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(Stock Exchange Code 8125)

May 7, 2025

(Date of commencement of measures for electronic provision: April 30, 2025)

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 65TH ORDINARY GENERAL MEETING OF SHAREHOLDERS**

Please be informed that the 65th 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 21, 2025, Japan time.

- 1. Date and Time:** Thursday, May 22, 2025 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 65th Fiscal Year (March 1, 2024 - February 28, 2025) 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 65th Fiscal Year (March 1, 2024 - February 28, 2025)

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 Four (4) Directors (Excluding Directors who are Audit and Supervisory Committee Members)

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

< Shareholder Proposals: Proposals No. 4 and No. 5 >

Proposal No. 4: Appropriation of Surplus

Proposal No. 5: Amendment to the Articles of Incorporation concerning the Establishment of a Review Committee for Shareholder Value Improvement and Privatization

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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: "Major Offices and Plants," "Accounting Auditor," "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. 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 ensure its stable financial status and to meet financing needs for business development.

In consideration of this policy, the Company proposes an ordinary dividend of 100 yen per share for the year-end dividend for the fiscal year ended February 28, 2025, an increase of 38 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
100 yen per common share of the Company
Total amount of dividends: 4,945,202,400 yen
- (3) Effective date of appropriation of surplus
May 23, 2025

Proposal No. 2: 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 (68)	<u>Reelection</u>	President and Representative Director	33 years	100% (16 out of 16 meetings)
2	Kazuhiro Shimizu (68)	<u>Reelection</u>	Senior Managing Director	9 years	94% (15 out of 16 meetings)
3	Keiji Ishikawa (66)	<u>Reelection</u>	Director	6 years	100% (16 out of 16 meetings)
4	Atsuhiko Nariyama (56)	<u>Reelection</u>	Director	1 year	100% (13 out of 13 meetings)

(Notes)

1. There are no special interests between the Company and each 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.
3. Attendance at Board of Directors meetings of Mr. Atsuhiko Nariyama shows figures covering the meetings held after he was elected as Director at the 64th Ordinary General Meeting of Shareholders held on May 23, 2024.

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) (68 years old) <u>Reelection</u>	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 (to present) May 2016 President and Representative Director, General Manager of Sales Division		572,600
		[Length of service as Director] 33 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.		
2	Kazuhiro Shimizu (June 30, 1956) (68 years old) <u>Reelection</u>	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 February 2023 Director, Daiki Sangyo Co., Ltd. May 2024 Senior Managing Director, Chief Officer of Construction Equipment Business Division, in charge of International Trading Department, the Company (to present) [Significant concurrent positions] Director, Daiki Sangyo Co., Ltd.		26,800
		[Length of service as Director] 9 years [Attendance at Board of Directors meetings] 94% (15 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.		

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
3	<p>Keiji Ishikawa (January 14, 1959) (66 years old)</p> <p><u>Reelection</u></p>	<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</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>May 2024 Director, Chief Officer of Commercial Affairs Business Department, the Company</p> <p>May 2024 Director, Chief Officer of Commercial Affairs Business Department, General Manager of Sound & Visual (SV) Business Division, and General Manager of Frontier Business Division (to present)</p> <p>[Significant concurrent positions] Director, Sunnetworklive Corporation Director, Wakita carenet & Co., LTD</p>	5,500
	<p>[Length of service as Director] 6 years</p> <p>[Attendance at Board of Directors meetings] 100% (16 out of 16 meetings)</p> <p>[Reason for election] Mr. Keiji Ishikawa has served in the Systems Business Division (currently SV 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	<p>Atsuhiko Nariyama (March 2, 1969) (56 years old)</p> <p><u>Reelection</u></p>	<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</p> <p>May 2024 Director, General Manager of General Affairs Division (to present)</p>	2,200
	<p>[Length of service as Director] 1 year</p> <p>[Attendance at Board of Directors meetings] 100% (13 out of 13 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 he has been engaged in general affairs and personnel operations as 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 again as a candidate for Director.</p>		

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

At the conclusion of this General Meeting of Shareholders, the terms of three (3) Directors who are Audit and Supervisory Committee Members, Mr. Shigeru Ohno, Mr. Yasuhiro Kuraguchi, and Ms. Noriko Ishida will expire. Accordingly, the Company proposes the election of three (3) 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 (64)	Reelection	Director (Standing Audit and Supervisory Committee Member)	1 year	Board of Directors meetings: 100% (13 out of 13 meetings) Audit and Supervisory Committee meetings: 100% (12 out of 12 meetings)
2	Yasuhiro Kuraguchi (74)	Reelection Outside Independent	Outside Director (Audit and Supervisory Committee Member)	8 years	Board of Directors meetings: 100% (16 out of 16 meetings) Audit and Supervisory Committee meetings: 100% (16 out of 16 meetings)
3	Akiko Yakura (65)	New election Outside Independent	-	-	-

(Notes)

1. Ms. Akiko Yakura is a new candidate for Outside Director who is an Audit and Supervisory Committee Member.
2. There are no special interests between the Company and each of the above candidates for Directors who are Audit and Supervisory Committee Members.
3. Mr. Yasuhiro Kuraguchi is a candidate for Outside Director who is an Audit and Supervisory Committee Member. He will have served eight 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.
4. The Company has entered into an agreement with Mr. Shigeru Ohno and Mr. Yasuhiro Kuraguchi to limit their liability for damages (to the minimum amount specified by laws and regulations) in accordance with the provisions of Article 427, Paragraph 1 of the Companies Act. The Company intends to continue said agreement with them if their reelection is approved. If the election of Ms. Akiko Yakura is approved, the Company intends to enter into a similar agreement with her.
5. The Company has designated Mr. Yasuhiro Kuraguchi 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. In addition, if the election of Ms. Akiko Yakura is approved, she is expected to become a new independent officer.

6. 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.
7. Attendance at Board of Directors meetings and Audit and Supervisory Committee meetings of Mr. Shigeru Ohno shows figures covering the meetings held after he was elected as Director at the 64th Ordinary General Meeting of Shareholders held on May 23, 2024.

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) (64 years old) <u>Reelection</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</p> <p>May 2024 Director (Standing Audit and Supervisory Committee Member) (to present)</p>	0
	<p>[Length of service as Director] 1 year</p> <p>[Attendance at Board of Directors meetings] 100% (13 out of 13 meetings)</p> <p>[Attendance at Audit and Supervisory Committee meetings] 100% (12 out of 12 meetings)</p> <p>[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 again as a candidate for Director who is an Audit and Supervisory Committee Member.</p>		
2	Yasuhiro Kuraguchi (August 25, 1950) (74 years old) <u>Reelection</u> <u>Outside</u> <u>Independent</u>	<p>April 1973 Joined Asahi & 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>May 2016 Outside Audit & Supervisory Board Member, the Company</p> <p>June 2016 Outside Director (Audit and Supervisory Committee Member), NIPPON DENTSU CO., LTD.</p> <p>May 2017 Outside Director (Audit and Supervisory Committee Member), the Company (to present)</p> <p>September 2021 Outside Company Auditor, Customedia Co., Ltd. (to present)</p> <p>[Significant concurrent positions]</p> <p>Representative Director, Kuraguchi Certified Public Accountant Office</p> <p>Outside Company Auditor, Customedia Co., Ltd.</p>	0
	<p>[Length of service as Outside Director] 8 years</p> <p>[Attendance at Board of Directors meetings] 100% (16 out of 16 meetings)</p> <p>[Attendance at Audit and Supervisory Committee meetings] 100% (16 out of 16 meetings)</p> <p>[Reason for election and overview of expected role]</p> <p>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>		

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
3	Akiko Yakura (March 22, 1960) (65 years old) <div>New election</div> <div>Outside</div> <div>Independent</div>	April 1987 Registered as attorney-at-law (Osaka Bar Association) April 2000 Partner attorney-at-law, Aska Law Offices (to present) April 2013 Vice Chairperson, Osaka Bar Association, Governor, Japan Federation of Bar Associations June 2020 Outside Director (Member of the Audit and Supervisory Committee), Taoka Chemical Co., Ltd. (to present) January 2021 Outside Director, SHINTO PAINT CO.,LTD. (to present) April 2022 Vice Chairman, Japan Federation of Bar Associations [Significant concurrent positions] Partner attorney-at-law, Aska Law Offices Outside Director (Member of the Audit and Supervisory Committee), Taoka Chemical Co., Ltd. Outside Director, SHINTO PAINT CO.,LTD.	0
		[Length of service as Outside Director] - [Attendance at Board of Directors meetings] - [Attendance at Audit and Supervisory Committee meetings] - [Reason for election and overview of expected role] As Ms. Akiko Yakura 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 as a candidate for Outside Director who is an Audit and Supervisory Committee Member. While Ms. Yakura 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.	

[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. 2 and Proposal No. 3 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			●			●
Katsuhiko Aoki	●		●			
Akiko Yakura					●	●

< Shareholder Proposals: Proposals No. 4 and No. 5 >

Proposals No. 4 and No. 5 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 below (hereinafter “the Proposals for Amendment to the Articles of Incorporation”) 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 the Proposals for Amendment to the Articles of Incorporation shall be considered as if the necessary adjustments had already been made. See <https://stracap.jp/english/wp-content/uploads/2025/03/Shareholder-Proposal-to-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 below” refers to the proposal of Proposal No. 5.

Proposal No. 4: Appropriation of Surplus

1. Outline of the Proposal:

Matters concerning year-end dividends

(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 65th 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 2025 adopted by the day of the 65th 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 65th 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 65th Ordinary General Meeting of Shareholders.

(3) Effective date of appropriation of surplus

The day after the 65th 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 65th 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 November 2024, the Company’s equity ratio was approximately 68%, 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 (121 yen at the end of November 2024).

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 shareholder return policy is to maintain a 100% payout ratio, the Company's ROE as of February 29, 2024 was only 3.2%. Without fundamental management reforms, a significant improvement is not expected in the future. Given the Company's excessively high equity ratio, a payout ratio of 100% alone is insufficient, and a DOE of 6% should also be introduced as a shareholder return policy.

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

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

• **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 ensure its stable financial status and to meet financing needs for business development.

For the fiscal year ended February 28, 2025, we plan to propose a dividend of 100 yen per common share of the Company at the 65th Ordinary General Meeting of Shareholders scheduled for May 22, 2025, as announced in "Announcement of Dividends of Surplus" on April 11, 2025. If this proposal is approved and passed then, the Company will achieve a payout ratio exceeding 126%, which will be further enhanced shareholder returns ever than before.

To continue to enhance shareholder returns, the Company has established a policy of paying dividends of 100 yen or more each fiscal year for the three years from the fiscal year ending February 28, 2026, to the fiscal year ending February 29, 2028, and schedule to ensure stable returns to shareholders. This policy was presented under "Growth Investment Together with Shareholder Returns" in "Notice on the Establishment of the 2028 Medium-term Management Plan (Fiscal Year ending February 28, 2026, to Fiscal Year ending February 29, 2028)" announced on April 11, 2025.

• **Reasons**

As announced in the "Consolidated Financial Results for the Fiscal Year ended February 28, 2025 (Japanese GAAP)" on April 11, 2025, the Company intends to set dividends of 100 yen for the fiscal year ended February 28, 2025.

This proposal requests that dividends for the fiscal year ended February 28, 2025 be set at an amount equivalent to 6% DOE. The reasons for the proposal state that, if ROE is less than 6%, the payout ratio will be 100% or more, and through this, the Company should gradually reduce equity and improve capital efficiency. However, as described above, if the Company's proposal planned to be submitted to the 65th Ordinary General Meeting of Shareholders is approved and passed, the Company will achieve the result of a payout ratio exceeding 126%. Therefore, with this result, the Company believes it is able to achieve further enhanced shareholder returns for improving the Company's shareholder value, while considering the necessities to ensure its stable financial status and to meet financing needs for business development.

Proposal No. 5: Amendment to the Articles of Incorporation concerning the Establishment of a Review Committee for Shareholder Value Improvement and Privatization

1. Outline of the Proposal:

Add the following article to the current Articles of Incorporation.

Chapter 4 Directors and Board of Directors

(Review Committee for Shareholder Value Improvement and Privatization)

Article 29. The Board of Directors shall establish a Review Committee for Shareholder Value

Improvement and Privatization (hereinafter “the Committee” in this Article) under the Board of Directors to support decision-making by the Board of Directors.

2. The Committee shall be comprised of all Outside Directors of the Company.

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

4. The Committee shall be independent from the Company’s Board of Directors and shall carry out the activities including the Company’s going private specified below in order to improve the Company’s shareholder value.

(1) Hearing opinions from shareholders, 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 and measures for going private (hereinafter collectively referred to as “shareholder value improvement measures”) that contribute to improving the Company’s shareholder value

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

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

(4) In the event of a takeover bid of the Company, reviewing and determining the propriety of the bid; and the validity of the terms and conditions and the fairness of the procedures thereof, as a special committee independent of the acquirer as well as the success and failure of the proposed acquisition.

5. The Committee shall meet at least once a quarter, and may be convened by any Committee member. Resolutions by the 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 Regulations of the Review Committee for Shareholder Value Improvement and Privatization established by the Committee.

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

2. Reasons for the Proposal:

The Company’s PBR has been below 1 for a long time, and drastic management reforms are necessary. For example, as of the end of the FY ended February 29, 2024, the Company owned rental properties with a market value of 54.1 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.

However, despite repeated shareholder proposals for such measures, the Company has incorporated few of these proposals and has left the share price in the doldrums.

The Tokyo Stock Exchange has made it clear that it will be placing an emphasis on the quality of listed companies as opposed to the quantity, and an increasing number of companies have been going private due to rising listing costs. As long as the Company continues its current policy, its shareholder value cannot be expected to increase. In that case, the Company should go private.

Therefore, a committee should be established with Outside Directors as members, to review measures from a standpoint independent of the Board of Directors to improve the Company’s shareholder value, including going private

< 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'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 shareholder value as a listed company and will thus serve the interests of shareholders.

In this proposal, it is stated that the "Review Committee for Shareholder Value Improvement and Privatization" shall "be comprised of Outside Directors of the Company" and that the committee may "appoint external advisors at its discretion." However, the Company believes that including individuals with various knowledge as Outside Directors, and having them provide advice and suggestions that benefit shareholders, contribute to increasing the Company's shareholder value, without taking the trouble of establishing a new body.

• **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 the opinions and advice, 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 shareholder value. In addition, in the event of a takeover bid of the Company, an appropriate structure for considering the bid can be established based on the details, etc. of the bid. Therefore, the Company considers the establishment of a new body such as the "Review Committee for Shareholder Value Improvement and Privatization" 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 continuing to generate stable revenue under its 2028 Medium-term Management Plan announced in April 2025. The Company considers that continuing the real estate leasing business will contribute to stable shareholder returns in the future.

End of Document

Consolidated Financial Statements

Consolidated Balance Sheet

(As of February 28, 2025)

(Millions of yen)

Description	Amount	Description	Amount
Assets		Liabilities	
Current assets	50,036	Current liabilities	22,206
Cash and deposits	21,183	Notes and accounts payable - trade	6,561
Notes receivable – trade	2,900	Electronically recorded obligations - operating	3,626
Electronically recorded monetary claims - operating	4,487	Short-term borrowings	168
Accounts receivable – trade	11,717	Current portion of long-term borrowings	152
Lease receivables and investments in leases, net	2,519	Lease liabilities	30
Securities	1,600	Income taxes payable	1,382
Merchandise and finished goods	4,407	Provision for bonuses	556
Work in process	103	Provision for product warranties	21
Raw materials and supplies	186	Provision for shareholder benefit program	386
Other	994	Other	9,319
Allowance for doubtful accounts	(65)	Non-current liabilities	21,891
Non-current assets	95,982	Long-term borrowings	403
Property, plant and equipment	77,112	Lease liabilities	77
Assets for rent	14,831	Deferred tax liabilities	3,003
Real estate for rent	39,029	Deferred tax liabilities for land revaluation	435
Buildings and structures	10,410	Provision for share based compensation expenses for directors	81
Land	11,961	Provision for retirement benefits for directors (and other officers)	156
Leased assets	50	Retirement benefit liability	415
Other	828	Long-term accounts payable - facilities	13,386
Intangible assets	10,701	Other	3,931
Goodwill	5,835	Total liabilities	44,097
Customer-related intangible assets	3,959	Net assets	
Other	907	Shareholders' equity	100,373
Investments and other assets	8,168	Share capital	13,821
Investment securities	4,899	Capital surplus	16,627
Retirement benefit asset	1,188	Retained earnings	73,229
Deferred tax assets	242	Treasury shares	(3,304)
Other	2,475	Accumulated other comprehensive income	219
Allowance for doubtful accounts	(636)	Valuation difference on available-for-sale securities	1,954
Total assets	146,019	Deferred gains or losses on hedges	153
		Revaluation reserve for land	(2,144)
		Remeasurements of defined benefit plans	255
		Non-controlling interests	1,328
		Total net assets	101,921
		Total liabilities and net assets	146,019

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

Consolidated Statement of Income

(March 1, 2024 – February 28, 2025)

(Millions of yen)

Description	Amount	
Net sales		92,321
Cost of sales		65,423
Gross profit		26,897
Selling, general and administrative expenses		20,506
Operating profit		6,390
Non-operating income		
Interest income	10	
Dividend income	151	
Purchase discounts	36	
Gain on investments in investment partnerships	29	
Other	127	354
Non-operating expenses		
Interest expenses	203	
Foreign exchange losses	7	
Other	26	238
Ordinary profit		6,506
Extraordinary income		
Gain on sale of non-current assets	1	
Gain on bargain purchase	57	
Other	1	60
Extraordinary losses		
Loss on retirement of non-current assets	56	
Retirement benefits for directors (and other officers)	18	
Other	0	75
Profit before income taxes		6,492
Income taxes - current	2,468	
Income taxes - deferred	22	2,490
Profit		4,002
Profit attributable to non-controlling interests		89
Profit attributable to owners of parent		3,912

(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, 2025)

(Millions of yen)

Description	Amount	Description	Amount
Assets		Liabilities	
Current assets	33,257	Current liabilities	17,350
Cash and deposits	14,155	Notes payable - trade	164
Notes receivable – trade	2,176	Electronically recorded obligations - operating	3,626
Electronically recorded monetary claims - operating	3,223	Accounts payable - trade	2,991
Accounts receivable – trade	7,289	Accounts payable - other	440
Lease receivables and investments in leases, net	2,519	Income taxes payable	797
Securities	1,600	Accrued consumption taxes	581
Merchandise	1,882	Provision for bonuses	340
Supplies	88	Provision for shareholder benefit program	386
Other	336	Accounts payable - facilities	4,243
Allowance for doubtful accounts	(16)	Other	3,777
Non-current assets	97,871	Non-current liabilities	14,632
Property, plant and equipment	62,091	Deferred tax liabilities	905
Assets for rent	8,018	Deferred tax liabilities for land revaluation	435
Real estate for rent	38,271	Provision for retirement benefits	0
Buildings	5,371	Provision for share based compensation expenses for directors	81
Structures	1,921	Long-term deposits received	40
Land	8,190	Long-term accounts payable - facilities	9,649
Other	318	Guarantee deposits received	2,587
Intangible assets	431	Other	930
Leasehold right	152	Total liabilities	31,982
Other	278	Net assets	
Investments and other assets	35,348	Shareholders' equity	99,341
Investment securities	4,867	Share capital	13,821
Shares of subsidiaries and associates	26,912	Capital surplus	16,627
Lease and guarantee deposits	632	Legal capital surplus	15,329
Prepaid pension costs	820	Other capital surplus	1,297
Other	2,639	Retained earnings	72,197
Allowance for doubtful accounts	(522)	Legal retained earnings	1,182
		Other retained earnings	71,014
		Reserve for reduction entry of buildings	425
		Reserve for reduction entry of land	91
		General reserve	42,000
		Retained earnings brought forward	28,497
		Treasury shares	(3,304)
		Valuation and translation adjustments	(195)
		Valuation difference on available-for-sale securities	1,948
		Revaluation reserve for land	(2,144)
		Total net assets	99,146
Total assets	131,128	Total liabilities and net assets	131,128

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

Non-consolidated Statement of Income

(March 1, 2024 – February 28, 2025)

(Millions of yen)

Description	Amount	
Net sales		58,707
Cost of sales		44,024
Gross profit		14,682
Selling, general and administrative expenses		9,942
Operating profit		4,739
Non-operating income		
Interest income	17	
Dividend income	149	
Purchase discounts	36	
Other	284	487
Non-operating expenses		
Interest expenses	147	
Foreign exchange losses	2	
Other	26	177
Ordinary profit		5,050
Extraordinary income		
Gain on sale of non-current assets	1	1
Extraordinary losses		
Loss on retirement of non-current assets	55	55
Profit before income taxes		4,996
Income taxes - current	1,440	
Income taxes - deferred	214	1,654
Profit		3,341

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