

To All Shareholders With Voting Rights

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

NOTICE OF THE 38TH ANNUAL MEETING OF SHAREHOLDERS

Dear Shareholders:

Please be informed that the 38th Annual Meeting of Shareholders of MEIKO NETWORK JAPAN CO., LTD. (hereinafter the “Company”) shall be held as described below.

Ensuring the safety of shareholders is the Company’s top priority. Therefore, in order to prevent the spread of COVID-19, all shareholders are encouraged to exercise their voting rights beforehand in writing or via the Internet, etc. Please review the Reference Documents for the Annual Meeting of Shareholders, and cast your vote by 6:00 p.m. on Thursday, November 17, 2022 Japan time.

1. Date and Time: Friday, November 18, 2022 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:
 1. Business Report, Consolidated Financial Statements for the 38th term (from September 1, 2021 to August 31, 2022) 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 38th term (from September 1, 2021 to August 31, 2022)
- Proposals to be resolved:
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|-----------------|---|
| Proposal No. 1: | Partial Amendments to the Articles of Incorporation |
| Proposal No. 2: | Election of Five (5) 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 |
| Proposal No. 4: | Determination of Amount of Compensation, etc. for Directors (Excluding Directors Who Are Audit and Supervisory Committee Members) |
| Proposal No. 5: | Determination of Amount of Compensation, etc. for Directors Who Are Audit and Supervisory Committee Members |
| Proposal No. 6: | Determination of Amount and Details of Performance-Based Stock Compensation, etc. for Directors (Excluding Directors Who Are Audit and Supervisory Committee Members and Outside Directors) |

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- ◎ As seats will be placed a distance apart, there will be a limited number of seats available. Therefore, some attendees may be refused entry on the day. Your kind understanding on this matter 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 (<https://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. They are included in the Business Report, the Consolidated Financial Statements and the Non-consolidated Financial Statements, which were audited by Corporate Auditors in the preparation of the audit report, and by the Accounting Auditor in the preparation of the accounting audit report.
 - ◎ If there are any changes to the Reference Documents for the 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 (<https://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. In addition, 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, etc.

Exercise of Voting Rights in Writing

Please indicate your approval or disapproval for each proposal, and send us your response.
For each proposal, if there is no indication of an approval or disapproval, the vote shall be treated as an approval.

To be received by the Company by Thursday, November 17, 2022 at 6:00 p.m.

Exercise of Voting Rights via the Internet

Please access the following website for exercising voting rights and exercise your voting rights.
<https://www.web54.net>

Thursday, November 17, 2022 at 6:00 p.m.

Inquiries (Toll-free number)

Transfer Agency Web Support Service, Sumitomo Mitsui Trust Bank, Limited

Telephone number: 0120-652-031 (available from 9:00 a.m. to 9:00 p.m.)

Exercise of Voting Rights by Attending Meeting in Person

Please submit the enclosed Voting Right Exercise Form to the reception at the venue.
Please bring this Notice with you on the day.

Friday, November 18, 2022 at 10:00 a.m.

Exercising voting rights is easy with “smart exercising.”

You can exercise your voting rights simply by using your smartphone to read the QR code on the Voting Right Exercise Form.

*1 Depending on the type of device used, the internet connection, etc., there may be cases where this service is unavailable.

*2 After the first login, an ID and password will be required.

For Institutional Investors

For shareholders whose names are listed on the shareholder register such as management trust banks (including the standing proxy), institutional investors can use an electronic platform run by ICJ, Inc. for the exercise of voting rights, subject to prior application and registration.

Measures to Prevent the Spread of COVID-19

From the perspective of preventing the spread of COVID-19, for this year’s Annual Meeting of Shareholders, all shareholders are encouraged to exercise their voting rights in advance. Depending on the situation going forward, if any major changes are made to the operations, etc. of the Annual Meeting of Shareholders, the changes shall be posted on the Company’s website.
<https://www.meikonet.co.jp>

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

- (1) The Company seeks to make a transition from a company with a board of corporate auditors to a company with an audit and supervisory committee, with the aim to further enhance its corporate governance and improve its corporate value by strengthening its audit and supervisory functions through the exercise of voting rights by Directors who are Audit and Supervisory Committee members at the Board of Directors as well as enabling speedy decision-making and business execution through the delegation of authority from the Board of Directors to Directors. To effect this transition, the Company proposes to make changes necessary for the transition to a company with an audit and supervisory committee, including the establishment of new provisions concerning Directors who are Audit and Supervisory Committee members and the Audit and Supervisory Committee, and the deletion of provisions concerning Corporate Auditors and the Board of Corporate Auditors. In addition, the Company will make necessary changes such as correction of wording following the changes described above.
- (2) The “Act for Partially Amending the Industrial Competitiveness Enhancement Act and Other Related Acts” (Act No. 70 of 2021) was enforced on June 16, 2021, enabling listed companies, subject to certain requirements, to hold a general meeting of shareholders without a designated location (hereinafter a “virtual-only general meeting of shareholders”), as long as it is stipulated to that effect in their articles of incorporation.
Therefore, the Company proposes to add Article 12, Paragraph 2 in the amended Articles of Incorporation so that a virtual-only general meeting of shareholders can be held when the Board of Directors determines that it is not appropriate to hold a general meeting of shareholders with a designated location.
In connection with this change, the Company has received confirmation from the Minister of Economy, Trade and Industry and the Minister of Justice that the above requirements stipulated by the Ordinance of the Ministry of Economy, Trade and Industry and the Ordinance of the Ministry of Justice have been met.
- (3) The amended provisions stipulated in the proviso to Article 1 of the supplementary provisions of the “Act Partially Amending the Companies Act” (Act No. 70 of 2019) were enforced on September 1, 2022, introducing the system for electronic provision of materials for general meetings of shareholders. Accordingly, the Company proposes to establish a new provision concerning measures for electronic provision and a provision to limit the scope of the matters to be included in the paper copy to be sent to shareholders who have requested it, delete the provisions related to the Internet disclosure and deemed provision of the reference documents for the general meeting of shareholders, etc., and establish new supplementary provisions for transitional measures.
- (4) In addition, the Company will make necessary amendments such as changes to the numbering of its Articles of Incorporation and correction of wording following the respective changes described above.

2. Details of the Amendments

The details of the amendments are as follows.

The amendments to the Articles of Incorporation pertaining to this proposal shall come into force at the conclusion of this Annual Meeting of Shareholders. Additionally, the amendments to the Articles of Incorporation associated with the introduction of the system for electronic provision of materials for general meetings of shareholders in 1. (3) above shall come into force pursuant to the supplementary provisions on transitional measures.

(Amended parts are underlined)

Current Articles of Incorporation	Proposed Amendments
CHAPTER I. GENERAL PROVISIONS	CHAPTER I. GENERAL PROVISIONS
Article 1. to 3. (Omitted)	Article 1. to 3. (Unchanged)
(Organization)	(Organization)
Article 4. The Company shall have the following bodies in addition to the general meeting of shareholders and Directors.	Article 4. The Company shall have the following bodies in addition to the general meeting of shareholders and Directors.
1. Board of Directors	1. Board of Directors
2. <u>Corporate Auditors</u>	2. <u>Audit and Supervisory Committee</u>
3. <u>Board of Corporate Auditors</u>	(Deleted)
4. <u>Accounting Auditor</u>	3. <u>Accounting Auditor</u>
Article 5. (Omitted)	Article 5. (Unchanged)
CHAPTER II. SHARES	CHAPTER II. SHARES
Article 6. to 11. (Omitted)	Article 6. to 11. (Unchanged)
CHAPTER III. GENERAL MEETING OF SHAREHOLDERS	CHAPTER III. GENERAL MEETING OF SHAREHOLDERS
(Convocation)	(Convocation)
Article 12. (Omitted) (Newly established)	Article 12. (Unchanged)
	2. <u>If the Board of Directors determines that it is not appropriate to hold a general meeting of shareholders with a designated location in the interests of shareholders, the general meeting of shareholders of the Company may be held without a designated location.</u>
Article 13. to 14. (Omitted)	Article 13. to 14. (Unchanged)
<u>(Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, etc.)</u>	(Deleted)
Article 15. <u>The Company may, when convening a general meeting of shareholders, deem that it has provided information to shareholders pertaining to matters to be described or indicated in the reference documents for the general meeting of shareholders, business report, non-consolidated financial statements, and consolidated financial statements, by disclosing such information through the internet in accordance with the provisions provided in the Ordinance of the Ministry of Justice.</u>	

Reference Documents for the Annual Meeting of Shareholders

Current Articles of Incorporation	Proposed Amendments
(Newly established)	<u>(Measures for Electronic Provision, etc.)</u>
	<u>Article 15. The Company shall, when convening a general meeting of shareholders, provide information contained in the reference documents for the general meeting of shareholders, etc. electronically.</u>
	<u>2. Among the matters to be provided electronically, the Company may choose not to include all or part of the matters stipulated in the Ordinance of the Ministry of Justice in the paper copy to be sent to shareholders who have requested it by the record date for voting rights.</u>
Article 16. to 17. (Omitted)	Article 16. to 17. (Unchanged)
CHAPTER IV. DIRECTORS AND BOARD OF DIRECTORS	CHAPTER IV. DIRECTORS AND BOARD OF DIRECTORS
(Number of Directors)	(Number of Directors)
Article 18. The number of Directors of the Company shall not exceed ten (10).	Article 18. The number of Directors <u>(excluding Directors who are Audit and Supervisory Committee members)</u> of the Company shall not exceed ten (10).
(Newly established)	<u>2. The number of Directors who are Audit and Supervisory Committee members of the Company shall not exceed five (5).</u>
(Election)	(Election)
Article 19. Directors shall be elected at a general meeting of shareholders.	Article 19. Directors shall be elected at a general meeting of shareholders <u>by separating Directors who are Audit and Supervisory Committee members from other Directors.</u>
2. (Omitted)	2. (Unchanged)
3. (Omitted)	3. (Unchanged)
(Dismissal)	(Dismissal)
Article 20. Directors may be dismissed by a resolution of a general meeting of shareholders.	Article 20. Directors may be dismissed by a resolution of a general meeting of shareholders <u>by separating Directors who are Audit and Supervisory Committee members from other Directors.</u>
2. (Omitted)	2. (Unchanged)
(Terms of Office)	(Terms of Office)
Article 21. The terms of office of Directors shall expire at the close of the annual meeting of shareholders relating to the last fiscal year ending within one (1) year after their election.	Article 21. The terms of office of Directors <u>(excluding Directors who are Audit and Supervisory Committee members)</u> shall expire at the close of the annual meeting of shareholders relating to the last fiscal year ending within one (1) year after their election.
(Newly established)	<u>2. The terms of office of Directors who are Audit and Supervisory Committee members shall expire at the close of the annual meeting of shareholders relating to the last fiscal year ending within two (2) years after their election.</u>

Current Articles of Incorporation	Proposed Amendments
(Newly established)	
<p>(Convocation of the Board of Directors Meetings)</p> <p>Article 22. (Omitted)</p> <p>2. (Omitted)</p> <p>3. A notice for convening a Board of Directors meeting shall be given to each Director <u>and Corporate Auditor</u> no later than three (3) days prior to the date of the meeting; however, in the case of an emergency, this period may be shortened.</p> <p>4. A meeting of the Board of Directors may be held without taking the convocation procedures with the consent of all Directors <u>and Corporate Auditors</u>.</p>	<p>3. <u>The term of office of a Director who is an Audit and Supervisory Committee member elected to fill a vacancy created by the resignation of a Director who is an Audit and Supervisory Committee member before the end of his/her term of office shall expire when the term of office of the resigned Director who is an Audit and Supervisory Committee member would have expired.</u></p> <p>(Convocation of the Board of Directors Meetings)</p> <p>Article 22. (Unchanged)</p> <p>2. (Unchanged)</p> <p>3. A notice for convening a Board of Directors meeting shall be given to each Director no later than three (3) days prior to the date of the meeting; however, in the case of an emergency, this period may be shortened.</p> <p>4. A meeting of the Board of Directors may be held without taking the convocation procedures with the consent of all Directors.</p>
(Representative Directors and Directors with Title)	(Representative Directors and Directors with Title)
<p>Article 23. The Board of Directors shall, by its resolution, appoint Representative Directors.</p> <p>2. The Board of Directors may appoint by resolution one (1) Chairman and Director, one (1) Vice Chairman and Director, one (1) President and Director, several Vice President and Directors, Senior Managing Directors and Managing Directors.</p>	<p>Article 23. The Board of Directors shall, by its resolution, appoint Representative Directors <u>from among Directors (excluding Directors who are Audit and Supervisory Committee members)</u>.</p> <p>2. The Board of Directors may appoint by resolution one (1) Chairman and Director, one (1) Vice Chairman and Director, one (1) President and Director, several Vice President and Directors, Senior Managing Directors and Managing Directors, <u>from among Directors (excluding Directors who are Audit and Supervisory Committee members)</u>.</p>
(Newly established)	
	<p><u>(Delegation of Decision-making Authority on the Execution of Important Business)</u></p> <p>Article 24. <u>Pursuant to the provisions of Article 399-13, Paragraph 6 of the Companies Act, the Board of Directors may, by its resolution, delegate to Directors all or part of decision-making authority regarding the execution of important business (excluding the matters set forth in each item of Article 399-13, Paragraph 5 of the Companies Act).</u></p>
(Omitted)	
<p>Article 24. to 25. (Omitted)</p>	<p>Article 25. to 26. (Unchanged)</p>

Reference Documents for the Annual Meeting of Shareholders

Current Articles of Incorporation	Proposed Amendments
<p>(Compensation, etc.) Article <u>26</u>. Compensation, bonus, and other property benefits Directors receive from the Company as consideration for the execution of their duties (<u>hereinafter referred to as "compensation, etc."</u>) shall be determined by a resolution of a general meeting of shareholders.</p>	<p>(Compensation, etc.) Article <u>27</u>. Compensation, bonus, and other property benefits Directors receive from the Company as consideration for the execution of their duties shall be determined by a resolution of a general meeting of shareholders <u>by separating Directors who are Audit and Supervisory Committee members from other Directors.</u></p>
<p>Article <u>27</u>. (Omitted)</p>	<p>Article <u>28</u>. (Unchanged)</p>
<p>CHAPTER V. CORPORATE AUDITORS AND BOARD OF CORPORATE AUDITORS</p>	<p>(Deleted)</p>
<p>(Number of Corporate Auditors) Article <u>28</u>. <u>The number of Corporate Auditors of the Company shall not exceed five (5).</u></p>	<p>(Deleted)</p>
<p>(Election) Article <u>29</u>. <u>Corporate Auditors shall be elected at a general meeting of shareholders.</u> <u>2. The resolution for the election of Corporate Auditors shall require the presence of shareholders representing at least one-third (1/3) of the voting rights of the shareholders who may exercise voting rights and a majority vote thereof.</u></p>	<p>(Deleted)</p>
<p>(Dismissal) Article <u>30</u>. <u>Corporate Auditors may be dismissed by a resolution of a general meeting of shareholders.</u> <u>2. The dismissal of Corporate Auditors shall require the presence of shareholders representing at least one-third (1/3) of the voting rights of the shareholders who may exercise voting rights and at least two-thirds (2/3) of their voting rights.</u></p>	<p>(Deleted)</p>
<p>(Terms of Office) Article <u>31</u>. <u>The terms of office of Corporate Auditors shall expire at the close of the annual meeting of shareholders relating to the last fiscal year ending within four (4) years after the election.</u> <u>2. The term of office of a Corporate Auditor elected to fill a vacancy created by the resignation of a Corporate Auditor before the end of his/her term of office shall expire when the term of office of the resigned Corporate Auditor would have expired.</u></p>	<p>(Deleted)</p>

Current Articles of Incorporation	Proposed Amendments
<p>(Full-time Corporate Auditors) <u>Article 32. The Board of Corporate Auditors shall, by its resolution, appoint full-time Corporate Auditors.</u></p>	(Deleted)
<p>(Convocation of the Board of Corporate Auditors Meetings) <u>Article 33. A notice for convening a Board of Corporate Auditors meeting shall be given to each Corporate Auditor no later than three (3) days prior to the date of the meeting; however, in the case of an emergency, this period may be shortened.</u> <u>2. A meeting of the Board of Corporate Auditors may be held without taking the convocation procedures with the consent of all Corporate Auditors.</u></p>	(Deleted)
<p>(Regulations of the Board of Corporate Auditors) <u>Article 34. Matters concerning the Board of Corporate Auditors shall be governed by the regulations of the Board of Corporate Auditors established by the Board of Corporate Auditors, in addition to laws and regulations and these Articles of Incorporation.</u></p>	(Deleted)
<p>(Compensation, etc.) <u>Article 35. Compensation, etc. for Corporate Auditors shall be determined by a resolution of a general meeting of shareholders.</u></p>	(Deleted)
<p>(Exemption from Liability of Corporate Auditors) <u>Article 36. Pursuant to the provisions of Article 426, Paragraph 1 of the Companies Act, the Company may, by a resolution of the Board of Directors, exempt Corporate Auditors (including those who were Corporate Auditors) from liability for damages arising from negligence in the performance of his/her duties, to the extent permitted by laws and regulations.</u> <u>2. Pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, the Company may enter into an agreement with each of the Corporate Auditors that limits any liability for damages arising from negligence in the performance of his/her duties, provided, however, that the limit of the liability shall be an amount set by laws and regulations.</u></p>	(Deleted)
<p>(Newly established)</p>	<p><u>CHAPTER V. AUDIT AND SUPERVISORY COMMITTEE</u></p>
<p>(Newly established)</p>	<p>(Full-time Audit and Supervisory Committee Members) <u>Article 29. The Audit and Supervisory Committee may, by its resolution, appoint full-time Audit and Supervisory Committee members.</u></p>

Reference Documents for the Annual Meeting of Shareholders

Current Articles of Incorporation	Proposed Amendments
(Newly established)	<p><u>(Convocation of the Audit and Supervisory Committee Meetings)</u> <u>Article 30. A notice for convening an Audit and Supervisory Committee meeting shall be given to each Audit and Supervisory Committee member no later than three (3) days prior to the date of the meeting; however, in the case of an emergency, this period may be shortened.</u> <u>2. A meeting of the Audit and Supervisory Committee may be held without taking the convocation procedures with the consent of all Audit and Supervisory Committee members.</u></p>
(Newly established)	<p><u>(Regulations of the Audit and Supervisory Committee)</u> <u>Article 31. Matters concerning the Audit and Supervisory Committee shall be governed by the regulations of the Audit and Supervisory Committee established by the Audit and Supervisory Committee, in addition to laws and regulations and these Articles of Incorporation.</u></p>
<u>CHAPTER VI. ACCOUNTS</u>	<u>CHAPTER VI. ACCOUNTS</u>
Article <u>37. to 40.</u> (Omitted)	Article <u>32. to 35.</u> (Unchanged)
Supplementary Provisions	Supplementary Provisions
Article 1. <u>The preparation, keeping, and other administrative tasks of the Company's registry of lost share certificates shall be entrusted to the administrator of the shareholder register and shall not be handled by the Company.</u>	(Deleted)
(Newly established)	<p><u>(Exemption from Liability of Corporate Auditors)</u> <u>Article 1. Pursuant to the provisions of Article 426, Paragraph 1 of the Companies Act, the Company may, by a resolution of the Board of Directors, exempt Corporate Auditors (including those who were Corporate Auditors) from liability for damages arising from negligence in the performance of his/her duties prior to the close of the 38th Annual Meeting of Shareholders, to the extent permitted by laws and regulations.</u></p>

Current Articles of Incorporation	Proposed Amendments
(Newly established)	<p data-bbox="815 521 1249 546"><u>(Transitional Measures for Electronic Provision, etc.)</u></p> <p data-bbox="815 551 1369 891"><u>Article 2. Article 15 (Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, etc.) of the Articles of Incorporation in place prior to the amendments resolved at the 38th Annual Meeting of Shareholders shall remain in force with respect to a general meeting of shareholders to be held on a date within six months from September 1, 2022, which is the date of enforcement of the amended provisions stipulated in the proviso to Article 1 of the supplementary provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019) (hereinafter referred to as the "Effective Date").</u></p> <p data-bbox="884 896 1375 1030"><u>2. This article shall be deleted after the lapse of six (6) months from the Effective Date or the lapse of three (3) months from the date of the general meeting of shareholders set forth in the preceding paragraph, whichever is later.</u></p>

Reference Documents for the Annual Meeting of Shareholders

Proposal No. 2

Election of Five (5) Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

If Proposal No. 1 “Partial Amendments to the Articles of Incorporation” is approved and passed as originally proposed, the Company will make the transition to a company with an audit and supervisory committee. Furthermore, all six (6) Directors will retire due to the expiration of their terms of office when the amendments to the Articles of Incorporation become effective. Accordingly, the election of five (5) Directors (excluding Directors who are Audit and Supervisory Committee members; the same shall apply hereinafter in this proposal) after the transition to a company with an audit and supervisory committee is proposed.

This proposal, however, can only take effect on condition that the amendments to the Articles of Incorporation in Proposal No. 1 “Partial Amendments to the Articles of Incorporation” take effect.

The candidates are as follows:

No.	Name		Position in the Company	Number of years in office	Board of Directors meetings attendance
1	Hirotake Watanabe	Reappointment	Chairperson and Director	38 years	100% (18/18 times)
2	Kazuhiro Yamashita	Reappointment	President and Representative Director	15 years	100% (18/18 times)
3	Kotaro Okamoto	Reappointment	Senior Managing Director	2 years	100% (18/18 times)
4	Dai Komiyama	Reappointment	Director	2 years	100% (18/18 times)
5	Yasutada Taniguchi	Newly appointed	Executive Officer	-	-

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

Reappointment

Number of the Company's shares held

1,714,100 shares

Board of Directors meetings attendance

100% (18/18 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
Nov. 2018: Chairperson and Director (present)

[Important concurrent posts]

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

■ **Reasons for selection as a candidate for Director**

Mr. Hirotake Watanabe has been leading the management of the Company as Representative Director since the Company was founded in September 1984. He has made contribution to the enhancement of corporate value of the Company mainly by opening Meikogijuku franchise individual tutoring cram schools nationwide.

The Company expects that based on his philosophy as a founder and strong leadership, he will be able to continue contributing to further growth of the Company and the enhancement of corporate value, and therefore proposes the reelection of the candidate as Director of the Company.

Reference Documents for the Annual Meeting of Shareholders

No. **2** Kazuhito Yamashita (Date of birth: Dec. 7, 1959)

Reappointment

Number of the Company's shares held	■ Brief personal record, position, responsibilities and important concurrent posts
32,000 shares	<p>Mar. 2007: Joined the Company</p> <p>Nov. 2007: Director</p> <p>Nov. 2008: Managing Director</p> <p>Sept. 2012: General Manager, Kobetsu School Business In charge of Soccer School Business Division, in charge of Meiko Kids Business Division and in charge of Business Development Division</p> <p>Jul. 2013: General Manager, Business Development Headquarters</p> <p>Sept. 2014: General Manager, Meikogijuku Business Headquarters (present) In charge of FC Business Development Division</p> <p>Nov. 2014: Senior Managing Director</p> <p>Nov. 2015: Vice President and Director</p> <p>Nov. 2018: President and Representative Director (present)</p>
Board of Directors meetings attendance	■ Important concurrent posts
100% (18/18 times)	<p>Councilor of MEIKO KYOIKU KENKYUJO (Public Interest Incorporated Foundation)</p>

■ Reasons for selection as a candidate for Director

Mr. Kazuhito Yamashita has abundant knowledge and experience accumulated as a corporate manager. As the candidate has been substantially contributing to the enhancement of corporate value of the Company as President and Representative Director, the Company has determined that he will lead the overall management of the Company going forward, and therefore proposes the reelection of the candidate as Director of the Company.

No. **3** Kotaro Okamoto (Date of birth: October 31, 1970)

Reappointment

Number of the Company's shares held

3,400 shares

Board of Directors meetings attendance

100% (18/18 times)

Brief personal record, position, responsibilities and important concurrent posts

Sept. 1995: Joined Nissho Motors Co. Ltd. (ONIX)
Apr. 2002: Director of Nissho Motors Co. Ltd.
Apr. 2004: President and Representative Director of Nissho Motors Co. Ltd.
Feb. 2005: Joined Carlets Co., Ltd., President and Representative Director
Jun. 2008: Joined Krispy Kreme Doughnuts Japan, Inc., Executive Officer and COO
Mar. 2012: President and Representative Director of Krispy Kreme Doughnuts Japan, Inc.
Apr. 2017: Partner of GrowthPoint Equity LLP
Jul. 2020: Joined the Company, Counselor
Oct. 2020: Director of KOTOH & COMPANY CO., LTD (present)
Nov. 2020: Senior Managing Director (present)
Sept. 2021: General Manager, Kids Business Headquarters (present)
Apr. 2022: Director of Simple Inc. (present)

[Important concurrent posts]

Director of KOTOH & COMPANY CO., LTD
Director of Simple Inc.

Reasons for selection as a candidate for Director

Mr. Kotaro Okamoto has a track record of managing three corporations as President and Representative Director. In addition to his experience as a corporate manager, the candidate has abundant knowledge of accounting. The Company has determined that he will be able to contribute to further growth of the Company and the enhancement of corporate value, and therefore proposes the reelection of the candidate as Director of the Company.

Reference Documents for the Annual Meeting of Shareholders

No. **4** Dai Komiyama (Date of birth: October 19, 1975)

Reappointment

Number of the Company's shares held

1,700 shares

Board of Directors meetings attendance

100% (18/18 times)

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

- Oct. 2013: President and Representative Director of MAXIS Holdings Inc. (current MAXIS Education Inc.)
- Nov. 2018: Joined the Company, Executive Officer, in charge of Academic Division
- Oct. 2019: In charge of Cram School Development Headquarters
- Apr. 2020: Deputy General Manager of Meikogijuku Business Headquarters (present)
Chairperson and Representative Director of MAXIS Education Inc. (present)
- Aug. 2020: General Manager, Kobetsu School Business of the Company
- Nov. 2020: Director (present)

■ **[Important concurrent posts]**

Chairperson and Representative Director of MAXIS Education Inc.

■ **Reasons for selection as a candidate for Director**

Mr. Dai Komiyama has abundant knowledge and experience of franchising business. The candidate also has abundant experience in and broad insight into the education industry and the field of human resource development. The Company expects that based on his abundant experience and broad insight, he will be able to continue contributing to further enhancement of corporate value, and therefore proposes the reelection of the candidate as Director of the Company.

No. **5** Yasutada Taniguchi (Date of birth: Apr. 9, 1974)

Newly appointed

Number of the Company's shares held

1,000 shares

Board of Directors meetings attendance

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

Apr. 1998: Joined Nippon Telegraph and Telephone Corporation (NTT)
Apr. 2004: Transferred to NTT Resonant Inc.
Nov. 2010: Transferred to NTT Communications Corporation
Mar. 2021: Joined the Company, General Manager of DX Promotion Office
Jun. 2021: Executive Officer, General Manager of DX Promotion Office
Jul. 2021: Executive Officer, General Manager of DX Strategy Division (present)
Sept. 2021: Executive Officer, General Manager of Marketing Department
Apr. 2022: Executive Officer, General Manager of Information Systems Department
Jun. 2022: President Representative Director of Go Good Co., Ltd. (present)

[Important concurrent posts]

President Representative Director of Go Good Co., Ltd.

■ **Reasons for selection as a candidate for Director**

Mr. Yasutada Taniguchi has a profound knowledge of DX/IT as well as digital marketing and abundant experience in transforming business processes and business models through the acceleration of DX. The Company has determined that he is an appropriate person to play a role in realizing further growth of the Company and enhancement of corporate value, and therefore selected him as a candidate for Director of the Company.

Reference Documents for the Annual Meeting of Shareholders

- (Notes)
1. None of the candidates for Directors have special conflict of interest with the Company.
 2. The Company has entered into a directors and officers liability insurance contract with an insurance company, which covers Directors as the insured persons, as stipulated in Article 430-3, Paragraph 1 of the Companies Act. The insurance contract covers damages and litigation expenses to be borne by the insureds in the event that a claim for damages is made against the insured due to an act (including omission) committed by the insured in his/her capacity as a director or officer of the Company. The insurance premiums are fully borne by the Company. The candidates for Directors will be insured by the insurance contract upon the approval on their appointment. The Company plans to renew the insurance contract with the same terms and conditions during their terms of office.

Proposal No. 3

Election of Four (4) Directors Who Are Audit and Supervisory Committee Members

If Proposal No. 1 “Partial Amendments to the Articles of Incorporation” is approved and passed as originally proposed, the Company will make the transition to a company with an audit and supervisory committee. Accordingly, the election of four (4) Directors who are Audit and Supervisory Committee members is proposed. Consent has been obtained from the Board of Corporate Auditors for this proposal.

This proposal, however, can only take effect on condition that the amendments to the Articles of Incorporation in Proposal No. 1 “Partial Amendments to the Articles of Incorporation” take effect.

The candidates are as follows:

No. **1** **Hiroshi Jinza** (Date of birth: Nov. 22, 1956)

Newly appointed

Outside Director

Number of the Company’s shares held

- shares

Board of Directors meetings attendance

100% (18/18 times)

Board of Corporate Auditors meetings attendance

100% (18/18 times)

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

Apr. 1980: Joined The Mitsubishi Bank, Ltd. (current MUFG Bank, Ltd.)
Jul. 2004: Manager, Los Angeles Branch of The Bank of Tokyo-Mitsubishi, Ltd. (current MUFG Bank, Ltd.)
May. 2006: General Manager, Americas Planning Division, Americas Group of The Bank of Tokyo-Mitsubishi UFJ, Ltd. (current MUFG Bank, Ltd.)
Feb. 2008: Manager, Marunouchi Branch of The Bank of Tokyo-Mitsubishi UFJ, Ltd. (current MUFG Bank, Ltd.)
Jan. 2010: Executive Officer and General Manager, International Division of ITOKI CORPORATION
Jan. 2013: Managing Executive Officer and General Manager, International Group of ITOKI CORPORATION
Dec. 2020: Retired from ITOKI CORPORATION
Mar. 2021: Corporate Auditor (part-time) of the Company (present)

■ Reasons for selection as a candidate for Outside Director who is an Audit and Supervisory Committee member and expected roles

Mr. Hiroshi Jinza has a wealth of experience and knowledge in banking, finance and corporate management gained from his long years of service at financial institutions, etc. In addition, expecting the candidate to duly provide effective advice and opinion on important management issues of the Company from a global perspective based on his working experience overseas, the Company has determined that the candidate will be capable of enhancing audit effectiveness in the Company, along with monitoring overall management, and thereby proposes the election of the candidate as Outside Director who is an Audit and Supervisory Committee member.

Mr. Hiroshi Jinza will have served as Outside Corporate Auditor of the Company for 1 year and 8 months at the conclusion of this Annual Meeting of Shareholders.

Reference Documents for the Annual Meeting of Shareholders

No.

2

Nanako Aono (Date of birth: Jan. 15, 1962)

Newly appointed

Outside Director

Number of the Company's shares held

- shares

Board of Directors meetings attendance

100% (18/18 times)

Board of Corporate Auditors meetings attendance

100% (18/18 times)

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

- Apr. 1984: Joined The Nikko Securities Co., Ltd. (current SMBC Nikko Securities Inc.)
- Nov. 1995: Joined ChuoAoyama Audit Corporation
- Jul. 2002: Joined BUSICOM Co., Ltd. (current OAG BUSICOM Co., Ltd.)
- Mar. 2005: Director of BUSICOM Co., Ltd.
- Jun. 2008: Outside Corporate Auditor of DUSKIN CO., LTD.
- May 2010: President and Representative Director of GEN Co., Ltd. (present)
- Jun. 2017: Outside Corporate Auditor of MISUMI Group Inc. (present)
- Jun. 2019: Outside Corporate Auditor of Nippon Paper Industries Co., Ltd. (present)
- Mar. 2020: Outside Director of OPTEX GROUP CO., LTD. (present)
- Mar. 2021: Corporate Auditor (part-time) of the Company (present)

[Important concurrent posts]

President and Representative Director of GEN Co., Ltd.
 Outside Corporate Auditor of MISUMI Group Inc.
 Outside Corporate Auditor of Nippon Paper Industries Co., Ltd.
 Outside Director of OPTEX GROUP CO., LTD.

■ Reasons for selection as a candidate for Outside Director who is an Audit and Supervisory Committee member and expected roles

Ms. Nanako Aono has extensive knowledge of finance and accounting as a certified public accountant as well as a wealth of experience and broad knowledge of corporate management. As such, the Company has determined that the candidate will help ensure management transparency and further strengthen corporate governance, and thereby proposes the election of the candidate as Outside Director who is an Audit and Supervisory Committee member.

Ms. Nanako Aono will have served as Outside Corporate Auditor of the Company for 1 year and 8 months at the conclusion of this Annual Meeting of Shareholders.

No. **3** Saiko Kumao (Date of birth: February 27, 1970) **Newly appointed** **Outside Director**

	Brief personal record, position, responsibilities and important concurrent posts
Number of the Company's shares held	Dec. 2017: Left the Legal Training and Research Institute of the Supreme Court
- shares	Registered with Daiichi Tokyo Bar Association
Board of Directors meetings attendance	Joined Legal Professional Corporation Legal Plus
-	Jun. 2018: Joined Shimamura Law and Accounting (present)
Board of Corporate Auditors meetings attendance	Mar. 2020: Outside Director (Audit and Supervisory Committee Member) of The Sailor Pen Co., Ltd. (present)
-	Jun. 2021: Outside Director (Audit and Supervisory Committee Member) of COLOWIDE CO., LTD. (present)
	Jul. 2022: Outside Director (Audit and Supervisory Committee Member) of Hamee Corp. (present)
	[Important concurrent posts] Shimamura Law and Accounting Outside Director (Audit and Supervisory Committee Member) of The Sailor Pen Co., Ltd. Outside Director (Audit and Supervisory Committee Member) of COLOWIDE CO., LTD. Outside Director (Audit and Supervisory Committee Member) of Hamee Corp.

Reasons for selection as a candidate for Outside Director who is an Audit and Supervisory Committee member and expected roles

Ms. Saiko Kumao has expertise in corporate legal affairs as well as a wealth of business experience from having served in roles in various industries while preparing for her bar exam. She also has experience as a director who is an audit and supervisory committee member. The Company has determined that, amid the growing importance of business administration incorporating ESG issues in corporate management, she will be able to ensure management transparency and further strengthen corporate governance while contributing to the operation of the Board of Directors based on her expertise and broad perspective. The Company has therefore selected her as a candidate for Outside Director who is an Audit and Supervisory Committee member.

Reference Documents for the Annual Meeting of Shareholders

No. **4** **Kanako Iwase** (Date of birth: April 2, 1975) **Newly appointed** **Outside Director**

Number of the Company's shares held	<p>■ Brief personal record, position, responsibilities and important concurrent posts</p> <p>Apr. 1998: Joined Pasona Inc. Sept. 2000: Joined IQ Financial Systems (currently Infosys Japan) Sept. 2005: Joined Korn Ferry International Japan Co., Ltd. Mar. 2009: Established and President Representative Director of Arusha Co., Ltd. (present) Jun. 2019: Outside Director of Prestige International Inc. (present)</p> <p>[Important concurrent posts] President Representative Director of Arusha Co., Ltd. Outside Director of Prestige International Inc.</p>
- shares	
Board of Directors meetings attendance	
-	
Board of Corporate Auditors meetings attendance	
-	

■ Reasons for selection as a candidate for Outside Director who is an Audit and Supervisory Committee member and expected roles

Ms. Kanako Iwase has an understanding of and abundant experience in the SDGs and sustainability, which she has gained through providing employment opportunities for refugees living in Japan to support their independence and work experience opportunities for children in foster homes, with the aim to solve social issues through business management. She also shares a perspective that is in line with the Company's vision of "extracting the potential in people." The Company has determined that she will be able to provide advice and suggestions to the Board of Directors, drawing on her wide-ranging insight as a business manager, and has therefore selected her as a candidate for Outside Director who is an Audit and Supervisory Committee member.

-
- (Notes)
1. None of the candidates have special conflict of interest with the Company.
 2. The Company has concluded liability limitation agreements with Mr. Hiroshi Jinza and Ms. Nanako Aono as the Company's Outside Corporate Auditors based on the provisions of Article 427, Paragraph 1 of the Companies Act, for the purpose of limiting the liability for damages 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. If the appointment of Mr. Hiroshi Jinza and Ms. Nanako Aono is approved, the Company plans to conclude a new agreement with the same terms and conditions as the above agreement with them in their capacity as Outside Directors who are Audit and Supervisory Committee members. Furthermore, the Company plans to enter into the same agreement with Ms. Saiko Kumao and Ms. Kanako Iwase upon the approval of their appointment.
 3. All of the candidates 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 all of the candidates meet all such criteria.
 4. Mr. Hiroshi Jinza and Ms. Nanako Aono meet the requirements for independent officers 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.
 5. Ms. Saiko Kumao and Ms. Kanako Iwase meet the requirements for independent officers based on the regulations of Tokyo Stock Exchange, Inc. The Company plans to designate them as independent officers upon the approval of their appointment.
 6. The Company has entered into a directors and officers liability insurance contract with an insurance company, which covers Directors as the insured persons, as stipulated in Article 430-3, Paragraph 1 of the Companies Act. The insurance contract covers damages and litigation expenses to be borne by the insureds in the event that a claim for damages is made against the insured due to an act (including omission) committed by the insured in his/her capacity as a director or officer of the Company. The insurance premiums are fully borne by the Company. The candidates for Directors will be insured by the insurance contract upon the approval on their appointment. The Company plans to renew the insurance contract with the same terms and conditions during their terms of office.

Proposal No. 4

Determination of Amount of Compensation, etc. for Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

At the 22nd Annual Meeting of Shareholders held on November 22, 2006, it was resolved that the maximum amount of compensation, etc. for Directors of the Company shall be 300 million yen per year (including officer bonuses but excluding employee salaries).

If Proposal No. 1 “Partial Amendments to the Articles of Incorporation” is approved and passed as originally proposed, the Company will make the transition to a company with an audit and supervisory committee. Accordingly, the Company seeks approval to set the maximum amount of compensation, etc. for Directors (excluding Directors who are Audit and Supervisory Committee members; the same shall apply hereinafter in this proposal), after the transition to a company with an audit and supervisory committee, at 300 million yen per year, based on recent economic conditions and other circumstances. Approval is also sought to grant the Board of Directors the authority to determine the specific amount and timing of payment for each Director.

The Company has established a policy for determining compensation, etc. for each individual Director as described on pages 48 to 49 of the Japanese version of this Notice (available only in Japanese). The Company’s basic policy for individual compensation, etc. for Directors after the transition to a company with an audit and supervisory committee will be to determine an appropriate level of compensation for each individual Director based on their respective responsibilities and to ensure that decisions are made through a transparent and objective process, so that compensation continues to duly function as an incentive for the sustainable improvement of corporate value as before. The amount of compensation, etc. pertaining to this proposal is to be paid as fixed compensation based on this policy, and therefore, the Company believes that it is reasonable.

The amount of compensation, etc. for Directors shall not include employee salaries for Directors concurrently serving as employees.

The Company currently has six (6) Directors (including two [2] Outside Directors) prior to the transition to a company with an audit and supervisory committee. If Proposal No. 1 “Partial Amendments to the Articles of Incorporation” and Proposal No. 2 “Election of Five (5) Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)” are approved and passed as originally proposed, the number of Directors will be five (5) after the transition.

This proposal shall only take effect after the amendments to the Articles of Incorporation in Proposal No. 1 “Partial Amendments to the Articles of Incorporation” take effect.

If Proposal No. 1 “Partial Amendments to the Articles of Incorporation” is approved and passed as originally proposed, the Company will make the transition to a company with an audit and supervisory committee. Accordingly, the Company seeks approval to set the maximum amount of compensation, etc. for Directors who are Audit and Supervisory Committee members after the transition to a company with an audit and supervisory committee at 50 million yen per year, based on recent economic conditions and other circumstances. Approval is also sought to allow Directors who are Audit and Supervisory Committee members to determine, through their discussions, the specific amount and timing of payment for each Director who is an Audit and Supervisory Committee member. The Company believes that the amount of compensation, etc. pertaining to this proposal is reasonable in view of the responsibilities of Directors who are Audit and Supervisory Committee members.

If Proposal No. 1 “Partial Amendments to the Articles of Incorporation” and Proposal No. 3 “Election of Four (4) Directors Who Are Audit and Supervisory Committee Members” are approved and passed as originally proposed, the number of Directors who are Audit and Supervisory Committee members will be four (4) after the transition to a company with an audit and supervisory committee.

This proposal shall only take effect after the amendments to the Articles of Incorporation in Proposal No. 1 “Partial Amendments to the Articles of Incorporation” take effect.

Proposal No. 6

Determination of Amount and Details of Performance-Based Stock Compensation, etc. for Directors (Excluding Directors Who Are Audit and Supervisory Committee Members and Outside Directors)

1. Reasons for the Proposal and why Said Compensation System is Appropriate

A resolution was passed at the 36th Annual Meeting of Shareholders of the Company held on November 20, 2020 to introduce a performance-based stock compensation plan (hereinafter the “Plan”) for Directors (excluding Outside Directors), and the Company has been operating the Plan to date. If Proposal No. 1 “Partial Amendments to the Articles of Incorporation” is approved and passed as originally proposed, the Company will make the transition to a company with an audit and supervisory committee. Accordingly, the Company seeks approval to reset the maximum amount of compensation for the Plan to be applied to Directors (excluding Directors who are Audit and Supervisory Committee members and Outside Directors) in office after the transition to a company with an audit and supervisory committee.

As with the current maximum amount of compensation for the Plan, the above-mentioned amount shall be set separately from the maximum amount for which approval is being sought in Proposal No. 4 “Determination of Amount of Compensation, etc. for Directors (Excluding Directors Who Are Audit and Supervisory Committee Members).”

The purpose of this proposal is to seek approval for the Plan again in light of the transition to a company with an audit and supervisory committee. The details of the Plan are substantially the same as those approved at the 36th Annual Meeting of Shareholders held on November 20, 2020. The Company believes that the content of this proposal is reasonable because the need to raise motivation to contribute to the improvement of business performance and the enhancement of corporate value in the medium- to long-term will not change even after the transition to a company with an audit and supervisory committee.

The Company’s basic policy for individual compensation, etc. for Directors after the transition to a company with an audit and supervisory committee will be to determine an appropriate level of compensation for each individual Director based on their respective responsibilities and to ensure that decisions are made through a transparent and objective process, so that compensation continues to duly function as an incentive for the sustainable improvement of corporate value as before. Therefore, the Company believes that the Plan is in line with this policy and reasonable.

There are currently four (4) Directors who are eligible for the Plan. If Proposal No. 1 “Partial Amendments to the Articles of Incorporation” and Proposal No. 2 “Election of Five (5) Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)” are approved and passed as originally proposed, the number of Directors (excluding Directors who are Audit and Supervisory Committee members and Outside Directors; hereinafter “Directors”) who will be eligible for the Plan will be five (5).

This proposal shall only take effect after the amendments to the Articles of Incorporation in Proposal No. 1 “Partial Amendments to the Articles of Incorporation” take effect.

2. Amount and Details, etc. of Compensation, etc. under the Plan

(1) Overview of the Plan

The Plan is a stock compensation plan where a trust established by a monetary contribution made by the Company (already established; hereinafter the “Trust”) will acquire the Company’s shares, and Company’s shares corresponding to the number of points to be granted to each Director by the Company will be delivered to each Director through the Trust.

As a general principle, the Company’s shares will be delivered to a Director when the Director retires from office.

1. Persons eligible for the Plan	Directors of the Company (excluding Directors who are Audit and Supervisory Committee members and Outside Directors)
2. Eligible period	From the fiscal year ended August 31, 2021 to the fiscal year ending August 31, 2024
3. Maximum amount the Company shall contribute as funds for acquiring the Company’s shares that are required for delivery to eligible persons in “1.” during the four fiscal years of the eligible period in “2.”	280 million yen in total
4. Acquisition method of the Company’s shares	Via the method of disposal of treasury shares, or via the method of acquisition from the exchange market (including after-hours trading)
5. Maximum number of points to be granted to eligible persons in “1.”	40,000 points per fiscal year
6. Criteria for granting points	Points are granted according to the Director’s position, level of completion of performance goal, etc.
7. Timing of issuance of the Company’s shares to eligible persons in “1.”	In general, when the Director retires from office

(2) Maximum amount of the Company’s monetary contribution

The first trust period of the Trust shall be approximately four years from February 1, 2021 to January 31, 2025. During the eligible period in (1) 2. above, the Company shall contribute money (a maximum of 280 million yen in total) that will be used as funds for acquiring the Company’s shares, which are required based on the Plan for delivery to Directors, as compensation to Directors in office during the eligible period. The beneficiaries of the Trust are Directors who will obtain beneficiary rights as described in (3) (iii) below. Using money entrusted by the Company as capital, the Trust shall acquire the Company’s shares via the method of the Company’s disposal of its treasury shares, or via the method of acquisition from the exchange market (including after-hours trading).

Note: In addition to the above-mentioned funds for acquiring the Company’s shares, necessary fees such as trust fees and trust administrator compensation shall also be entrusted. Furthermore, the Company has introduced the same stock compensation plan for Directors of major Group subsidiaries of the Company, based on which funds required for acquiring the Company’s shares that will be delivered to Directors of the major Group subsidiaries of the Company shall also be entrusted together to the Trust.

Reference Documents for the Annual Meeting of Shareholders

Each time the eligible period in (1) 2. above expires, through a decision made by the Company's Board of Directors, whenever necessary, the eligible period can be stipulated and extended for a period within five fiscal years. In line with the above, when the trust period of the Trust is extended (including case when the trust period is effectively extended due to trust assets being transferred from the Trust to another trust that was established by the Company for the same purpose as the Trust, hereinafter the same shall apply), the Plan can be continued. In such a case, during the said extended eligible period, as additional funds for acquiring the Company's shares required for delivery to Directors through the Plan, the Company shall additionally contribute to the Trust a maximum of an amount derived by multiplying 70 million yen by the number of fiscal years extended, and continue granting points and delivering the Company's shares as stated in (3) below.

Even if the eligible period is not extended like in the case above and the Plan is discontinued, when the trust period expires, if there are Directors who have been granted points and who have not retired from office, the trust period of the Trust may be extended until the said Directors retire from office and the delivery of the Company's shares to them has been completed.

(3) Calculation method and maximum number of the Company's shares to be delivered to Directors

(i) Method of granting points to Directors, etc.

Based on the share delivery regulations stipulated by the Company's Board of Directors, the Company shall grant points to each Director according to their positions, level of completion of performance goal, etc. on the point granting day stipulated in the share delivery regulations during the trust period.

However, the maximum number of points that the Company shall grant to Directors shall be 40,000 points in total per fiscal year.

(ii) Delivery of the Company's shares in accordance with the number of points granted

Directors shall receive the delivery of the Company's shares, in accordance with the number of points granted to them in (i) above, and by following the procedures in (iii) below. However, if Directors voluntarily resign from their positions, all or part of the points that have been granted to them will expire, and shares of the Company corresponding to the expired points will not be delivered.

One point shall correspond to one share of the Company's stock. However, in the case of an occurrence for which it is reasonable to adjust the number of the Company's shares to be delivered, such as a share split or a share consolidation, etc. of the Company's shares, reasonable adjustments shall be made to the number of the Company's shares per point according to the split ratio or consolidation ratio, etc.

(iii) Delivery of the Company's shares to Directors

In principle, each Director shall obtain the beneficiary rights of the Trust by completing the prescribed procedures at the time of their retirement, and as a beneficiary of the Trust, receive the delivery of the Company's shares described in (ii) above from the Trust. However, for a certain ratio of the Company's shares out of the above, the Company may deliver money in place of the Company's shares, provided that the Company has sold and converted funds for tax obligations, such as income tax withheld, into money in the Trust, for the purpose of withholding tax. Furthermore, if an application for a tender offer of the Company's shares in the Trust is made, the transaction is settled, etc., and the Company's shares in the Trust is converted into money, money may be delivered in place of the Company's shares.

(4) Exercise of voting rights

Based on the orders of the trust administrator, who is independent from the Company and the Company's officers, all voting rights of the Company's shares in the Trust shall not be exercised. By employing such a method for the exercise of voting rights of the Company's shares in the Trust, the Company aims to ensure the neutrality of the Company's management.

(5) Treatment of dividends

Dividends from the Company's shares in the Trust shall be accepted by the Trust, and used as funds for acquiring the Company's shares or as trust fees paid to trustees associated with the Trust, etc.

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.

■ Principal expertise and experience particularly expected by the Company out of Directors

No.	Name		Corporate management / business strategy	Industry experience / sales	Financial affairs	DX / IT	Marketing / branding	Legal affairs / compliance	Personnel / labor / human resource development	ESG / sustainability
Director	1	Hirotake Watanabe	•	•	•		•	•	•	
	2	Kazuhito Yamashita	•	•			•	•	•	•
	3	Kotaro Okamoto	•		•	•	•			•
	4	Dai Komiyama	•	•			•		•	
	5	Yasutada Taniguchi	•	•		•	•			
Audit and Supervisory Committee Members	1	Hiroshi Jinza	Outside	•	•			•	•	
	2	Nanako Aono	Outside	•	•			•		
	3	Saiko Kumao	Outside			•		•	•	•
	4	Kanako Iwase	Outside	•	•				•	•

The table above shows items that are expected of each Director/Audit and Supervisory Committee member. It does not cover all the expertise and experience possessed by each of them.

■ Principal expertise and experience particularly expected by the Company out of Executive Officers

Name	Position	Business administration	Industry experience / sales	Financial affairs	DX / IT	Marketing / branding	Compliance / risk management	Labor / Human resource development	ESG / sustainability
Shuji Watanabe	Director of Administration General Manager of the Finance and Accounting Department	•		•			•	•	
Kouyuki Sakamoto	General Manager of the Corporate Planning Department	•		•			•		•
Naofumi Furukawa	President of Kinki Company in the Meikogijuku Business Headquarters	•	•		•			•	
Yoshihiro Etou	President of West Japan Company in the Meikogijuku Business Headquarters	•	•			•		•	
Mahito Asamizu	President of Kanto and Koshin Company in the Meikogijuku Business Headquarters		•		•			•	•
Hiroaki Tateyama	General Manager of the Kids Business Division in the Kids Business Headquarters	•	•			•		•	
Chika Iwanaga	General Manager of the Global Kids Business Division in the Kids Business Headquarters	•	•			•		•	
Motokazu Matsuda	Head of HR Solution Business		•	•			•	•	

The table above shows items that are expected of each Executive Officer. It does not cover all the expertise and experience possessed by each of them.

Consolidated Financial Statements

Consolidated Balance Sheet (As of August 31, 2022)

(Unit: Million yen)

Item	Amount
Assets	
Current assets	10,405
Cash and deposits	8,755
Accounts receivable - trade	977
Merchandise	95
Work in process	13
Supplies	7
Advance payments - trade	16
Prepaid expenses	329
Other	243
Allowance for doubtful accounts	(33)
Non-current assets	5,033
Property, plant and equipment	624
Buildings and structures	509
Tools, furniture and fixtures	53
Land	49
Leased assets	11
Intangible assets	607
Goodwill	422
Software	180
Telephone subscription right	4
Investments and other assets	3,801
Investment securities	2,452
Long-term prepaid expenses	22
Deferred tax assets	233
Lease and guarantee deposits	949
Long-term time deposits	100
Other	44
Total assets	15,439

Item	Amount
Liabilities	
Current liabilities	4,019
Accounts payable - trade	128
Accounts payable - other	231
Accrued expenses	1,179
Income taxes payable	570
Accrued consumption taxes	195
Contract liabilities	1,148
Lease obligations	1
Deposits received	85
Provision for bonuses	434
Other	44
Non-current liabilities	813
Net defined benefit liability	121
Provision for share awards for directors (and other officers)	26
Provision for share awards	62
Long-term accounts payable - employees	84
Long-term accounts payable - directors	117
Deferred tax liabilities	9
Lease obligations	10
Asset retirement obligations	380
Long-term guarantee deposited	1
Total liabilities	4,833
Net assets	
Shareholders' equity	10,062
Capital stock	972
Capital surplus	909
Retained earnings	10,959
Treasury shares	(2,779)
Accumulated other comprehensive income	543
Valuation difference on available-for-sale securities	521
Foreign currency translation adjustment	21
Total net assets	10,606
Total liabilities and net assets	15,439

Consolidated Financial Statements

Consolidated Statement of Income (From September 1, 2021 to August 31, 2022)

(Unit: Million yen)

Item	Amount	
Net sales		19,674
Cost of sales		14,627
Gross profit		5,047
Selling, general and administrative expenses		3,878
Operating income		1,168
Non-operating income		
Interest income	10	
Dividend income	27	
Share of profit of entities accounted for using equity method	36	
Rent income	14	
Reversal of allowance for doubtful accounts	3	
Subsidy income	12	
Other	27	132
Non-operating expenses		
Interest expenses	0	
Rent expenses	1	
Commission expenses	6	
Other	3	11
Ordinary income		1,289
Extraordinary income		
Gain on sale of shares of subsidiaries and associates	623	623
Extraordinary losses		
Loss on retirement of property, plant and equipment	0	
Extra retirement payments	24	
Loss on store closings	15	
Impairment loss	99	
Other	3	143
Profit before income taxes		1,769
Income taxes - current	858	
Income taxes - deferred	(63)	794
Profit		974
Profit attributable to owners of the parent		974

Consolidated Statement of Changes in Equity (From September 1, 2021 to August 31, 2022)

(Unit: Million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	972	909	10,529	(2,779)	9,632
Cumulative effects of changes in accounting policies			(12)		(12)
Restated balance	972	909	10,517	(2,779)	9,620
Changes of items during period					
Dividends of surplus			(532)		(532)
Profit attributable to owners of the parent			974		974
Net changes of items other than shareholders' equity					
Total changes of items during period	-	-	442	-	442
Balance at end of period	972	909	10,959	(2,779)	10,062

	Accumulated other comprehensive income			Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income	
Balance at beginning of period	377	15	392	10,025
Cumulative effects of changes in accounting policies				(12)
Restated balance	377	15	392	10,012
Changes of items during period				
Dividends of surplus				(532)
Profit attributable to owners of the parent				974
Net changes of items other than shareholders' equity	144	6	151	151
Total changes of items during period	144	6	151	593
Balance at end of period	521	21	543	10,606

Non-consolidated Financial Statements

Balance Sheet (As of August 31, 2022)

(Unit: Million yen)

Item	Amount	Item	Amount
Assets		Liabilities	
Current assets	5,181	Current liabilities	2,107
Cash and deposits	3,667	Accounts payable - trade	92
Accounts receivable - trade	965	Accounts payable - other	84
Merchandise	90	Accrued expenses	846
Supplies	6	Income taxes payable	384
Advance payments - trade	16	Accrued consumption taxes	93
Prepaid expenses	176	Contract liabilities	109
Short-term loans receivable	60	Lease obligations	1
Other	223	Deposits received	119
Allowance for doubtful accounts	(24)	Provision for bonuses	361
		Other	14
Non-current assets	7,871	Non-current liabilities	453
Property, plant and equipment	256	Provision for share awards for directors (and other officers)	16
Buildings	226	Provision for share awards	42
Tools, furniture and fixtures	22	Long-term accounts payable - employees	84
Land	0	Long-term accounts payable - directors	99
Leased assets	6	Lease obligations	6
Intangible assets	173	Asset retirement obligations	202
Software	168	Long-term guarantee deposited	1
Telephone subscription right	4		
Investments and other assets	7,441	Total liabilities	2,561
Investment securities	2,243	Net assets	
Shares of subsidiaries and associates	4,422	Shareholders' equity	9,969
Investments in capital	10	Capital stock	972
Long-term loans receivable	1	Capital surplus	915
Long-term prepaid expenses	16	Legal capital surplus	915
Deferred tax assets	119	Retained earnings	10,861
Lease and guarantee deposits	499	Legal retained earnings	54
Long-term time deposits	100	Other retained earnings	10,806
Other	27	General reserve	9,147
		Retained earnings brought forward	1,659
		Treasury shares	(2,779)
		Valuation and translation adjustments	521
		Valuation difference on available-for-sale securities	521
Total assets	13,052	Total net assets	10,491
		Total liabilities and net assets	13,052

Statement of Income (From September 1, 2021 to August 31, 2022)

(Unit: Million yen)

Item	Amount	
Net sales		13,100
Cost of sales		9,746
Gross profit		3,354
Selling, general and administrative expenses		2,621
Operating income		733
Non-operating income		
Interest income	0	
Interest on securities	10	
Dividend income	27	
Rent income	20	
Reversal of allowance for doubtful accounts	3	
Subsidy income	0	
Other	18	81
Non-operating expenses		
Rent expenses	20	
Commission expenses	6	
Other	2	29
Ordinary income		784
Extraordinary income		
Gain on sale of shares of subsidiaries and associates	606	606
Extraordinary losses		
Loss on retirement of property, plant and equipment	0	
Extra retirement payments	16	
Loss on store closings	15	
Impairment loss	89	
Other	3	125
Profit before income taxes		1,265
Income taxes - current	549	
Income taxes - deferred	(55)	493
Profit		772

Non-consolidated Financial Statements

Statement of Changes in Equity (From September 1, 2021 to August 31, 2022)

(Unit: Million 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	915	54	9,147	1,432	10,633	(2,779)	9,742
Cumulative effects of changes in accounting policies					(12)	(12)		(12)
Restated balance	972	915	54	9,147	1,419	10,621	(2,779)	9,729
Changes of items during period								
Dividends of surplus					(532)	(532)		(532)
Profit					772	772		772
Net changes of items other than shareholders' equity								
Total changes of items during period	-	-	-	-	239	239	-	239
Balance at end of period	972	915	54	9,147	1,659	10,861	(2,779)	9,969

	Valuation and translation adjustments	Total net assets
	Valuation difference on available-for-sale securities	
Balance at beginning of period	377	10,119
Cumulative effects of changes in accounting policies		(12)
Restated balance	377	10,107
Changes of items during period		
Dividends of surplus		(532)
Profit		772
Net changes of items other than shareholders' equity	144	144
Total changes of items during period	144	384
Balance at end of period	521	10,491