

Securities Code 4668
November 2, 2017

To All Shareholders With Voting Rights

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

NOTICE OF THE 33RD ANNUAL MEETING OF SHAREHOLDERS

Dear Shareholders:

You are cordially invited to attend the 33rd Annual Meeting of Shareholders of MEIKO NETWORK JAPAN CO., LTD. (hereinafter the “Company”) to be held as described below.

If you are unable to attend the meeting, you can exercise your voting rights in writing or via the Internet and other means as set forth in How to Exercise Your Voting Rights on pages 2-3. Please review the Reference Documents for the Annual Meeting of Shareholders, and cast your vote by 6:00 p.m. on Thursday, November 16, 2017 Japan time.

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| 1. Date and Time: | Friday, November 17, 2017 at 10:00 a.m. |
| 2. Place: | “Century Room,” B1 floor, Hyatt Regency Tokyo
2-7-2 Nishi-Shinjuku, Shinjuku Ward, Tokyo, Japan |
| 3. Agenda of the Meeting:
Matters to be reported: | <ol style="list-style-type: none"> 1. Business Report, Consolidated Financial Statements for the 33rd term (from September 1, 2016 to August 31, 2017) and results of audits by the Accounting Auditor and the Board of Corporate Auditors of the Consolidated Financial Statements 2. Non-consolidated Financial Statements for the Company’s 33rd term (from September 1, 2016 to August 31, 2017) |
| Proposals to be resolved: | |
| Proposal No. 1: | Partial Amendments to the Articles of Incorporation |
| Proposal No. 2: | Election of Eight (8) Directors |

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- ◎ A small gift offered to the shareholders attending Annual Meeting of Shareholders has been discontinued. Your kind understanding is appreciated.
 - ◎ Shareholders attending the meeting are kindly requested to submit the enclosed Voting Right Exercise Form to the reception at the venue.
 - ◎ Of the documents to be presented along with this Notice, “Notes to Consolidated Financial Statements” and “Notes to Non-consolidated Financial Statements” are posted on the Company’s website (<http://www.meikonet.co.jp>) in accordance with laws and regulations, as well as Article 15 of the Company’s Articles of Incorporation, and are therefore not included in this Notice.
 - ◎ If there are any changes to the Reference Documents for Annual Meeting of Shareholders, Business Report, Consolidated Financial Statements or Non-consolidated Financial Statements, changes on the matters shall be posted on the Company’s website (<http://www.meikonet.co.jp>).
 - ◎ If a voting right is exercised in duplicate by the same shareholder through writing and electromagnetic means, the Company shall treat the latter as valid.
 - ◎ If an exercise of voting right through electromagnetic means was conducted for multiple times, and if there are conflicting votes to the same proposal, the last exercise of voting right through electromagnetic means shall be treated as valid.

How to Exercise Your Voting Rights

Voting rights are important rights that enable shareholders to participate in the management of the Company. There are three methods for exercising your voting rights.

For shareholders attending in person:

Submit your voting rights at the reception.

Please submit the Voting Right Exercise Form to the reception at the venue of Annual Meeting of Shareholders on the day of the meeting.

Date and time of the Annual Meeting of Shareholders:	Friday, November 17, 2017 at 10:00 a.m. (Reception is scheduled to start at 9:00 a.m.)
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For shareholders who are not able to attend the meeting:

If you are not able to attend the meeting, you may exercise your voting rights by either of the following methods:

Exercise of Voting Rights in Writing

Please indicate your approval or disapproval on the Voting Right Exercise Form, and return by post at your earliest convenience.

Deadline for Exercising Voting Rights:	To be received by the Company by Thursday, November 16, 2017 at 6:00 p.m.
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Exercise of Voting Rights via the Internet

<http://www.web54.net>

Please access the above website via the Internet.

Please exercise your voting rights following the instruction on the screen using the login ID and temporary password.

Deadline for Exercising Voting Rights:	Thursday, November 16, 2017 at 6:00 p.m.
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Please refer to the next page for details.

Treatment of voting rights exercised in duplicate

- ◎ If a voting right is exercised in duplicate by the same shareholder through writing and electromagnetic means, the Company shall treat the latter as valid.
- ◎ If an exercise of voting right through electromagnetic means was conducted for multiple times, and if there are conflicting votes to the same proposal, the last exercise of voting right through electromagnetic means shall be treated as valid.

Procedures for Exercising Your Voting Rights

For Institutional Investors

Apart from the exercise of voting rights via the Internet as follows, institutional investors are able to use an electronic platform for exercise of voting rights run by ICJ, Inc., sponsored by Tokyo Stock Exchange, Inc., etc. subject to prior application and registration.

Exercise of Voting Rights in Writing

Please indicate your approval or disapproval on the enclosed Voting Right Exercise Form, and return by post so that it is received by the Company by the following date.

Deadline for Exercising Voting Rights:	To be received by the Company by Thursday, November 16, 2017 at 6:00 p.m.
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Exercise of Voting Rights via the Internet

Please have your Voting Right Exercise Form ready.

Exercise of voting rights via the Internet is available only by accessing the website for exercising voting rights (<http://www.web54.net>) designated by the Company through a computer or smart phone.

While your exercises of voting rights via the Internet are accepted until Thursday, November 16, 2017 at 6:00 p.m., we suggest that you do so as early as possible. Should you have any inquiry, please contact our help desk.

1. Access the website for exercising voting rights **<http://www.web54.net>**
Click “Next”

2. Login
Enter the “Code for Exercising Voting Rights” printed on your Voting Right Exercise Form.
Click “Next”

Please follow instructions on the screen and enter your approval or disapproval.

**1 Exercise of voting rights by computer may not be possible depending on the Internet environment due to factors including usage of firewalls, etc. in connecting to the Internet, usage of anti-virus programs, and usage of proxy servers.*

**2 Costs incurred for accessing the website for exercising voting rights (Internet connection charges, phone charges, etc.) are to be borne by shareholders.*

Inquiries regarding operation of computers, etc. (Helpdesk)

Stock Transfer Agency Business Planning Department, Sumitomo Mitsui Trust Bank, Limited

Transfer Agency Web Support Service: 0120-652-031 (available from 9:00 a.m. to 9:00 p.m.)

Other inquiries: 0120-782-031 (available from 9:00 a.m. to 5:00 p.m., weekdays excluding holidays)

Reference Documents for the Annual Meeting of Shareholders

Proposals and References

Proposal No. 1

Partial Amendments to the Articles of Incorporation

1. Reasons for the Proposal

In order to prepare for future business diversification, the Company will add a business purpose in Article 2 (Purpose) of the current Articles of Incorporation.

2. Detail of the Amendments

Details of the amendments are as follows:

(Amended parts are underlined)

Current Articles of Incorporation	Proposed Amendments
CHAPTER I. GENERAL PROVISIONS (Purpose) Article 2. The purpose of the Company shall be to engage in the following businesses: 1. to 17. (Omitted) (Newly established) <u>18.</u> (Omitted)	CHAPTER I. GENERAL PROVISIONS (Purpose) Article 2. (Unchanged) 1. to 17. (Unchanged) <u>18. Outpatient support service for children with disabilities</u> <u>based on the Child Welfare Act</u> <u>19.</u> (Unchanged)

Proposal No. 2

Election of Eight (8) Directors

The terms of office of all eight (8) Directors will expire at the conclusion of this Annual Meeting of Shareholders. Accordingly, the election of eight (8) Directors are proposed.
The candidates are as follows:

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

Reappointment

Number of the Company's shares held

1,794,600 shares

Board of Directors meetings attendance

100% (16/16 times)

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

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

■ **[Important concurrent posts]**

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

No. **2** **Yoshiko Okui** (Date of birth: Aug. 24, 1954)

Reappointment

Number of the Company's shares held

792,800 shares

Board of Directors meetings attendance

100% (16/16 times)

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

Sept. 1984: Established the Company, Managing Director of the Company
Nov. 1996: Senior Managing Director
Sept. 2004: General Manager, Meikogijuku Headquarters
Apr. 2006: Supervisory Manager, Meikogijuku Headquarters and General Manager, Administration Headquarters
Mar. 2007: Overall Supervisory Manager and in charge of Administration Divisions
Nov. 2008: Vice President and Director
Overall Supervisor Manager and Chief Financial Officer
Nov. 2009: Vice President and Representative Director
Nov. 2015: Vice Chairperson and Representative Director (present)

■ **[Important concurrent posts]**

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

No. **3** Setsuro Tagami (Date of birth: Aug. 6, 1955)

Reappointment

Number of the Company's shares held

11,600 shares

Board of Directors meetings attendance

100% (16/16 times)

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

May 2005: Joined the Company
 Nov. 2005: Director
 Nov. 2008: Managing Director
 In charge of Business Affairs Management Division
 Sept. 2010: In charge of Academic Division
 Sept. 2014: In charge of Administration Divisions, in charge of Overseas Business Development Division and Chairman of Business Strategy Meeting
 Nov. 2014: Senior Managing Director
 Nov. 2015: President and Representative Director (present)

■ [Important concurrent posts]

Councilor of MEIKO KYOIKU KENKYUJO (Public Interest Incorporated Foundation)
 Director of Kotoh Jimusho Co., LTD.

No. **4** Kazuhito Yamashita (Date of birth: Dec. 7, 1959)

Reappointment

Number of the Company's shares held

16,900 shares

Board of Directors meetings attendance

100% (16/16 times)

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

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

■ [Important concurrent posts]

Chairperson and Representative Director of Tokyo Ishin Gakuin Co., LTD.
 Director of MAXIS Education Inc.

No. **5** **Hiroaki Sato** (Date of birth: Aug. 31, 1960)

Reappointment

Number of the Company's shares held

6,700 shares

Board of Directors meetings attendance

100% (16/16 times)

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

May 2005: Joined the Company
Nov. 2005: Director
Nov. 2008: Managing Director (present)
Sept. 2010: In charge of Meikogijuku Business Headquarters
Sept. 2012: In charge of FC Business Development Division
Sept. 2014: In charge of Information System Division, in charge of Soccer Business Division and in charge of Kids Business Division (present)
In charge of Promotions Division (current Marketing Division)

■ **[Important concurrent posts]**

Director of Waseda EDU Co., LTD.
Director of Kokusai Jinzai Kaihatsu Co., LTD.

No. **6** **Koshi Horiuchi** (Date of birth: Dec. 5, 1969)

Reappointment

Number of the Company's shares held

400 shares

Board of Directors meetings attendance

100% (16/16 times)

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

Oct. 1999: Joined the Company
Nov. 2010: General Manager of 2nd Business Division, Meikogijuku Business Headquarters
Sept. 2014: General Manager of 7th Business Division, Meikogijuku Business Headquarters
Nov. 2014: Director (present)
Sept. 2015: Deputy General Manager of Meikogijuku Business Headquarters (present)
Nov. 2015: In charge of Headquarters Office
In charge of Meiko Support Center
Sept. 2016: In charge of Academic Division (present)
Sept. 2017: In charge of Shinsei Meiko Business Development Office and in charge of Study Club Business Development Division (present)

Reference Documents for the Annual Meeting of Shareholders

No. **7** **Masahiro Harada** (Date of birth: Apr. 28, 1952) **Reappointment** **Outside Director**

Number of the Company's shares held

300 shares

Board of Directors meetings attendance

100% (16/16 times)

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

Apr. 1975: Joined the Sumitomo Bank Co., Ltd. (current Sumitomo Mitsui Banking Corporation)
 Apr. 1996: General Manager, Kanamachi Branch of Sumitomo Bank Co., Ltd.
 Apr. 2002: Representative Director and Managing Director of SMBC PERSONNEL SUPPORT CO., LTD.
 Jun. 2011: President and Representative Director of Rising Insurance Service Co., Ltd.
 Nov. 2014: Director of the Company (present)

■ Reasons for selection as a candidate for Outside Director

Mr. Masahiro Harada has a wealth of experience and intelligence gained from his experience in corporate review at financial institutions and corporate management. As such, the Company has determined that the candidate will be able to contribute to ensuring management transparency and further strengthening of corporate governance, and thereby proposes the election of the candidate as Outside Director.

Mr. Harada will have served as Outside Director of the Company for three years at the conclusion of this Annual Meeting of Shareholders.

No. **8** Noriko Yao (Date of birth: Aug. 27, 1967)

Reappointment

Outside Director

Number of the Company's shares held

0 shares

Board of Directors meetings attendance

100% (16/16 times)

Brief personal record, position, responsibilities and important concurrent posts

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

[Important concurrent posts]

Partner of TMI Associates
Outside Auditor of Japan Overseas Infrastructure Investment Corporation for Transport & Urban Development
External Audit & Supervisory Board Member of SATO HOLDINGS CORPORATION

Reasons for selection as a candidate for Outside Director

Ms. Noriko Yao has an adequate insight for governing corporate management as she is familiar with corporate legal affairs, etc. as an attorney-at-law. As such, the Company has determined that the candidate will be able to contribute to ensuring management transparency and further strengthening of corporate governance, and thereby proposes the election of the candidate as Outside Director.

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

- (Notes)
1. None of the candidates for Directors have special conflict of interest with the Company.
 2. The Company has concluded liability limitation agreement with Mr. Masahiro Harada and Ms. Noriko Yao based on the provisions of Article 427, Paragraph 1 of the Companies Act, for the purpose of limiting the liability for damages arising from the act as set out in Article 423, Paragraph 1 of the Act; provided, however, that the limit of the liability shall be an amount stipulated in Article 425, Paragraph 1 of the Act. The Company plans to continue the agreement with them upon the approval on their reappointment.
 3. Mr. Masahiro Harada and Ms. Noriko Yao are candidates for Outside Directors. All candidates for Outside Directors are required to meet the election criteria for independent outside officers set out by the Company, and both of the two candidates meet all such criteria.
 4. Mr. Masahiro Harada and Ms. Noriko Yao meet the requirements for independent officer based on the regulations of Tokyo Stock Exchange, Inc. The Company has designated them as independent officers and registered them as such at Tokyo Stock Exchange, Inc.

Reference Documents for the Annual Meeting of Shareholders

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

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

Consolidated Financial Statements

Consolidated Balance Sheet (As of August 31, 2017)

(Unit: Thousand yen)

Item	Amount
Assets	
Current assets	10,431,378
Cash and deposits	7,822,906
Accounts receivable - trade	1,300,368
Securities	400,000
Merchandise	296,806
Work in process	10,241
Supplies	19,474
Advance payments - trade	40,161
Prepaid expenses	289,258
Deferred tax assets	246,274
Other	101,890
Allowance for doubtful accounts	(96,004)
Non-current assets	8,883,214
Property, plant and equipment	1,164,156
Buildings and structures	652,210
Tools, furniture and fixtures	65,886
Land	446,059
Intangible assets	3,348,217
Goodwill	3,058,517
Software	268,962
Telephone subscription right	20,737
Investment and other assets	4,370,840
Investment securities	3,088,091
Long-term prepaid expenses	35,794
Deferred tax assets	60,293
Lease and guarantee deposits	849,188
Long-term time deposits	302,150
Other	35,322
Total assets	19,314,592

Item	Amount
Liabilities	
Current liabilities	4,168,844
Accounts payable - trade	167,398
Short-term loans payable	70,000
Accounts payable - other	86,057
Accrued expenses	973,531
Income taxes payable	1,000,176
Accrued consumption taxes	263,011
Advances received	1,155,960
Deposits received	63,126
Provision for bonuses	343,195
Provision for sales returns	23,800
Other	22,585
Non-current liabilities	729,095
Net defined benefit liability	49,938
Long-term accounts payable - employees	146,744
Long-term accounts payable - directors	177,980
Deferred tax liabilities	87,846
Asset retirement obligations	245,302
Long-term guarantee deposited	18,122
Other	3,161
Total liabilities	4,897,940
Net assets	
Shareholders' equity	13,985,821
Capital stock	972,512
Capital surplus	909,768
Retained earnings	13,747,327
Treasury shares	(1,643,787)
Accumulated other comprehensive income	405,722
Valuation difference on available-for-sale securities	392,014
Foreign currency translation adjustment	13,707
Non-controlling interests	25,109
Total net assets	14,416,652
Total liabilities and net assets	19,314,592

Consolidated Financial Statements

Consolidated Statement of Income (From September 1, 2016 to August 31, 2017)

(Unit: Thousand yen)

Item	Amount	
Net sales		19,383,312
Cost of sales		12,696,324
Gross profit		6,686,988
Selling, general and administrative expenses		4,070,999
Operating income		2,615,988
Non-operating income		
Interest income	27,943	
Dividend income	36,390	
Share of profit of entities accounted for using equity method	578	
Rent income	57,747	
Reversal of allowance for doubtful accounts	45,152	
Other	43,082	210,895
Non-operating expenses		
Interest expenses	536	
Rent expenses	14,918	
Other	4,464	19,920
Ordinary income		2,806,963
Extraordinary income		
Gain on sales of non-current assets	539,299	
Gain on sales of investment securities	2,953	542,252
Extraordinary losses		
Loss on retirement of property, plant and equipment	1,281	
Impairment loss	7,845	9,127
Profit before income taxes		3,340,088
Income taxes - current	1,293,875	
Income taxes - deferred	2,411	1,296,287
Profit		2,043,801
Profit attributable to non-controlling interests		969
Profit attributable to owners of the parent		2,042,831

Consolidated Statement of Changes in Equity (From September 1, 2016 to August 31, 2017)

(Unit: Thousand yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	972,512	915,503	12,740,222	(1,643,708)	12,984,528
Changes of items during period					
Dividends of surplus			(1,035,726)		(1,035,726)
Profit attributable to owners of the parent			2,042,831		2,042,831
Purchase of treasury shares				(78)	(78)
Change in ownership interest of parent due to transactions with non-controlling interests		(5,734)			(5,734)
Net changes of items other than shareholders' equity					
Total changes of items during period	—	(5,734)	1,007,105	(78)	1,001,292
Balance at end of period	972,512	909,768	13,747,327	(1,643,787)	13,985,821

	Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at beginning of period	135,328	11,127	146,456	78,783	13,209,769
Changes of items during period					
Dividends of surplus					(1,035,726)
Profit attributable to owners of the parent					2,042,831
Purchase of treasury shares					(78)
Change in ownership interest of parent due to transactions with non-controlling interests					(5,734)
Net changes of items other than shareholders' equity	256,685	2,580	259,265	(53,674)	205,590
Total changes of items during period	256,685	2,580	259,265	(53,674)	1,206,883
Balance at end of period	392,014	13,707	405,722	25,109	14,416,652

Non-consolidated Financial Statements

Balance Sheet (As of August 31, 2017)

(Unit: Thousand yen)

Item	Amount
Assets	
Current assets	7,478,138
Cash and deposits	5,153,522
Accounts receivable - trade	1,000,654
Securities	400,000
Merchandise	93,570
Supplies	18,142
Advance payments - trade	30,672
Prepaid expenses	191,603
Deferred tax assets	185,514
Short-term loans receivable	397,000
Other	71,121
Allowance for doubtful accounts	(63,663)
Non-current assets	9,378,341
Property, plant and equipment	499,152
Buildings	310,147
Tools, furniture and fixtures	25,945
Land	163,059
Intangible assets	275,975
Software	257,590
Telephone subscription right	18,384
Investments and other assets	8,603,213
Investment securities	2,966,416
Shares of subsidiaries and associates	4,848,069
Investments in capital	10,010
Long-term prepaid expenses	15,897
Lease and guarantee deposits	539,856
Long-term time deposits	200,000
Other	22,962
Total assets	16,856,479

Item	Amount
Liabilities	
Current liabilities	2,262,945
Accounts payable - trade	94,078
Accounts payable - other	43,611
Accrued expenses	683,811
Income taxes payable	801,387
Accrued consumption taxes	184,375
Advances received	80,084
Deposits received	40,194
Provision for bonuses	319,631
Other	15,769
Non-current liabilities	545,096
Long-term accounts payable - employees	146,744
Long-term accounts payable - directors	160,250
Deferred tax liabilities	84,710
Asset retirement obligations	151,091
Long-term guarantee deposited	2,300
Total liabilities	2,808,041
Net assets	
Shareholders' equity	13,657,615
Capital stock	972,512
Capital surplus	915,503
Legal capital surplus	915,503
Retained earnings	13,413,386
Legal retained earnings	54,482
Other retained earnings	13,358,904
General reserve	9,147,000
Retained earnings brought forward	4,211,904
Treasury shares	(1,643,787)
Valuation and translation adjustments	390,822
Valuation difference on available-for-sale securities	390,822
Total net assets	14,048,438
Total liabilities and net assets	16,856,479

Statement of Income (From September 1, 2016 to August 31, 2017)

(Unit: Thousand yen)

Item	Amount	
Net sales		13,660,759
Cost of sales		8,765,794
Gross profit		4,894,964
Selling, general and administrative expenses		2,599,362
Operating income		2,295,602
Non-operating income		
Interest income	7,746	
Interest on securities	26,724	
Dividend income	36,270	
Rent income	88,282	
Reversal of allowance for doubtful accounts	38,072	
Other	23,541	220,638
Non-operating expenses		
Rent expenses	42,026	
Other	3,220	45,246
Ordinary income		2,470,994
Extraordinary income		
Gain on sales of non-current assets	539,299	
Gain on sales of investment securities	2,953	542,252
Extraordinary losses		
Loss on retirement of property, plant and equipment	1,281	1,281
Profit before income taxes		3,011,964
Income taxes - current	1,033,853	
Income taxes - deferred	21,825	1,055,678
Profit		1,956,286

Non-consolidated Financial Statements

Statement of Changes in Equity (From September 1, 2016 to August 31, 2017)

(Unit: Thousand yen)

	Shareholders' equity							
	Capital stock	Capital surplus	Retained earnings				Treasury shares	Total shareholders equity
		Legal capital surplus	Legal retained earnings	Other retained earnings		Total retained earnings		
				General reserve	Retained earnings brought forward			
Balance at beginning of period	972,512	915,503	54,482	9,147,000	3,291,344	12,492,826	(1,643,708)	12,737,133
Changes of items during period								
Dividends of surplus					(1,035,726)	(1,035,726)		(1,035,726)
Profit					1,956,286	1,956,286		1,956,286
Purchase of treasury shares							(78)	(78)
Net changes of items other than shareholders' equity								
Total changes of items during period	—	—	—	—	920,559	920,559	(78)	920,481
Balance at end of period	972,512	915,503	54,482	9,147,000	4,211,904	13,413,386	(1,643,787)	13,657,615

	Valuation and translation adjustments	Total net assets
	Valuation difference on available-for-sale securities	
Balance at beginning of period	134,731	12,871,865
Changes of items during period		
Dividends of surplus		(1,035,726)
Profit		1,956,286
Purchase of treasury shares		(78)
Net changes of items other than shareholders' equity	256,091	256,091
Total changes of items during period	256,091	1,176,572
Balance at end of period	390,822	14,048,438