March 2008	Director, Vice President, General Manager of Sales Division and General Manager of Real Estate Business Division	
		May 2016	Director and Chairman (to present)	
		[Length of service as Director] 52 years [Attendance at Board of Directors meetings] 100% (16 out of 16 meetings) [Reason for election] Mr. Haruo Toishi has gained a wealth of experience, achievements and insight regarding the management of the Group since its foundation. The Company believes that he is qualified to make decisions on important management matters and supervise business execution, and therefore nominated him again as a candidate for Director.		
2	Teiji Wakita (February 10, 1957) (64 years old)  <u>Reelection</u>	April 1992	Joined the Company	60,600
		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)	
		[Length of service as Director] 29 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.		
3	Toshio Oda (April 3, 1951) (70 years old)  <u>Reelection</u>	April 1976	Joined Taiyo-Kobe Bank Limited (presently Sumitomo Mitsui Banking Corporation)	5,000
		February 2005	Joined the Company	
		May 2006	Executive Officer, General Manager of General Affairs Division	
		May 2008	Director, General Manager of General Affairs Division	
		May 2014	Director, Managing Executive Officer, Deputy General Manager, of Administration Division and General Manager of General Affairs Division	
		May 2016	Managing Director, Deputy General Manager of Administration Division (to present)	
		[Length of service as Director] 13 years [Attendance at Board of Directors meetings] 100% (16 out of 16 meetings) [Reason for election] Mr. Toshio Oda has contributed to the establishment of the Administration department for many years. 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.		

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions		Number of shares of the Company held
4	Kazuhiro Shimizu (June 30, 1956) (64 years old) <u>Reelection</u>	<p>April 1979      Joined the Company</p> <p>May 1999      Branch Manager of Tokyo Chuo Branch</p> <p>March 2007    President and Representative Director, CHIBA LEASE KOGYO CORPORATION</p> <p>May 2011      Executive Officer, Branch Manager, Tokyo Chuo Branch, the Company</p> <p>May 2016      Director, Deputy Chief Officer of Construction Equipment Leasing Division</p> <p>September 2017 President and Representative Director, Izumi-Lease Co., Ltd.</p> <p>May 2018      Managing Director, Deputy Chief Officer of Construction Equipment Business Division, the Company</p> <p>May 2019      Managing Director, Deputy General Manager of Sales Division and Chief Officer of Construction Equipment Business Division (to present)</p> <p>November 2019 Director, CSS Engineering Co., Ltd. (to present)</p> <p>[Significant concurrent positions] Director, CSS Engineering Co., Ltd.</p>		26,800
	<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]</p> <p>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>			
5	Shoichi Washio (April 12, 1957) (64 years old) <u>Reelection</u>	<p>April 1980      Joined The Sanwa Bank, Limited (presently MUFG Bank, Ltd.)</p> <p>April 2011      Joined the Company</p> <p>May 2011      Executive Officer, Chief of Legal and Examination Office</p> <p>May 2016      Director, Chief of Legal and Examination Office (to present)</p>		5,000
	<p>[Length of service as Director] 5 years</p> <p>[Attendance at Board of Directors meetings] 100% (16 out of 16 meetings)</p> <p>[Reason for election]</p> <p>Mr. Shoichi Washio has served in Legal and Examination Office, and has a high degree of insight and decision-making ability. 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>			
6	Keiji Ishikawa (January 14, 1959) (62 years old) <u>Reelection</u>	<p>April 1984      Joined the Company</p> <p>March 2000    Branch Manager, Osaka Branch, Systems Business Division</p> <p>May 2018      Executive Officer, General Manager of Systems Sales Division</p> <p>March 2019    Executive Officer, General Manager of Systems Business Division</p> <p>May 2019      Director, General Manager of Systems Business Division (to present)</p>		5,500
	<p>[Length of service as Director] 2 years</p> <p>[Attendance at Board of Directors meetings] 100% (16 out of 16 meetings)</p> <p>[Reason for election]</p> <p>Mr. Keiji Ishikawa has served in the former Film &amp; Audio Division (presently Systems Business Division), 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>			

(Note) The Company has taken out directors and officers liability insurance, as stipulated in Article 430-3, Paragraph 1 of the Companies Act, with all Directors (excluding Directors who are Audit and Supervisory Committee Members) as the insured. 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 a candidate assumes the office of Director, he or she will be included as the insured under the said insurance policy. The Company plans to renew the said insurance policy during the term of office of each candidate.

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

Since the terms of four (4) Directors who are Audit and Supervisory Committee Members, Messrs. Tadakazu Uchida, Yasuhiro Kuraguchi and Hirokatsu Ishikura and Ms. Noriko Ishida, will expire at the conclusion of this General Meeting of Shareholders, the Company proposes the election of four (4) 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 Audit and Supervisory Committee Members are as follows.

No.	Name (Age)	Candidate Attributes	Current positions at the Company	Length of service as Director who is an Audit and Supervisory Committee Member	Attendance at meetings (61st fiscal year)
1	Tadakazu Uchida (75)	<div>Reelection</div>	Director (Standing Audit and Supervisory Committee Member)	4 years	Board of Directors meetings: 100% (16 out of 16) Audit and Supervisory Committee meetings: 100% (14 out of 14)
2	Yasuhiro Kuraguchi (70)	<div>Reelection</div> <div>Outside</div> <div>Independent</div>	Outside Director (Audit and Supervisory Committee Member)	4 years	Board of Directors meetings: 100% (16 out of 16) Audit and Supervisory Committee meetings: 100% (14 out of 14)
3	Hirokatsu Ishikura (78)	<div>Reelection</div> <div>Outside</div> <div>Independent</div>	Outside Director (Audit and Supervisory Committee Member)	4 years	Board of Directors meetings: 100% (16 out of 16) Audit and Supervisory Committee meetings: 100% (14 out of 14)
4	Noriko Ishida (72)	<div>Reelection</div> <div>Outside</div> <div>Independent</div>	Outside Director (Audit and Supervisory Committee Member)	2 years	Board of Directors meetings: 94% (15 out of 16) Audit and Supervisory Committee meetings: 93% (13 out of 14)

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



No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
1	<p>Tadakazu Uchida (June 15, 1945) (75 years old)</p> <p><u>Reelection</u></p>	<p>March 1971      Joined the Company</p> <p>March 2005      Chief of Legal and Examination Office</p> <p>May 2006      Executive Officer, Chief of Legal and Examination Office</p> <p>May 2011      Standing Audit &amp; Supervisory Board Member</p> <p>May 2017      Director (Standing Audit and Supervisory Committee Member) (to present)</p> <p>[Length of service as Director] 4 years [Attendance at Board of Directors meetings] 100% (16 out of 16 meetings) [Attendance at Audit and Supervisory Committee meetings] 100% (14 out of 14 meetings) [Reason for election] Mr. Tadakazu Uchida has served in the Legal and Examination Office for many years, and has a wealth of experience and insight. He is well-versed in each of the Group's businesses, and expected to provide valuable advice especially on credit decisions. Therefore, the Company nominated him again as a candidate for Director who is an Audit and Supervisory Committee Member.</p>	5,000
2	<p>Yasuhiro Kuraguchi (August 25, 1950) (70 years old)</p> <p><u>Reelection</u> <u>Outside</u> <u>Independent</u></p>	<p>April 1973      Joined Asahi &amp; Co. (presently KPMG AZSA LLC)</p> <p>March 1976      Registered as certified public accountant</p> <p>June 2005      Vice Chairman, the Japanese Institute of Certified Public Accountants Kinki Chapter</p> <p>July 2007      Standing Director, the Japanese Institute of Certified Public Accountants</p> <p>July 2013      Representative Director, Kuraguchi Certified Public Accountant Office (to present)</p> <p>June 2014      Outside Audit &amp; Supervisory Board Member, NIPPON DENTSU CO., LTD.</p> <p>November 2014      Auditor, Osaka Sangyo University (to present)</p> <p>May 2016      Outside Audit &amp; Supervisory Board Member, the Company</p> <p>June 2016      Outside Director (Audit and Supervisory Committee Member), NIPPON DENTSU CO., LTD. (to present)</p> <p>May 2017      Outside Director (Audit and Supervisory Committee Member), the Company (to present)</p> <p>June 2020      Outside Audit &amp; Supervisory Board Member, NIPPON DENTSU CO., LTD. (to present)</p> <p>[Significant concurrent positions] Representative Director, Kuraguchi Certified Public Accountant Office Auditor, Osaka Sangyo University Outside Audit &amp; Supervisory Board Member, NIPPON DENTSU CO., LTD.</p> <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] 100% (14 out of 14 meetings) [Reason for election and overview of expected role] As Mr. Yasuhiro Kuraguchi has expert knowledge and a wealth of experience as a certified public accountant, he is expected to provide valuable advice in the area of corporate accounting. The Company believes that he is qualified to make decisions on important management matters and supervise business execution from an objective standpoint independent of business execution, and therefore nominated him again as a candidate for Outside Director who is an Audit and Supervisory Committee Member. While Mr. Kuraguchi has no experience with business management in the past except for his involvement in the role of outside officer, he is judged to have enough capabilities to appropriately perform his duties as Outside Director who is an Audit and Supervisory Committee Member based on the aforementioned reasons.</p>	0

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
3	Hirokatsu Ishikura (January 2, 1943) (78 years old)  <div> <div>Reelection</div> <div>Outside</div> <div>Independent</div> </div>	April 1966      Joined The Sumitomo Bank, Limited (presently Sumitomo Mitsui Banking Corporation) May 1993      Director, General Manager of Sales Department, Senyu Sougou Fudousan Co., Ltd. June 1997      Managing Director, General Manager of Osaka Sales Division, Senyu Sougou Fudousan Co., Ltd. January 2008   Advisor, J:COM West Co., Ltd. (to present) May 2015      Outside Director, the Company May 2017      Outside Director (Audit and Supervisory Committee Member), the Company (to present) [Significant concurrent positions] Advisor, J:COM West Co., Ltd.	0
	[Length of service as Outside Director] 6 years [Attendance at Board of Directors meetings] 100% (16 out of 16 meetings) [Attendance at Audit and Supervisory Committee meetings] 100% (14 out of 14 meetings) [Reason for election and overview of expected role] As Mr. Hirokatsu Ishikura has served in the management of financial institution and a real estate company for many years and has a wealth of business experience and broad insight, he is expected to provide valuable advice regarding corporate management. The Company believes that he is qualified to make decisions on important management matters and supervise business execution from an objective standpoint independent of business execution, and therefore nominated him again as a candidate for Outside Director who is an Audit and Supervisory Committee.		
4	Noriko Ishida (August 30, 1948) (72 years old)  <div> <div>Reelection</div> <div>Outside</div> <div>Independent</div> </div>	April 1976      Registered as attorney-at-law (Osaka Bar Association) April 1981      Representative Director, Ishida Law Office (presently Lion Bridge Law Office) (to present) April 2001      Vice Chairman, Osaka Bar Association April 2014      Chairman, Osaka Bar Association Vice Chairman, Japan Federation of Bar Associations April 2018      Director, Nagamori Academy (to present) May 2019      Outside Director (Audit and Supervisory Committee Member), the Company (to present) [Significant concurrent positions] Representative Director, Lion Bridge Law Office Director, Nagamori Academy	0
	[Length of service as Outside Director] 2 years [Attendance at Board of Directors meetings] 94% (15 out of 16 meetings) [Attendance at Audit and Supervisory Committee meetings] 93% (13 out of 14 meetings) [Reason for election and overview of expected role] As Ms. Noriko Ishida has a wealth of experience and expert knowledge as an attorney-at-law, she is expected to provide valuable advice in the area of legal affairs. The Company believes that she is qualified to make decisions on important management matters and supervise business execution from an objective standpoint independent of business execution, and therefore nominated her again as a candidate for Outside Director who is an Audit and Supervisory Committee. While Ms. Ishida has no experience with business management in the past except for her involvement in the role of outside officer, she is judged to have enough capabilities to appropriately perform her duties as Outside Director who is an Audit and Supervisory Committee Member based on the aforementioned reasons.		

(Notes)

1. There are no special interests between the Company and any of the above candidates.
2. Mr. Yasuhiro Kuraguchi 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. He served as an Outside Audit & Supervisory Board Member of the Company in the past.
3. Mr. Hirokatsu Ishikura is a candidate for Outside Director. He will have served six years as an Outside Director and four years as an Outside Director who is an Audit and Supervisory Committee Member, respectively, as of the

conclusion of this General Meeting of Shareholders.

4. Ms. Noriko Ishida is a candidate for Outside Director. She will have served two years as an Outside Director who is an Audit and Supervisory Committee Member as of the conclusion of this General Meeting of Shareholders.
5. The Company has designated Messrs. Yasuhiro Kuraguchi and Hirokatsu Ishikura and Ms. Noriko Ishida as independent officers in accordance with the requirements of the Tokyo Stock Exchange and notified the exchange accordingly. If they are elected and assume the office of Director who is an Audit and Supervisory Committee Member, the Company intends to maintain their status as independent officers.
6. The Company has entered into agreements with Messrs. Tadakazu Uchida, Yasuhiro Kuraguchi and Hirokatsu Ishikura and Ms. Noriko Ishida to limit their liability for damages stipulated in Article 423, Paragraph 1 of the Companies Act, to the amount specified by laws and regulations, in accordance with the provisions of Article 427, Paragraph 1 of the Companies Act and Article 28 of the Company's Articles of Incorporation. The Company intends to enter into similar agreements with them if they are elected and assume the office of Director who is an Audit and Supervisory Committee Member. Under the agreements, the maximum liability of the Directors who are Audit and Supervisory Committee Members will be the minimum amount of liability stipulated in Article 425, Paragraph 1 of the Companies Act.
7. The Company has taken out directors and officers liability insurance, as stipulated in Article 430-3, Paragraph 1 of the Companies Act, with all Directors who are Audit and Supervisory Committee Members as the insured. 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 a candidate assumes the office of Director, he or she will be included as the insured under the said insurance policy. The Company plans to renew the said insurance policy during the term of office of each candidate.

**< Shareholder Proposals: Proposals No. 4 through No. 8 >**

Proposals No. 4 through No. 8 have been proposed by two shareholders.

The agenda, outline and reasons for the proposals are organized by proposal and, excluding revisions to clarify details of the proposal made after obtaining the consent of the proposing shareholders, are presented just as they were submitted by the shareholders.

**Proposal No. 4: Amendment to the Articles of Incorporation concerning Amendment of Purpose**

1. Outline of the Proposal:

Make an amendment to Article 2-(3) of the current Articles of Incorporation as follows.

Current Articles of Incorporation

(Purpose)

Article 2.

(3) Sale, purchase and intermediation of land and buildings, etc.; preparation of land for construction and construction of houses for sale; leasing and management of real estate

Proposed Amendment

(Purpose)

Article 2.

(3) Sale, purchase and intermediation of land and buildings, etc.; preparation of land for construction and construction of houses for sale; management of real estate

Supplementary Provision

Article 1. The amendment to Article 2-(3) of the Articles of Incorporation shall take effect on the last day of February 2022. On the same day, this supplementary provision shall be deleted.

2. Reasons for the Proposal:

In its real estate business, as of the end of February 2020, the Company held around 56.6 billion yen of real estate for leasing. According to calculations that we, the proposing shareholder, have made, the return on invested capital (ROIC) of this real estate leasing business is 2.5%, while the weighted average cost of capital of the Company is 6.7%. Therefore, the ROIC is far lower than the weighted average cost of capital. We have deemed that this is one of the factors that have caused the Company's share price to be significantly lower than the liquidation value, and we believe that the Company should immediately exit the real estate leasing business.

In addition, we believe the net proceeds from the sale of real estate for leasing conducted during the fiscal year ending February 28, 2022 should be allocated to shareholders as a special dividend in the fiscal year ending February 28, 2023. According to calculations we have made, as stated in the following website specially made for these proposals, it is possible for the Company to pay out a special dividend of 994 yen per share in the fiscal year ending February 28, 2023.

**< Opinion of the Board of Directors on Proposal No. 4 >**

**The Board of Directors of the Company opposes Proposal No. 4.**

**• Reasons for the Opposition**

As the partial amendment to the Articles of Incorporation stated in the proposal does not align with the Company's business policies, etc., the Board of Directors does not consider that the proposed amendment would help improve the medium- to long-term corporate value of the Company.

In other words, Proposal No. 4 requests that the Company discontinue the real estate leasing business that it currently operates. Considering the details of the reasons for the proposal, the Board of Directors concluded that the proposal effectively seeks to have the Company liquidate its real estate for leasing and return the proceeds to shareholders as special dividends.

However, the Company's real estate leasing business is one that has grown sustainably, built upon the trust of various stakeholders, including tenants and partnering corporations, that we have gained over the years, and is an important business to the Company. Centering on offices, residences and hotels, the mission of the Company's real estate leasing business is to provide office environments, residential environments, and environments for relaxation that ensure the safety, security, comfort of users and the availability of

advanced functions. Through fulfilling this mission, the Company believes that it bears the social responsibility of being one of the parties responsible for developing environments in the local regions. In the fulfilment of such a social responsibility, by being the owner of the real estate, the Company has a greater awareness of the importance of providing careful and meticulous service, due to its “greater sense of thoughtfulness and responsibility” as an owner.

The proposal leading to the discontinuation, etc. of the Company’s real estate leasing business does not align with the Company’s stance on the said business, and is an act that will damage the relationships between the Company and its stakeholders. In addition, it goes against the Company’s basic management policy of striving for steady corporate development through engaging in a variety of business activities, and may even have a negative impact on the Company’s financial foundation.

The Company has always considered the stable and steady growth of its business an important issue. In view of the current circumstances, where the business environment has become unstable due to the COVID-19 pandemic, rather than focusing most resources on only a portion of the management indicators, the Company comprehensively considers various management indicators. Also, by combining the indicators with its business characteristics, the Company conducts management from the perspective of improving the value of various stakeholders including shareholders. Going forward, while focusing on the stability and continuity of its business, the Company shall continue striving to meet the expectations of its shareholders.

Due to the reasons above, the Board of Directors of the Company opposes the proposal.

## **Proposal No. 5: Amendment to the Articles of Incorporation concerning Disclosure of Cost of Capital**

### **1. Outline of the Proposal:**

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

#### **Chapter 7 Disclosure of Cost of Capital and Shareholder Dialogue**

##### **(Disclosure of Cost of Capital)**

Article 37. The Company shall disclose the weighted average cost of capital in its Corporate Governance Reports (hereinafter “CG Reports”), which the Company submits to the Tokyo Stock Exchange, as well as the basis of calculation thereof. The weighted average cost of capital to be disclosed shall be an amount that the Company has identified in the period from a month before the submission date until the submission date.

### **2. Reasons for the Proposal:**

Principle 5.2 of the Corporate Governance Code requires the management team of a company to accurately identify the company’s cost of capital. Therefore, the Company’s management team should also be required to accurately identify the weighted average cost of capital based on the cost of shareholders’ equity, and formulate or review business plans and capital policies, etc. accordingly.

In the explanation of Principle 5.2 of the CG Report dated June 1, 2020, the Company admitted that its ROE was lower than the cost of shareholders’ equity, but did not disclose the cost of shareholders’ equity.

Therefore, the Company should disclose the cost of shareholders’ equity and the weighted average cost of capital. Furthermore, the Company should conduct dialogue with investors including shareholders, and formulate its management strategies and management plans after accurately identifying its cost of capital.

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

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

#### **• Reasons for the Opposition**

The proposal requests for the addition of certain stipulations to the Articles of Incorporation, but the Company’s Board of Directors does not think that it is appropriate to add those stipulations to the Articles of Incorporation, or the fundamental principles of the Company.

In addition, Principle 5.2 of the Corporate Governance Code, which is cited as a reason for the proposal, states that “When establishing and disclosing business strategies and business plans, companies should articulate their earnings plans and capital policies, and present targets for profitability and capital efficiency after accurately identifying the company’s cost of capital. Also, companies should provide explanations that are clear and logical to shareholders with respect to the allocation of management resources, such as reviewing their business portfolio and investments in fixed assets, R&D, and human resources, and specific measures that will be taken in order to achieve their plans and targets.” It does not request for the disclosure of the weighted average cost of capital and the basis of calculation thereof in the Corporate Governance Report.

In relation to the Corporate Governance Code, instead of the disclosure of the cost of shareholders’ equity figure itself being important, the Company perceives the formulation of profitability plans, etc. through identifying the cost of shareholders’ equity as important. Currently, the Company is considering formulating a medium-term management plan. In the formulation process, upon accurately identifying the cost of shareholders’ equity, the Company shall comprehensively consider various management indicators rather than focusing most resources on only a portion of the management indicators, and carry out the setting of appropriate management indicators.

Due to the reasons above, the Board of Directors of the Company opposes the proposal.

## **Proposal No. 6: Amendment to the Articles of Incorporation concerning Shareholder Dialogue**

### **1. Outline of the Proposal:**

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

If the above-mentioned Proposal 2 “Amendment to the Articles of Incorporation concerning Disclosure of Cost of Capital” is not approved, the article numbers shall be adjusted accordingly.

Chapter 7 Disclosure of Cost of Capital and Shareholder Dialogue  
(Shareholder Dialogue)

Article 38. A shareholder who holds voting rights equivalent to at least 3% of the voting rights of all shareholders can make a request to the Company for a dialogue session with the Company’s Directors and appoint specific Directors. In such a case, the appointed Directors shall attend the dialogue session with the shareholder within two weeks of the request.

### **2. Reasons for the Proposal:**

We, the proposing shareholder, believe that the Board of Directors should lead the discussion on improving shareholder value, based on a discussion between the proposing shareholder and the Company on improving shareholder value. Although we conveyed to President Wakita both verbally and in writing that we wished to have a dialogue session with Director and Chairman Toishi and four Outside Directors of the Company, we did not manage to have a dialogue session with any of the Directors. The only explanation we received was that Managing Director Oda, who was in charge of IR, would give us a response, and he rejected us in writing.

Such rejection by the Company’s Directors regarding dialogue sessions goes against the declaration of “We believe that the precious feedback we receive from our shareholders will contribute to the development of our business activities.” in the CG Report. This also impedes the fulfilment of the proposing shareholder’s stewardship responsibility as an institutional investor.

Accordingly, when a shareholder who holds at least 3% of the voting rights makes a request to the Company’s Directors, the appointed Directors should be obligated to have a dialogue session with the said shareholder.

(Note by the Company) The “above-mentioned Proposal 2” refers to Proposal No. 5.

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

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

#### **• Reasons for the Opposition**

The proposal requests for the addition of certain stipulations to the Articles of Incorporation, but the Company’s Board of Directors does not think that it is appropriate to add those stipulations to the Articles of Incorporation, or the fundamental principles of the Company.

Through having constructive dialogue with many shareholders regularly, the Company aims to deepen shareholders’ understanding of the Company’s management policy. Simultaneously, the Company believes that the precious feedback, etc. from shareholders will contribute to the development of its business activities.

From this perspective, in order to conduct constructive dialogue with shareholders, the Company has assigned a Director in charge of IR to be responsible for daily management duties. For individual dialogue sessions with shareholders, the said Director in charge of IR and a person-in-charge in the General Affairs Division, the department responsible for IR, shall respond. In addition, feedback, etc. from shareholders in an individual dialogue session shall be reported to the management executives and Outside Directors as necessary, through the Director in charge of IR and the IR person-in-charge. The Company has also conducted a dialogue session with the proposing shareholder of the proposal based on the above policy, and this response by the Company did not go against any of the contents stated in the Company’s Corporate Governance Report.

Going forward, the Company will continue to respond appropriately to dialogue with shareholders, based on a system that promotes constructive dialogue with shareholders that the Company’s Board of Directors views as appropriate for the dialogue.

Due to the reasons above, the Board of Directors of the Company opposes this proposal.

## **Proposal No. 7: Amendment to the Articles of Incorporation concerning Sale of Shares Held for Purpose of Cross-Shareholding**

### **1. Outline of the Proposal:**

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

Regarding chapter numbers and article numbers, if both or either of the above-mentioned Proposal 2 “Amendment to the Articles of Incorporation concerning Disclosure of Cost of Capital” and Proposal 3 “Amendment to the Articles of Incorporation concerning Shareholder Dialogue” are not approved, the article numbers shall be adjusted accordingly.

Chapter 8 Sale of Shares Held for Purpose of Cross-Shareholding  
(Sale of Shares Held)

Article 39. The Company shall promptly sell, within the 62nd fiscal year, the shares it holds for the purpose of cross-shareholding as of the effective date of the amendment adding this Article to the Articles of Incorporation.

### **2. Reasons for the Proposal:**

As of the end of February 2020, the Company held shares of 36 companies for the purpose of cross-shareholding, which amounts to 2,734 million yen recorded on the Non-consolidated Balance Sheet.

According to the securities report, the purpose of holding such shares is explained as “to maintain and strengthen transactional relationships in our sales activities,” but we do not understand the causational relationship between holding such shares and maintaining or strengthening the transactional relationships. The Company should sell all the shares it currently holds for the purpose of cross-shareholding within the fiscal year ending February 28, 2022, and use all the proceeds thereof to improve the shareholder value.

Figures of the Company are all based on the Consolidated Financial Statements, unless otherwise stated as non-consolidated like in the case above.

For more detailed explanations on the proposals we have made, please refer to <https://proposal-for-wakita-from-sc-2021.com/>, or to the website specially made for these proposals <https://stracap.jp/>, which can be accessed from the top right-hand corner of the website of Strategic Capital, Inc.

(Note by the Company) The “above-mentioned Proposal 2” and “Proposal 3” refer to Proposal No. 5 and Proposal No. 6, respectively.

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

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

#### **• Reasons for the Opposition**

The proposal requests for the addition of certain stipulations to the Articles of Incorporation, but the Company’s Board of Directors does not think that it is appropriate to add those stipulations to the Articles of Incorporation, or the fundamental principles of the Company.

As stated in its Corporate Governance Report, the Company only holds shares for the purpose of cross-shareholding when it deems that the holding of such shares will lead to the maintenance or expansion of its business partners, or to the creation of new business opportunities. Also, the number of shares of each company held and the amount recorded on the Non-consolidated Balance Sheet are disclosed in the securities report.

In addition, for shares held for cross-shareholding, the Board of Directors conducts reviews to check whether there is a valid economic rationality of holding each company’s shares when considering the cost, whether it is meaningful to hold the shares, and such, deliberating such issues at Board of Directors meetings, and determining the corresponding policies.

The proposal requests the Company to add stipulations to its Articles of Incorporation that requires the Company to sell all shares held for the purpose of cross-shareholding within the 62nd fiscal year (fiscal year ending February 28, 2022). In such a case, the Company will also be forced to sell shares held for cross-shareholding that are expected to contribute to the improvement of its corporate value, through the maintenance or expansion of its business partners, or the creation of new business opportunities. Therefore, it may instead have the effect of narrowing the possibilities of the Company’s development in the medium to



long term, and may damage the Company's corporate value. For shares held for cross-shareholding, the Company believes that the above-mentioned method is more appropriate, where the Company decides whether to hold or sell the shares on a case-by-case basis, by verifying the validity of the economic rationality, etc.

Due to the reasons above, the Board of Directors of the Company opposes the proposal.

## Proposal No. 8: 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 either 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 61st Ordinary General Meeting of Shareholders (hereinafter "the Company's Appropriation of Surplus Proposal"), or the appropriation of surplus (including a scheduled appropriation) at the end of February 2021 adopted by the day of the 61st 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 "the Company's Dividend Amount"). Deduct the Company's Dividend Amount from 50 yen, add the result to the Company's Dividend Amount, and pay it as a dividend. 50 yen is the figure obtained after rounding the profit per share for the 61st fiscal year that has been announced by the Company by March 30, 2021 (hereinafter "actual EPS") to the nearest whole number. If the actual EPS differs from 50 yen, change the figure above from 50 yen to the actual EPS. 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 61st Ordinary General Meeting of Shareholders.
- (3) Effective date of appropriation of surplus  
The day after the 61st 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 61st 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 the total amount of profit into dividends.

The Company's equity ratio as of the end of February 2020 was around 69%, and it was around 70% at the end of November 2020. These figures are extremely high, considering that the Company engages mainly in the business of the sale, leasing, etc. of civil engineering and construction equipment, materials handling machines, and such. In addition to having a high equity ratio, the Company also maintains an unusually high level of near money assets.

The Company does not need to allocate any more funds to its internal reserves. In fact, increasing equity any further will only lead to a decrease in ROE. By returning the surplus funds to shareholders, the Company can raise shareholder value, and it may even lead to an increase in share price. Therefore, the Company should significantly increase its dividends of surplus. Furthermore, besides doing so for the fiscal year ended February 28, 2021, the Company should continue to adopt a payout ratio of 100% as its capital policy in the subsequent years, so as to demonstrate its intention of not accumulating capital in the medium to long term.

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

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

#### • Reasons for the Opposition

The Group engages in three businesses: the construction equipment business, the commercial affairs business, and the real estate business. In order for the Company to continue operating these businesses over the medium to long term and to secure stable profits, it is necessary to conduct planned investments on a continuous basis, including capital investments and investments to nurture human capital, etc., to maintain and expand these businesses. In order to conduct these investments stably, it is extremely important to strive for the stability of the financial foundation through securing internal reserves. In particular, in view of the current instability of the business environment caused by the COVID-19 pandemic, the necessity of stabilizing the financial foundation has in a way become greater than before.

Under such circumstances, as stated in Proposal No. 1 by the Company, 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.

For the fiscal year under review, the Company proposes an ordinary dividend of 30 yen per share for the year-end dividend (total amount of 1,560 million yen). This represents a 48.8% consolidated payout ratio (dividends for the previous fiscal year were 33 yen in total, including an ordinary dividend of 30 yen and a 60th anniversary commemorative dividend of 3 yen, and the consolidated payout ratio was 47.5%).

The Company believes that appropriately balancing the goals of returning profits to shareholders in a stable and continuous way and securing internal reserves for investments that work towards its growth strategy will improve the Company's medium- to long-term corporate value, and contribute to the interests of shareholders.

In contrast, the proposal requests for the total amount of profit in the fiscal year ended February 28, 2021 to be paid out as dividends. Such a proposal does not consider the necessity of investments in the future for the maintenance and expansion of businesses, is based on an extremely short-sighted point of view, and disrupts the stability of the Company's financial foundation. As a result, the Company believes it may damage the interests of its shareholders.

Due to the reasons above, the Board of Directors of the Company opposes the proposal.

End of Document

# Consolidated Financial Statements

## Consolidated Balance Sheet

(As of February 28, 2021)

(Millions of yen)

Description	Amount	Description	Amount
<b>(Assets)</b>		<b>(Liabilities)</b>	
<b>Current assets</b>	<b>54,754</b>	<b>Current liabilities</b>	<b>25,210</b>
Cash and deposits	21,124	Notes and accounts payable - trade	14,771
Notes and accounts receivable - trade	24,958	Short-term borrowings	1,540
Securities	5,373	Current portion of long-term borrowings	3
Merchandise	2,880	Lease obligations	11
Supplies	114	Income taxes payable	1,309
Other	404	Provision for bonuses	350
Allowance for doubtful accounts	(102)	Other	7,224
<b>Non-current assets</b>	<b>82,722</b>	<b>Non-current liabilities</b>	<b>15,116</b>
<b>Property, plant and equipment</b>	<b>67,222</b>	Long-term borrowings	3
Assets for rent	9,773	Lease obligations	14
Real estate for rent	43,141	Deferred tax liabilities	780
Buildings and structures	5,193	Deferred tax liabilities for land revaluation	435
Land	8,281	Provision For Share Based Compensation Expenses For Directors	74
Leased assets	13	Provision for retirement benefits for directors (and other officers)	15
Other	819	Retirement benefit liability	213
<b>Intangible assets</b>	<b>8,388</b>	Long-term accounts payable - facilities	9,459
Goodwill	8,030	Other	4,118
Other	358	<b>Total liabilities</b>	<b>40,327</b>
<b>Investments and other assets</b>	<b>7,111</b>	<b>(Net assets)</b>	
Investment securities	4,703	<b>Shareholders' equity</b>	<b>97,406</b>
Retirement benefit asset	620	<b>Share capital</b>	<b>13,821</b>
Deferred tax assets	285	<b>Capital surplus</b>	<b>16,627</b>
Other	1,906	<b>Retained earnings</b>	<b>67,064</b>
Allowance for doubtful accounts	(403)	<b>Treasury shares</b>	<b>(107)</b>
<b>Total assets</b>	<b>137,477</b>	<b>Accumulated other comprehensive income</b>	<b>(773)</b>
		<b>Valuation difference on available-for-sale securities</b>	<b>1,251</b>
		<b>Deferred gains or losses on hedges</b>	<b>(16)</b>
		<b>Revaluation reserve for land</b>	<b>(2,144)</b>
		<b>Remeasurements of defined benefit plans</b>	<b>135</b>
		<b>Non-controlling interests</b>	<b>517</b>
		<b>Total net assets</b>	<b>97,150</b>
		<b>Total liabilities and net assets</b>	<b>137,477</b>

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

## Consolidated Statement of Income

(March 1, 2020 – February 28, 2021)

(Millions of yen)

Description	Amount	
<b>Net sales</b>		<b>74,015</b>
<b>Cost of sales</b>		<b>55,413</b>
<b>Provision of unrealized income on installment sales</b>		<b>171</b>
<b>Reversal of unrealized income on installment sales</b>		<b>316</b>
<b>Gross profit</b>		<b>18,747</b>
<b>Selling, general and administrative expenses</b>		<b>13,325</b>
<b>Operating profit</b>		<b>5,422</b>
<b>Non-operating income</b>		
Interest income	22	
Dividend income	89	
Purchase discounts	48	
Foreign exchange gains	16	
Gain on investments in investment partnerships	43	
Subsidy income	71	
Other	61	<b>352</b>
<b>Non-operating expenses</b>		
Interest expenses	101	
Other	12	<b>113</b>
<b>Ordinary profit</b>		<b>5,661</b>
<b>Extraordinary income</b>		
Gain on sales of non-current assets	25	<b>25</b>
<b>Extraordinary losses</b>		
Loss on sales of non-current assets	223	
Loss on retirement of non-current assets	11	<b>235</b>
<b>Profit before income taxes</b>		<b>5,451</b>
Income taxes - current	2,334	
Income taxes - deferred	(198)	<b>2,136</b>
<b>Profit</b>		<b>3,315</b>
<b>Profit attributable to non-controlling interests</b>		<b>123</b>
<b>Profit attributable to owners of parent</b>		<b>3,191</b>

(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 28, 2021)

(Millions of yen)

Description	Amount	Description	Amount
<b>(Assets)</b>		<b>(Liabilities)</b>	
<b>Current assets</b>	<b>44,521</b>	<b>Current liabilities</b>	<b>18,797</b>
Cash and deposits	17,522	Notes payable - trade	9,768
Notes receivable - trade	5,581	Accounts payable - trade	2,805
Accounts receivable - trade	15,027	Accounts payable - other	411
Securities	5,373	Income taxes payable	777
Merchandise	728	Accrued consumption taxes	1,060
Supplies	54	Provision for bonuses	212
Other	303	Deferred installment income	486
Allowance for doubtful accounts	(72)	Accounts payable - facilities	2,759
		Other	516
<b>Non-current assets</b>	<b>81,256</b>	<b>Non-current liabilities</b>	<b>11,529</b>
<b>Property, plant and equipment</b>	<b>58,727</b>	Long-term accounts payable - other	881
Assets for rent	5,870	Deferred tax liabilities	425
Real estate for rent	43,141	Deferred tax liabilities for land revaluation	435
Buildings	2,776	Provision for retirement benefits	0
Structures	860	Provision for share based compensation expenses for directors	74
Land	5,646	Long-term accounts payable - facilities	6,560
Other	431	Guarantee deposits received	2,743
		Other	407
<b>Intangible assets</b>	<b>270</b>	<b>Total liabilities</b>	<b>30,326</b>
Leasehold right	143	<b>(Net assets)</b>	
Other	127	<b>Shareholders' equity</b>	<b>96,347</b>
<b>Investments and other assets</b>	<b>22,258</b>	<b>Share capital</b>	<b>13,821</b>
Investment securities	4,135	<b>Capital surplus</b>	<b>16,627</b>
Shares of subsidiaries and associates	15,967	Legal capital surplus	15,329
Lease and guarantee deposits	642	Other capital surplus	1,297
Prepaid pension costs	424	<b>Retained earnings</b>	<b>66,005</b>
Other	1,460	Legal retained earnings	1,182
Allowance for doubtful accounts	(373)	Other retained earnings	64,823
		Reserve for reduction entry of buildings	30
		Reserve for reduction entry of land	252
		General reserve	42,000
		Retained earnings brought forward	22,541
		<b>Treasury shares</b>	<b>(107)</b>
		<b>Valuation and translation adjustments</b>	<b>(896)</b>
		<b>Valuation difference on available-for-sale securities</b>	<b>1,247</b>
		<b>Revaluation reserve for land</b>	<b>(2,144)</b>
		<b>Total net assets</b>	<b>95,451</b>
<b>Total assets</b>	<b>125,778</b>	<b>Total liabilities and net assets</b>	<b>125,778</b>

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

## Non-consolidated Statement of Income

(March 1, 2020 – February 28, 2021)

(Millions of yen)

Description	Amount	
<b>Net sales</b>		<b>54,006</b>
<b>Cost of sales</b>		<b>42,477</b>
<b>Provision of unrealized income on installment sales</b>		<b>171</b>
<b>Reversal of unrealized income on installment sales</b>		<b>316</b>
<b>Gross profit</b>		<b>11,674</b>
<b>Selling, general and administrative expenses</b>		<b>7,162</b>
<b>Operating profit</b>		<b>4,511</b>
<b>Non-operating income</b>		
Interest income	23	
Dividend income	133	
Purchase discounts	48	
Foreign exchange gains	0	
Other	273	<b>479</b>
<b>Non-operating expenses</b>		
Interest expenses	76	
Other	7	<b>84</b>
<b>Ordinary profit</b>		<b>4,906</b>
<b>Extraordinary income</b>		
Gain on sales of non-current assets	0	<b>0</b>
<b>Extraordinary losses</b>		
Loss on sales of non-current assets	223	
Loss on retirement of non-current assets	10	<b>234</b>
<b>Profit before income taxes</b>		<b>4,672</b>
Income taxes - current	1,522	
Income taxes - deferred	(49)	<b>1,473</b>
<b>Profit</b>		<b>3,199</b>

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