

4: Information about Reporting Company

1. Share Situation

(1) Total Number of Shares and Other Information

(i) Total Number of Shares

Type	Total Number of Authorized Shares
Common shares	280,000,000
Total	280,000,000

(ii) Issued Shares

Type	Number of Issued Shares as of the End of the Fiscal Year Ended February 28, 2023 (February 28, 2023)	Number of Issued Shares as of the Date of Submission of This Securities Report (May 26, 2023)	Name of the Listed Financial Instruments Exchange or Name of the Registered Financial Instruments Business Association	Details
Common shares	73,715,734	73,715,734	Prime Market of the Tokyo Stock Exchange	These are standard shares with no restrictions on rights as shareholders. The number of shares per share unit is 100.
Total	73,715,734	73,715,734	-	-

(2) Share Acquisition Rights Situation

(i) Details of the Stock Option Plan

We give below the share acquisition rights we have issued under the Companies Act.

	Second Share Acquisition Rights
Date of resolution	Resolution at the Extraordinary General Meeting of Shareholders held on May 27, 2015
Category and number of grantees*1	Directors of the Company: 2 Corporate Officers of the Company: 4 Corporate Officers of the Company's subsidiaries: 3 Employees of the Company's subsidiaries: 1
Number of share acquisition rights*2	6,024,502
Type of shares to be issued upon the exercising of the share acquisition rights*2	Common shares
Number of shares to be issued upon the exercising of the share acquisition rights*2	*3
Amount to be paid in when the share acquisition rights are exercised (yen)*2	700*4
Share acquisition right exercise period*2	From May 29, 2015 to May 28, 2025
Share issue price and capitalization amount if shares are issued by the share acquisition rights being exercised (yen)*2	Issue price: 700 Capitalization amount: 350
Conditions for exercising share acquisition rights*2	*5
Matters concerning the transfer of the share acquisition rights*2	The approval of the Company with a resolution at the Company's General Meeting of Shareholders (or the Board of Directors if the Company is a company with a board of directors) is required to acquire these share acquisition rights by transfer.
Matters concerning the granting of the share acquisition rights accompanying an organizational restructuring*2	*5

Notes:

- We give below the category and number of grantees as of the end of the month before the date on which this securities report was submitted (April 30, 2023).

Shareholders of the Company:	1*
Directors of the Company:	1
Former employees of the Company's subsidiaries:	1

*Transferred from a former Director of the Company.
- We have given the details as of the last day of the fiscal year ended February 28, 2023 (February 28, 2023). The details which we need to give as of the end of the month before the date on which this securities report was submitted (April 30, 2023) have not changed from the details on the last day of the fiscal year ended February 28, 2023. Therefore, we have omitted giving the details as of the end of the month before the date on which this securities report was submitted.
- The number of shares to be issued upon the exercising of the share acquisition rights is shares of a number obtained by dividing one by seven for each share acquisition right.
If the Company performs a stock split (including an allotment of shares without contribution) or reverse stock split on the Company's common shares after the date on which these share acquisition rights are allotted, the number of shares to be granted will be adjusted according to the formula below.

$$\text{Adjusted number of shares to be granted} = \text{Unadjusted number of shares to be granted} \times \text{Ratio of the stock split or reverse stock split}$$

If it is appropriate to adjust the number of shares to be granted, such as if the Company performs a merger, company split, share exchange or share transfer after the date on which these share acquisition rights are allotted, the Company may adjust the number of shares to be granted as we deem necessary.
We will perform the above adjustment only on the number of shares to be granted concerning unexercised share acquisition rights at the time the said adjustment is made.
If we adjust the number of shares to be granted, the Company will inform the holders of these share acquisition rights listed in the share acquisition right register of the necessary matters by the day before the day on which we apply the adjusted number of shares to be granted. However, if it is not possible to make this notification by the day before the day of the said application, we will notify the said holders of share acquisition rights of the necessary matters as soon as possible after the date of application.
- If the grounds in (i) or (ii) below arise in relation to the Company's common shares after the date on which these share acquisition rights are allotted, we will adjust the exercise price according to the method stipulated respectively. We will round up fractions of less than 1 yen arising from this adjustment.

- (i) In the case of a stock split (including an allotment of shares without contribution) or reverse stock split:

$$\text{Adjusted exercise price} = \text{Unadjusted exercise price} \times \frac{1}{\text{Ratio of the stock split or reverse stock split}}$$

- (ii) If it is appropriate to adjust the exercise price, such as if the Company performs a merger, company split, share exchange or share transfer after the date on which these share acquisition rights are allotted, the Company may adjust the exercise price as we deem necessary.

If we adjust the exercise price, the Company will inform the holders of these share acquisition rights listed in the share acquisition right register of the necessary matters by the day before the day on which we apply the adjusted exercise price. However, if it is not possible to make this notification by the day before the day of the said application, we will notify the said holders of share acquisition rights of the necessary matters as soon as possible after the date of application.

5. If the Company performs a merger (only when the Company is absorbed due to the merger), absorption-type company split or incorporation-type company split (only when the Company is the splitting company in both instances), or a share exchange or share transfer (only when the Company becomes a wholly-owned subsidiary in both instances) (collectively referred to hereinafter as an "Organizational Restructuring Act"), share acquisition rights will be granted in the stock company (hereinafter "the Company Subject to Reorganization") as stipulated in Article 236, Paragraph (1), (viii), (a) to (e) of the Companies Act in each instance for holders of share acquisition rights surviving at the time directly before the effective date of the Organizational Restructuring Act (hereinafter "Surviving Share Acquisition Rights"). However, this is subject to the condition that it is stipulated in the merger contract, consolidation-type merger contract, absorption-type company split contract, incorporation-type company split plan, share exchange contract or share transfer plan that share acquisition rights will be issued in the Company Subject to Reorganization in line with the items below.

- (i) Number of Share Acquisition Rights in the Company Subject to Reorganization to Be Granted

The same number as the number of Surviving Share Acquisition Rights held by the holders of these share acquisition rights will be granted respectively.

- (ii) Type of Shares in the Company Subject to Reorganization to Be Issued upon the Exercising of the Share Acquisition Rights

The shares will be common shares in the Company Subject to Reorganization.

- (iii) Number of Shares in the Company Subject to Reorganization to Be Issued upon the Exercising of the Share Acquisition Rights

The number of shares will be determined in accordance with the above note*³ taking into consideration the conditions of the Organizational Restructuring Act.

- (iv) Value of Assets to Be Contributed When the Share Acquisition Rights Are Exercised

This will be determined in accordance with the above "share issue price and capitalization amount if shares are issued by the share acquisition rights being exercised" and the above note*⁴ taking into consideration the conditions of the Organizational Restructuring Act.

- (v) Period When the Share Acquisition Rights Can Be Exercised

This period will be from whichever is the later of the start date of the period when it is possible to exercise these share acquisition rights as stipulated in the above "share acquisition right exercise period" or the day on which the Organizational Restructuring Act takes effect to the expiration date of the period when it is possible to exercise these share acquisition rights as stipulated in the above "share acquisition right exercise period." However, if the final day of the share acquisition right exercise period falls on a holiday of the Company, the business day preceding that will be the final day.

- (vi) Matters Concerning Equity and Equity Reserves to Be Increased When Issuing Shares with the Exercise of Share Acquisition Rights

These matters will be determined in accordance with the above "share issue price and capitalization amount if shares are issued by the share acquisition rights being exercised."

- (vii) Restrictions on the Acquisition of Share Acquisition Rights by Transfer

The approval of the Company Subject to Reorganization with a resolution at the Company Subject to Reorganization's General Meeting of Shareholders (or the Board of Directors if the Company Subject to Reorganization is a company with a board of directors) is required to acquire these share acquisition rights by transfer.

- (viii) Share Acquisition Right Exercise Conditions and Acquisition Terms

The conditions and terms will be determined according to the "Share Acquisition Right Exercise Conditions" and "Share Acquisition Right Acquisition Terms" below.

Share Acquisition Right Exercise Conditions

- (1) Share acquisition rights may not be partially exercised.

- (2) If a holder of share acquisition rights waives his/her share acquisition rights, he/she will not be able to exercise the said share acquisition rights.

- (3) The rights to share acquisition rights allotted to the holders of share acquisition rights have been finalized according to the prescribed schedule below from the allotment date (May 29, 2015) to November 1, 2018.

- (a) 75% exercisable on the allotment date and 100% exercisable on March 1, 2016

- (b) 25% exercisable on November 1, 2015 and 25% cumulatively exercisable every subsequent year

- (4) Notwithstanding (3) above, if a stock listing takes place (refers to when a public offering or sale is made for monetary compensation in regards to shares with voting rights in the Company through a notification filed under the applicable securities laws or through a listing of the Company's shares on a stock exchange in Japan), the rights will be finalized for all the surviving share acquisition rights at that point in time with respect to (a) in (3) above.
- (5) Share acquisition rights whose rights have been finalized according to (3) or (4) above will be exercisable at the time of the stock listing.
- (6) If the employment relationship between a holder of share acquisition rights and the Company or a subsidiary of the Company ends, those share acquisition rights will be handled as below.
 - (a) If the employment relationship ends for reasons other than a fraudulent act by the holder of the share acquisition rights or the other reasons prescribed in the share acquisition right allotment contract, the share acquisition rights whose rights have been finalized prior to the day on which the said employment relationship ends may be exercised by the final exercisable date (May 28, 2025).
 - (b) If the end of the employment relationship is based on a reason other than that in (a) above, the share acquisition rights whose rights have been finalized prior to the day on which the said employment relationship ends will cease to be exercisable immediately.
 - (c) If a holder of share acquisition rights violates the share acquisition right allotment contract or issue terms or if a holder of share acquisition rights violates a non-compete contract with the Company or the Company's subsidiaries, the Company may restrict the exercising of the share acquisition rights by the said holder of those share acquisition rights.
- (7) The other share acquisition right exercise conditions will be stipulated in the share acquisition right allotment contract entered into by the Company and the applicable party.

Share Acquisition Right Acquisition Terms

The Company may acquire share acquisition rights without contribution on the date specified separately by the Company if approved at the Company's General Meeting of Shareholders (when a resolution is passed by the Company's Board of Directors if a resolution by the General Meeting of Shareholders is not required) for any of the proposals (1) to (5) below.

- (1) A proposal to approve a merger contract in which the Company will become the absorbed company
- (2) A proposal to approve an absorption-type company split contract or incorporation-type company split plan in which the company will become the split company
- (3) A proposal to approve a share exchange contract or share transfer plan in which the Company will become a wholly-owned subsidiary
- (4) A proposal to the effect to acquire all the Company's common shares in exchange for consideration after changing the Articles of Incorporation to convert all the Company's common shares into class shares with an acquisition clause
- (5) A proposal to consolidate the Company's common shares

(ii) Rights Plan Details

This item is not applicable.

(iii) Situation of Other Share Acquisition Rights

This item is not applicable.

(3) Situation of the Exercising of Bonds with Share Acquisition Rights Which Have an Exercise Price Revision Clause

This item is not applicable.

(4) Total Number of Issued Shares and Capital Trends

Date	Change in the Total Number of Issued Shares	Balance of the Total Number of Issued Shares	Change in the Amount of Capital (millions of yen)	Balance of Capital (millions of yen)	Change in the Amount of Equity Reserves (millions of yen)	Balance of the Equity Reserves (millions of yen)
February 28, 2021* ¹	35,787	73,653,107	14	26,999	14	26,998
August 1, 2021* ²	-	73,653,107	-	26,999	(20,248)	6,750
February 28, 2022* ¹	62,627	73,715,734	23	27,022	23	6,773

Notes:

1. The increase was due to the exercising of share acquisition rights.
2. We reduced our equity reserves and made a transfer to the other capital surplus based on the provisions in Article 448, Paragraph (1) of the Companies Act.

(5) Situation by Owner

As of February 28, 2023

Category	Shares Situation (100 Shares in 1 Unit)								Situation of Shares of Less Than One Unit
	Governments and Local Public Bodies	Financial Institutions	Financial Instrument Traders	Other Legal Entities	Foreign Legal Entities		Individuals: Other	Total	
					Non-individuals	Individuals			
Number of shareholders	-	27	20	57	167	7	9,344	9,622	-
Number of shares held (units)	-	195,453	15,247	407,581	75,256	8	43,404	736,949	20,834
Percentage of number of shares held (%)	-	26.52	2.07	55.31	10.21	0.00	5.89	100.00	-

Notes:

1. We have given the percentage of the number of shares held rounded to the second decimal place.
2. We have given the figures in the "Financial Institutions" column including the 1,538 units of the Company's shares held by The Master Trust Bank of Japan, Ltd. as the trust in property of the Board Incentive Plan (BIP) Trust stock compensation plan for officers.
3. We have given the figures in the "Individuals: Other" column including the two units of treasury shares held by the Company.
4. We have given the figures in the "Situation of Shares of Less Than One Unit" including the 38 treasury shares held by the Company and the 68 shares in the Company held by the Board Incentive Plan (BIP) Trust.

(6) Major Shareholder Situation

As of February 28, 2023

Name	Address	Number of Shares Held (thousands of shares)	Percentage of the Number of Shares Held with Respect to the Total Number of Issued Shares (Excluding Treasury Shares) (%)
ITOCHU Corporation	2-5-1 Kita-Aoyama, Minato-ku, Tokyo	30,030	40.73
Toppan Inc.	1-5-1 Taito, Taito-ku, Tokyo	10,570	14.33
Custody Bank of Japan, Ltd. (trust account)	1-8-12 Harumi, Chuo-ku, Tokyo	9,175	12.44
The Master Trust Bank of Japan, Ltd. (trust account)	2-11-3 Hamamatsu-cho, Minato-ku, Tokyo	8,150	11.05
JPMorgan Securities Japan Co., Ltd.	2-7-3 Marunouchi, Chiyoda-ku, Tokyo	824	1.11
Japan Securities Finance Co., Ltd.	1-2-10 Nihonbashikayaba-cho, Chuo-ku, Tokyo	504	0.68
BellSystem24 Group Employee Shareholding Association	4-1-1 Toranomon, Minato-ku, Tokyo	369	0.50
The Gibraltar Life Insurance Co., Ltd. (general account stock D) (standing proxy: Custody Bank of Japan, Ltd.)	2-13-10 Nagata-cho, Chiyoda-ku, Tokyo (1-8-12 Harumi, Chuo-ku, Tokyo)	349	0.47
BNP PARIBAS LUXEMBOURG / 2S / JASDEC / FIM / LUXEMBOURG FUNDS / UCITS ASSETS (standing proxy: Tokyo Branch of Hongkong and Shanghai Banking Corporation Limited, HSBC)	33 Rue De Gasperich, L-5826 Howald-Hesperange, Luxembourg (3-11-1 Nihonbashi, Chuo-ku, Tokyo)	320	0.43
CACEIS BANK, LUXEMBOURG BRANCH / UCITS CLIENTS ASSETS (standing proxy: Tokyo Branch of Hongkong and Shanghai Banking Corporation Limited, HSBC)	5 Allee Scheffer, L-2 520 Luxembourg (3-11-1 Nihonbashi, Chuo-ku, Tokyo)	309	0.41
Total	-	60,603	82.21

Notes:

- We give below the number of shares related to trust operations among the above number of shares held.
Custody Bank of Japan, Ltd.: 9,149,900
The Master Trust Bank of Japan, Ltd.: 8,006,300
- The shares held by The Master Trust Bank of Japan, Ltd. (trust account) do not include the 153,868 shares in the Company held by the Board Incentive Plan (BIP) Trust.
- The Report on Changes in the Large Shareholding Report provided for public inspection on December 28, 2021 states that the legal entity below owns the Company's shares. However, we have been unable to confirm the actual number of shares it holds as of the end of the fiscal year ended February 28, 2023. Therefore, we have not included it in the above major shareholder situation.

We give below the contents of the Report on Changes in the Large Shareholding Report.

Name	Address	Date of Reporting Obligation	Number of Shares Held	Shareholding Ratio (%)
Matthews International Funds	Four Embarcadero Center, Suite 550, San Francisco, CA 94111, U.S.A.	December 21, 2021	3,001,900	4.07

- The Report on Changes in the Large Shareholding Report provided for public inspection on December 28, 2021 states that the legal entity below owns the Company's shares. However, we have been unable to confirm the actual number of shares it holds as of the end of the fiscal year ended February 28, 2023. Therefore, we have not included it in the above major shareholder situation.

We give below the contents of the Report on Changes in the Large Shareholding Report.

Name	Address	Date of Reporting Obligation	Number of Shares Held	Shareholding Ratio (%)
Matthews International Capital Management, LLC	Four Embarcadero Center, Suite 550, San Francisco, CA 94111, U.S.A.	December 21, 2021	3,001,900	4.07

- The Report on Changes in the Large Shareholding Report provided for public inspection on July 22, 2022 states that the legal entity below owns the Company's shares. However, we have been unable to confirm the actual number of shares it holds as of the end of the fiscal year ended February 28, 2023. Therefore, we have not included it in the above major shareholder situation.

We give below the contents of the Report on Changes in the Large Shareholding Report.

Name	Address	Date of Reporting Obligation	Number of Shares Held	Shareholding Ratio (%)
Sumitomo Mitsui DS Asset Management Company, Limited	1-17-1 Toranomom, Minato-ku, Tokyo	July 15, 2022	5,922,900	8.03

- The Report on Changes in the Large Shareholding Report provided for public inspection on November 22, 2022 states that Asset Management One Co., Ltd. and its joint owners of Mizuho Securities Co., Ltd. and Asset Management One International Ltd. held the Company's shares below as of November 15, 2022. However, we have been unable to confirm the actual number of shares they hold as of the end of the fiscal year ended February 28, 2023. Therefore, we have not included them in the above major shareholder situation.

We give below the contents of the Report on Changes in the Large Shareholding Report.

Name	Address	Number of Shares Held	Shareholding Ratio (%)
Asset Management One Co., Ltd.	1-8-2 Marunouchi, Chiyoda-ku, Tokyo	2,860,300	3.88
Mizuho Securities Co., Ltd.	1-5-1 Otemachi, Chiyoda-ku, Tokyo	85,700	0.12
Asset Management One International Ltd.	30 Old Bailey, London, EC4M 7AU, UK	237,200	0.32
Total		3,183,200	4.32

- The Report on Changes in the Large Shareholding Report provided for public inspection on February 3, 2023 states that NOMURA INTERNATIONAL PLC and its joint owner of Nomura Asset Management Co., Ltd. held the Company's shares below as of January 31, 2023. However, we have been unable to confirm the actual number of shares they hold as of the end of the fiscal year ended February 28, 2023. Therefore, we have not included them in the above major shareholder situation.

We give below the contents of the Report on Changes in the Large Shareholding Report.

Name	Address	Number of Shares Held	Shareholding Ratio (%)
NOMURA INTERNATIONAL PLC	1 Angel Lane, London EC4R 3AB, United Kingdom	116,000	0.16
Nomura Asset Management Co., Ltd.	2-2-1 Toyosu, Koto-ku, Tokyo	3,370,600	4.57
Total		3,486,600	4.73

(7) Voting Rights Situation

(i) Issued Shares

As of February 28, 2023

Category	Number of Shares	Number of Voting Rights	Details
Shares with no voting rights	-	-	-
Shares with restricted voting rights (treasury shares etc.)	-	-	-
Shares with restricted voting rights (other)	-	-	-
Shares with full voting rights (treasury shares etc.) ¹	(Treasury shares) Common shares: 200	-	These are standard shares with no restrictions on rights as shareholders. The number of shares per share unit is 100.
Shares with full voting rights (other.) ²	Common shares: 73,694,700	736,947	Same as above
Shares of less than one unit ³	Common shares: 20,834	-	-
Total number of issued shares	73,715,734	-	-
Voting rights of all shareholders	-	736,947	-

Notes:

1. The common shares in the “shares with full voting rights (treasury shares etc.)” row come from the purchase of fractional shares.
2. The common shares in “shares with full voting rights (other)” row include 153,800 shares in the Company held by the Board Incentive Plan (BIP) Trust (number of voting rights: 1,538).
3. The “shares of less than one unit” row includes 38 treasury shares held by the Company and 68 shares in the Company held by the Board Incentive Plan (BIP) Trust.

(ii) Treasury Shares

As of February 28, 2023

Name of Owner	Address of Owner	Number of Shares Held in Own Name	Number of Shares Held in Another Name	Total Number of Shares Held	Percentage of the Number of Shares Held with Respect to the Total Number of Issued Shares (%)
(Treasury shares)BELLSYSTEM24 Holdings, Inc.*	4-1-1 Toranomom, Minato-ku, Tokyo	200	-	200	0.00
Total	-	200	-	200	0.00

Note:

The number of treasury shares held by the Company on the last day of the fiscal year ended February 28, 2023 comes from the purchase of fractional shares. In addition, we treat the 153,868 shares (number of voting rights: 1,538) in the Company held by The Master Trust Bank of Japan, Ltd. as the property in trust of the Board Incentive Plan (BIP) Trust stock compensation plan for officers as treasury shares.

(8) Details of the Officer and Employee Stock Ownership Scheme

We resolved to introduce a performance-linked stock compensation plan for the Company's Directors and Corporate Officers (excluding Outside Directors, non-residents of Japan and those seconded from other companies; hereinafter "the Company's Eligible Directors etc.") at our 4th Ordinary General Meeting of Shareholders held on May 25, 2018. We adopted a mechanism called the Board Incentive Plan (BIP) Trust for this scheme which includes the Directors and Corporate Officers of the Company's subsidiary BELLSYSTEM24, Inc. (excluding Outside Directors, non-residents of Japan and those seconded from other companies; collectively with the Company's Eligible Directors etc. referred to hereinafter as "Eligible Directors etc.").

The purposes of introducing this plan are to further clarify the linkage between the compensation of the Eligible Directors etc. and the Group's business performance and shareholder value and to raise awareness to contribute to improving business performance and increasing corporate value in the medium- to long-term. We partially revised this scheme at the 9th Ordinary General Meeting of Shareholders held on May 26, 2023.

(i) Details of the Board Incentive Plan (BIP) Trust Scheme

The Board Incentive Plan (BIP) Trust scheme is a mechanism wherein we grant and provide Eligible Directors etc. with the Company's shares and money of an amount equivalent to the conversion into cash of the Company's shares according to their position and the degree to which they have achieved their performance targets. We calculate the number of the Company's shares and money of an amount equivalent to the conversion into cash of the Company's shares to be granted and provided to the Eligible Directors etc. through this trust according to the number of performance-linked points (70%) and the number of fixed points (30%). The purpose of the performance-linked points is to increase motivation to contribute to improving the Company's business performance and increasing corporate value in the medium- to long-term. The purpose of the fixed points is to strengthen profit sharing with shareholders by the Eligible Directors etc. holding shares during their terms of office. Performance-linked points are granted based on a certain number of points according to the degree to which the Eligible Directors etc. achieve their targets for consolidated operating income and the employee engagement score as well as their positions. The fixed points are granted based on the standard points determined in advance for each position.

(ii) Total Number of Shares Scheduled to Be Acquired by Eligible Directors etc.

The number of the Company's shares held by the Board Incentive Plan (BIP) Trust account is 153,868 as of February 28, 2023.

(iii) Range of Those Who Can Receive Beneficiary Rights and Other Rights with This Performance-linked Stock Compensation Plan

We grant performance-linked points to those who meet the beneficiary requirements at the time of retirement of the Eligible Directors etc. We grant fixed points to those who meet the beneficiary requirements after three years have passed from the granting of the fixed points in each fiscal year in principle.

2. Treasury Share Acquisition Situation

Type of Shares

Common shares

- (1) Situation of the Acquisition of Treasury Shares by a Resolution at a General Meeting of Shareholders
This item is not applicable.
- (2) Situation of the Acquisition of Treasury Shares by a Resolution at a Meeting of the Board of Directors
This item is not applicable.
- (3) Details of the Acquisition of Treasury Shares Not by a Resolution at General Meeting of Shareholders or a Meeting of the Board of Directors
This item is not applicable.
- (4) Situation of the Handling of Acquired Treasury Shares and the Treasury Share Holding Situation

Category	Fiscal Year Ended February 28, 2023		This Term	
	Number of Shares	Total Amount of Disposal Price (Yen)	Number of Shares	Total Amount of Disposal Price (Yen)
Treasury shares acquired by soliciting for subscribers	-	-	-	-
Treasury shares acquired by cancelation of shares	-	-	-	-
Treasury shares acquired by a transfer relating to a merger, share exchange, share granting or company split	-	-	-	-
Other	-	-	-	-
Number of treasury shares held	238	-	238	-

Note:

This term is the period from the day after the last day of the fiscal year ended February 28, 2023 to the date on which this securities report was submitted. However, the number of treasury shares held in this period does not include the number of shares through the purchase of less than one unit from May 1, 2023 to the date on which this securities report was submitted.

3. Dividend Policy

We recognize that returning profits to shareholders is one of our most important issues. Accordingly, we pay stable and ongoing dividends of surplus. We aim for a consolidated dividend payout ratio of 50% based on net income attributable to owners of the parent in the medium-term upon comprehensively considering the dividend payout ratio and enhancement of the necessary internal reserves according to the progress of business performance. Under that target, our basic policy is to pay a dividend of surplus twice a year: an interim dividend and a year-end dividend.

We intend to strengthen our financial constitution in regards to our internal reserve funds. At the same time, we will strive to improve our corporate value by allocating those funds to strategic growth investment.

Moreover, we have stipulated in our Articles of Incorporation that we can pay a dividend of surplus as stipulated in Article 454, Paragraph (5) of the Companies Act to shareholders or registered share pledgees listed or registered in the final shareholder registry of August 31 every year as an interim dividend.

The decision-making body for the Company's dividends of surplus is the General Meeting of Shareholders for the year-end dividend and the Board of Directors for the interim dividend.

*We give below the dividends of surplus with a record date in the fiscal year ended February 28, 2023.

Date of Resolution	Total Amount of Dividend	Amount of Dividend Per Share
Resolution by the Board of Directors on October 12, 2022	2,211 million yen	30 yen
Resolution by the Ordinary General Meeting of Shareholders on May 26, 2023	2,211 million yen	30 yen