

Note: This document has been translated from a part of the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

Securities Code: 6358

June 7, 2023

To our shareholders:

Ichiro Sakai
President and Representing Director
SAKAI HEAVY INDUSTRIES, LTD.
1-9-9 Shibadaimon, Minato-ku, Tokyo

Notice of the 75th Annual General Meeting of Shareholders

We are pleased to announce the 75th Annual General Meeting of Shareholders of SAKAI HEAVY INDUSTRIES, LTD. (the “Company”), which will be held as indicated below.

The Company’s website

<https://www.sakainet.co.jp/ir/stock/soukai.html> (in Japanese)

(Access the website above, and from the menu, select “Investor Relations,” “Stock Information,” and “General Meeting of Shareholders” to find the notice.)

In addition to the Company’s website, the matters subject to measures for electronic provision are posted on the following website of Tokyo Stock Exchange (TSE).

Tokyo Stock Exchange’s website (Listed Company Search)

<https://www2.jpx.co.jp/tseHpFront/JJK010010Action.do?Show=Show> (in Japanese)

(Access the TSE website above, enter the Company’s name “SAKAI HEAVY INDUSTRIES” in the “Issue name (company name)” field or its securities code “6358” in the “Code” field to search for the Company, select “Basic information” and “Documents for public inspection/PR information” in that order, and then find the information posted in “[Notice of General Shareholders Meeting /Informational Materials for a General Shareholders Meeting].”)

In lieu of attending the meeting in person, you may exercise your voting rights in writing (by postal mail) or via the Internet. Please review the attached Reference Documents for General Meeting of Shareholders, and indicate your approval or disapproval of the proposals in the voting form, and exercise your voting rights no later than 5:45 p.m. on Wednesday, June 28, 2023 (JST).

1. Date and Time: Thursday, June 29, 2023 at 10:00 a.m. (JST)

2. Venue: Shiba Park Hotel, 2F, Rose
1-5-10 Shiba Koen, Minato-ku, Tokyo

3. Purposes:

Items to be reported:

1. The Business Report and the Consolidated Financial Statements for the 75th fiscal year (from April 1, 2022 to March 31, 2023), and the results of audits of the Consolidated Financial Statements by the Financial Auditor and the Audit and Supervisory Committee
2. The Non-consolidated Financial Statements for the 75th fiscal year (from April 1, 2022 to March 31, 2023)

Items to be resolved:

Proposal No. 1 Appropriation of Surplus

Proposal No. 2 Election of Two Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

Proposal No. 3 Election of Two Directors Who Are Audit and Supervisory Committee Members

4. Instructions for Exercising Voting Rights

Please refer to the “Instructions for Exercising Voting Rights” on page 3.

5. Matters related to electronic provision measures

Along with this document, we will deliver the documents of matters subject to measures for electronic provision to shareholders who have requested paper-based delivery. However, the following items are excluded from the documents, pursuant to the provisions of laws and regulations and Article 15 of the Articles of Incorporation of the Company:

- (1) “Resolutions regarding the System to Ensure the Appropriateness of Business Operations,” “Basic Policy and Progress of System Development for Eliminating Antisocial Forces,” “Overview of Operation Status to Ensure the Appropriateness of Business Operations,” and “Basic Policy for Control of Stock Company” in the Business Report
- (2) “Notes to Consolidated Financial Statements” in the Consolidated Financial Statements
- (3) “Notes to Non-consolidated Financial Statements” in the Non-consolidated Financial Statements

Therefore, the delivered documents make up a part of the Consolidated Financial Statements and Non-consolidated Financial Statements audited by the Financial Auditor in preparing its Financial Auditor’s Reports, and a part of the Business Report, Consolidated Financial Statements and Non-consolidated Financial Statements audited by the Audit and Supervisory Committee in preparing its Audit Report.

If you attend the meeting in person, please submit the voting form at the reception desk.

Should the matters subject to measures for electronic provision require revisions, the description of the revisions, the original versions, and the revised versions will be posted on the Company’s website and TSE website, described above, on the Internet.

Instructions for Exercising Voting Rights

The exercise of voting rights in the General Meeting of Shareholders is the important right of all shareholders.

Please exercise your voting rights after reviewing the Reference Documents for the General Meeting of Shareholders.

There are three ways to exercise your voting rights as described below.

Attending the General Meeting of Shareholders

Please submit the voting form at the reception desk.

Date and time: Thursday, June 29, 2023, at 10:00 a.m. (JST)

Exercising Voting Rights in Writing (by Postal Mail)

Please indicate your approval or disapproval of each proposal on the voting form, and post it without affixing postage stamps.

Exercise due date: to be received by 5:45 p.m. on Wednesday, June 28, 2023 (JST)

Exercising Voting Rights via the Internet

Please indicate your approval or disapproval of each proposal in accordance with the instructions on the following page.

Exercise due date: to be given by 5:45 p.m. on Wednesday, June 28, 2023 (JST)

Instructions for Filling Out the Voting Form

Proposal No. 1

- If you approve, put a circle in the box marked 賛.
- If you disapprove, put a circle in the box marked 否.

Proposals No. 2 and No. 3

- If you approve all candidates, put a circle in the box marked 賛.
 - If you disapprove all candidates, put a circle in the box marked 否.
 - If you disapprove of some candidates, put a circle in the box marked 賛 and write the candidates' number of whom you disapprove.
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- If you exercise your voting rights both in writing (by postal mail) and via the Internet, we will only accept the exercise of your voting rights via the Internet as effective. If you exercise your voting rights more than once via the Internet, only the last vote shall be deemed effective.
 - If neither approval nor disapproval of a proposal is indicated on the voting form you sent by postal mail, it shall be deemed a vote of approval.

Instructions for Exercising Voting Rights via the Internet, Etc.

How to scan the QR Code

You can log in to the voting rights exercising website without entering the login ID and temporary password indicated on the voting form.

- 1. Scan the QR Code indicated on the voting form.
Note: “QR Code” is a registered trademark of DENSO WAVE INCORPORATED.
- 2. Indicate your approval or disapproval by following the on-screen instructions.

How to enter your login ID and temporary password

Voting rights exercising website (<https://evote.tr.mufg.jp/>)

- 1. Access the voting rights exercising website.
- 2. Enter the “login ID and temporary password” indicated on the voting form and click “Login.”
- 3. Register a new password.
- 4. Indicate your approval or disapproval by following the on-screen instructions.

<p>If you have any difficulties about the use of a personal computer or smartphone for exercising your voting rights via the Internet, please contact:</p>	<p>Securities Agency Division (Help Desk), Mitsubishi UFJ Trust and Banking Corporation Phone: 0120-173-027 (toll-free and available from 9:00 a.m. to 9:00 p.m., only in Japan)</p>
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Reference Documents for the General Meeting of Shareholders

Proposal No. 1 Appropriation of Surplus

The Company proposes the appropriation of surplus as follows:

Year-end dividends

The Company works to secure a stable management base over the long term, and also places importance on the continuation of stable dividends, and makes it a basic policy to distribute results that are supported by business performance and a sound financial structure.

The Company has given comprehensive consideration to matters including the business performance of the fiscal year, and it proposes to pay year-end dividends for the fiscal year as follows:

(1) Type of dividend property

To be paid in cash.

(2) Allotment of dividend property and their aggregate amount

120 yen per common share of the Company

Total dividends: 508,297,080 yen

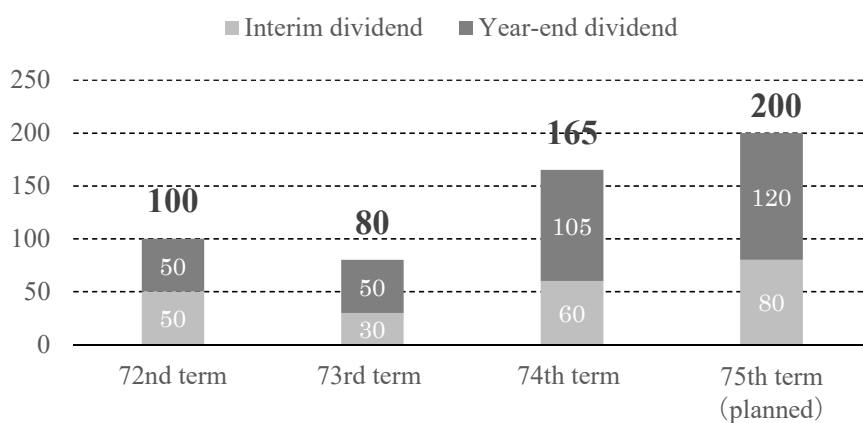
Accordingly, the annual dividend for the fiscal year, including the interim dividend, will be 200 yen per share.

(3) Effective date of dividends of surplus June 30, 2023

Reference

Dividend trends

(Yen)




Proposal No. 2 Election of Two Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

The terms of office of two Directors, excluding Directors who are Audit and Supervisory Committee Members, will expire at the conclusion of this meeting. Therefore, the Company proposes the election of two Directors, excluding Directors who are Audit and Supervisory Committee Members.

Candidates for the role of Director (excluding Director who is an Audit and Supervisory Committee Member) are as follows:

 <p>Number of the Company's shares owned: 136,664 shares Tenure: 32 years Attendance at Board of Directors meetings: 18/18</p>	Candidate No. 1	Ichiro Sakai	Date of birth December 4, 1961	Reelection
	<p>Career summary, and position and responsibility in the Company (Significant concurrent positions outside the Company)</p> <p>July 1990 Joined the Company June 1991 Director and Deputy General Manager of Corporate Planning Office July 1993 Managing Director and General Manager of Business Promotion Office Mar. 1995 President and Representing Director (current position) Apr. 1995 Director and Chairman of SAKAI AMERICA, INC. Jan. 2000 Director and Chairman of SAKAI AMERICA MANUFACTURING, INC. Dec. 2008 Director and Chairman of SAKAI AMERICA, INC. June 2019 Outside Director of PRONEXUS INC. (current position)</p> <p>Reasons for nomination as candidate for Director Ichiro Sakai assumed the office as Director in June 1991, and has served as President and Representing Director of the Company since March 1995, and has abundant experience and advanced knowledge as a manager. The Company has nominated him as a candidate for Director because he is considered to be suitable for the medium-term development of the Group and the strengthening of corporate governance.</p>			

 <p>Number of the Company's shares owned: 16,800 shares</p> <p>Tenure: 1 year</p> <p>Attendance at Board of Directors meetings: 16/18</p>	Candidate No. 2	Kenichi Mizuuchi	Date of birth February 23, 1955	Reelection
	<p>Career summary, and position and responsibility in the Company (Significant concurrent positions outside the Company)</p> <p>Aug. 1982 Joined the Company</p> <p>Apr. 1995 Head of Shikoku Sales Office, Domestic Sales Department, Sales Division</p> <p>Apr. 2006 General Manager of Extensive Sales Department, Domestic Business Division</p> <p>Apr. 2014 General Manager of Domestic Business Division and General Manager of Domestic Sales Department</p> <p>June 2014 Director, General Manager of Domestic Business Division, General Manager of Domestic Sales Department</p> <p>June 2016 Director, General Manager of Domestic Business Division and General Manager of Domestic Sales Department</p> <p>July 2017 Managing Director, General Manager of Domestic Business Division and General Manager of Domestic Sales Department</p> <p>June 2019 Managing Executive Officer, General Manager of Domestic Business Division and General Manager of Domestic Sales Department</p> <p>Apr. 2020 Senior Managing Executive Officer, General Manager of Domestic Business Division and General Manager of Domestic Sales Department</p> <p>Apr. 2022 Senior Managing Executive Officer and General Manager of Domestic Business Division</p> <p>June 2022 Director, Senior Managing Executive Officer and General Manager of Domestic Business Division (current position)</p> <p>Reasons for nomination as candidate for Director</p> <p>Kenichi Mizuuchi assumed the Office as Director in June 2014, and has been engaged in the sales activities of the Company's products in the domestic market as General Manager of Domestic Business Division. The Company has nominated him as a candidate for Director because he has abundant sales and marketing experience in road machinery and is considered to be suitable for developing the Company's global niche strategy.</p>			

- Notes: 1. There is no special interest between each of the candidates and the Company.
2. The Company has entered into a directors and officers liability insurance policy with an insurance company as stipulated in Article 430-3, paragraph (1) of the Companies Act of Japan, and the policy covers damages and litigation expenses incurred by the insured, including the Company's Directors. (However, there are certain exemptions, such as damages not being covered for acts committed by the insured with the knowledge that they were in violation of laws and regulations). In the event that each candidate is elected and assumes the office as a Director, they will be the insured under the policy. In addition, the Company plans to renew the policy with the same terms at the next renewal.

Proposal No. 3 Election of Two Directors Who Are Audit and Supervisory Committee Members

Out of four Directors who are Audit and Supervisory Committee Members, the terms of office of three Directors, Kazushi Kiyomiya, Ryuichi Tokunaga, and Makoto Kikkawa, will expire at the conclusion of this meeting.


Accordingly, considering the current status of the Company's auditing system involving cooperation with the internal audit department, the Company has judged that a system with three Directors who are Audit and Supervisory Committee Members, a decrease of one person, can maintain the effectiveness of audits and, therefore, proposes to elect two Directors who are Audit and Supervisory Committee Members.

In addition, the consent of the Audit and Supervisory Committee has been obtained for this proposal.

Candidates for the role of Director who is an Audit and Supervisory Committee Member are as follows:

	Candidate No. 1	Kazushi Kiyomiya	Date of birth October 31, 1953	Reelection
	Career summary, and position and responsibility in the Company (Significant concurrent positions outside the Company)			
Number of the Company's shares owned: 7,900 shares Tenure: 4 years Attendance at Board of Directors meetings: 17/18 Attendance at Audit and Supervisory Committee meetings: 13/14	July 1984	Joined the Company		
	July 2002	General Manager of International Procurement Department		
	Oct. 2002	General Manager of International Procurement Department, Global Production Division		
	June 2004	Director and General Manager of International Procurement Department, Global Production Division		
	Apr. 2008	Director, Deputy General Manager of Global Production Division, and General Manager of International Procurement Department, Global Production Division		
	Apr. 2009	Director and General Manager of Corporate Planning Department		
	Apr. 2018	Director		
	June 2019	Director and Audit and Supervisory Committee Member (current position)		
	Reasons for nomination as candidate for Director			
	Kazushi Kiyomiya assumed the office as Director in June 2004 and has been involved in international procurement and corporate planning for many years. He has sufficient knowledge of the Company's finance and accounting, having been in charge of coordinating the Company's management figures as the head of the Corporate Planning Department, and therefore, the Company believes that he is qualified to serve as a Director who is an Audit and Supervisory Committee Member.			

- Notes:
1. There is no special interest between the candidate and the Company.
 2. It is prescribed in the current Articles of Incorporation of the Company that the Company may enter into an agreement with non-executive Directors to limit their liability for damages to the Company within a certain range. In accordance with this, Kazushi Kiyomiya, who is a non-executive Director, has entered into a limited liability agreement with the Company.
 3. If the election of Kazushi Kiyomiya is approved, the Company plans to renew the limited liability agreements with him in accordance with laws and regulations.
 4. The Company has entered into a directors and officers liability insurance policy with an insurance company as stipulated in Article 430-3, paragraph (1) of the Companies Act of Japan, and the policy covers damages and litigation expenses incurred by the insured, including the Company's Directors. (However, there are certain exemptions, such as damages not being covered for acts committed by the insured with the knowledge that they were in violation of laws and regulations). In the event that the candidate is elected and assumes the office as a Director, the candidate will be the insured under the policy. In addition, the Company plans to renew the policy with the same terms at the next renewal.

	Candidate No. 2	Haruyasu Asakura	Date of birth April 16, 1961	New election
	Career summary, and position and responsibility in the Company (Significant concurrent positions outside the Company)			
Number of the Company's shares owned: – shares	Apr. 1984	Joined Mitsubishi Corporation		
Tenure: – years	May 1999	Partner of Apax Globis Partners		
Attendance at Board of Directors meetings: –/–	Feb. 2001	Managing Director of Carlyle Group		
Attendance at Audit and Supervisory Committee meetings: –/–	July 2009	Senior Managing Director (COO) of Innovation Network Corporation of Japan		
	Mar. 2016	Representative Director, President (CEO and CIO) of Marunouchi Capital Inc.		
	Nov. 2022	Representative Partner of HA Management LLC (current position)		
	Reasons for nomination as candidate for outside Director and outline of expected roles			
	Haruyasu Asakura has extensive experience in private equity funds, which has helped him develop broad insights into capital markets and corporate value improvement. The Company believes he is suitable to serve as an outside Director who is an Audit and Supervisory Committee Member and has nominated him as a candidate for Director.			

- Notes:
1. There is no special interest between the candidate and the Company.
 2. If the election of Haruyasu Asakura is approved, the Company plans to submit notification to the Tokyo Stock Exchange that he is designated as an independent officer as provided for by the aforementioned exchange.
 3. Haruyasu Asakura is a candidate for outside Director of the Company.
 4. Pursuant to Article 427, paragraph (1) of the Companies Act of Japan, if the election of Haruyasu Asakura is approved, the Company will enter into an agreement with him to limit his liability for damages under Article 423, paragraph (1) of the same Act. The maximum amount of liability for damages based on such agreement shall be the minimum liability amount stipulated in Article 425, paragraph (1) of the same Act.
 5. The Company has entered into a directors and officers liability insurance policy with an insurance company as stipulated in Article 430-3, paragraph (1) of the Companies Act of Japan, and the policy covers damages and litigation expenses incurred by the insured, including the Company's Directors. (However, there are certain exemptions, such as damages not being covered for acts committed by the insured with the knowledge that they were in violation of laws and regulations). In the event that the candidate is elected and assumes the office as a Director, the candidate will be the insured under the policy. In addition, the Company plans to renew the policy with the same terms at the next renewal.
 6. Currently, there is no special interest between HA Management LLC, at which Haruyasu Asakura serves as a Representative Partner, and the Company.

Current status of the corporate group

(1) Progress and results of operations

The business environment affecting SAKAI HEAVY INDUSTRIES, LTD. and its subsidiaries (the “Group”) during the fiscal year ended March 31, 2023 (April 1, 2022 to March 31, 2023) experienced a prolonged rise in security tensions caused by a sharp confrontation between the U.S. and China and Russia’s invasion of Ukraine. However, the environment was on a solid recovery path even under drastically changing global conditions, such as worldwide inflation of energy, material, and other various prices, supply chain disruptions resulting in decreased supply capacity, and interest rates raised by central banks in Europe and the U.S. that affect trends in international capital markets.

Under these circumstances, the Group has continued to strengthen its pricing and product supply capabilities, establish a sustainable management structure through ESG and DX, and implement the strategy to ensure medium- to long-term growth with overseas and next-generation businesses.

As a result, net sales for the fiscal year under review were 31,450 million yen, an increase of 18.3% year on year. This achievement was supported by expanded overseas sales even while supply chain issues put downward pressure on production and sales activities. Operating profit was 2,500 million yen, an increase of 81.2% year on year. This was contributed by the overseas business that focused on price revisions and streamlining to improve its earnings structure. Consequently, ordinary profit was 2,320 million yen, an increase of 65.4% year on year, and profit attributable to owners of parent was 1,690 million yen, an increase of 18.7% year on year.

The following presents net sales on a consolidated basis by geographic segment.

Net sales in Japan were 15,200 million yen, an increase of 6.4% year on year, due to continued solid demand against the backdrop of measures to accelerate national land resilience.

Net sales to overseas were 16,250 million yen, an increase of 32.0% year on year, reflecting a further recovery in demand at North American and Southeast Asian markets.

Net sales to North America were 7,750 million yen, an increase of 53.8% year on year, as the Infrastructure Investment Act boosted road construction investments although higher interest rates caused a decline in housing starts.

Net sales to Asia were 7,790 million yen, an increase of 20.1% year on year, supported by large markets, mainly Indonesia and Vietnam, with continuous solid environments, while some markets showed signs of deceleration in growth.

Net sales to other markets were 700 million yen, a decrease of 9.3% year on year, despite a steady trend in Oceanian markets.

	74th term (Previous fiscal year) (From April 1, 2021 to March 31, 2022)	75th term (Fiscal year under review) (From April 1, 2022 to March 31, 2023)	Year-on-year change	
	Amount (Millions of yen)	Amount (Millions of yen)	Amount (Millions of yen)	Increase (Decrease) (%)
Net sales	26,599	31,459	4,860	18.3
Operating profit	1,383	2,506	1,122	81.2
Ordinary profit	1,407	2,327	920	65.4
Profit attributable to owners of parent	1,427	1,694	267	18.7

Net sales in Japan and overseas are as presented in the following table.

Geographic segment	74th term (Previous fiscal year) (From April 1, 2021 to March 31, 2022)		75th term (Fiscal year under review) (From April 1, 2022 to March 31, 2023)		Year-on-year change	
	Amount (Millions of yen)	Composition ratio (%)	Amount (Millions of yen)	Composition ratio (%)	Amount (Millions of yen)	Increase (Decrease) (%)
	Japan	14,292	53.7	15,208	48.3	916
Overseas	12,306	46.3	16,251	51.7	3,944	32.0
North America	5,039	19.0	7,751	24.7	2,712	53.8
Asia	6,492	24.4	7,796	24.8	1,303	20.1
Others	775	2.9	703	2.2	(72)	(9.3)
Total	26,599	100.0	31,459	100.0	4,860	18.3

Note: Major countries and regions that belong to each overseas geographic segment in the fiscal year under review

North America United States

Asia Indonesia, China and the various countries surrounding the
Mekong River

Others Africa, Oceania and Central and South America

(2) Issues to be addressed

Japan continues to accelerate measures for disaster prevention, mitigation, and resilience with the government's 15-trillion-yen, five-year plan, and the United States has infrastructure investment plans totaling 1.2 trillion dollars. ASEAN and emerging countries are also further committed to infrastructure investment and mine development. These drivers are expected to enable global demand for construction equipment to remain solid, despite a series of ups and downs amid the turbulent global situation.

On the other hand, the global economic outlook is unpredictable. The factors include rapid inflation and tight money policies around the world, bloc economy resulting from the dramatically changing security landscape, and ICT and AI technology that cause social changes.

Under these circumstances, the Group strives to improve its profit structure through sales price revisions and higher value-added projects, get the most from human capital investments and DX to increase productivity and create new additional values, and adjust the supply chains and global business activities based on separate economic blocs. With these commitments, the Group drives transformation to make the management system more adaptable to emerging business situations.

The Group also makes continuous efforts to further develop Asian markets while pioneering North American markets, expand overseas business domains, leverage innovative technology to create next-generation businesses, and be more responsive to demand changes. In addition, the Group actively promotes ESG to grow corporate value in the medium- to long-term.

Consolidated Financial Statements

Consolidated Balance Sheet (As of March 31, 2023) (Thousands of yen)

Item	Amount	Item	Amount
Assets		Liabilities	
Current assets	27,440,377	Current liabilities	14,377,834
Cash and deposits	7,484,336	Notes and accounts payable - trade	2,515,028
Notes and accounts receivable - trade	8,068,886	Electronically recorded obligations - operating	4,631,090
Electronically recorded monetary claims - operating	1,395,360	Short-term borrowings	4,751,028
Merchandise and finished goods	3,406,701	Income taxes payable	336,586
Work in process	1,228,708	Provision for product warranties	336,364
Raw materials and supplies	4,816,726	Other	1,807,735
Other	1,039,755	Non-current liabilities	1,130,986
Allowance for doubtful accounts	(97)	Long-term borrowings	58,252
Non-current assets	13,364,280	Lease liabilities	309,248
Property, plant and equipment	7,383,615	Deferred tax liabilities	486,712
Buildings and structures	3,087,145	Retirement benefit liability	132,943
Machinery, equipment and vehicles	647,380	Other	143,830
Land	3,238,498	Total liabilities	15,508,820
Leased assets	275,573	Net assets	
Other	135,018	Shareholders' equity	22,074,576
Intangible assets	307,527	Share capital	3,295,841
Investments and other assets	5,673,136	Capital surplus	6,541,784
Investment securities	3,826,612	Retained earnings	12,642,202
Deferred tax assets	390,867	Treasury shares	(405,251)
Other	1,455,915	Accumulated other comprehensive income	3,158,197
Allowance for doubtful accounts	(258)	Valuation difference on available-for-sale securities	1,837,502
		Foreign currency translation adjustment	1,319,532
		Remeasurements of defined benefit plans	1,162
		Non-controlling interests	63,064
		Total net assets	25,295,837
Total assets	40,804,658	Total liabilities and net assets	40,804,658

Note: Listed amounts have been rounded down to the nearest thousand yen.

Consolidated Statement of Income (From April 1, 2022 to March 31, 2023)

(Thousands of yen)

Item	Amount	
Net sales		31,459,945
Cost of sales		23,294,752
Gross profit		8,165,192
Selling, general and administrative expenses		5,659,100
Operating profit		2,506,092
Non-operating income		
Interest income	5,465	
Dividend income	126,140	
Other	33,647	165,252
Non-operating expenses		
Interest expenses	197,275	
Foreign exchange losses	54,394	
Bank charge	87,044	
Other	4,829	343,544
Ordinary profit		2,327,800
Extraordinary income		
Gain on sale of non-current assets	1,911	1,911
Extraordinary losses		
Loss on disposal of non-current assets	178	178
Profit before income taxes		2,329,533
Income taxes - current	559,556	
Income taxes - deferred	70,060	629,617
Profit		1,699,916
Profit attributable to non-controlling interests		5,517
Profit attributable to owners of parent		1,694,399

Note: Listed amounts have been rounded down to the nearest thousand yen.

Consolidated Statement of Changes in Equity (From April 1, 2022 to March 31, 2023)

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	3,258,349	6,504,292	11,728,758	(403,884)	21,087,515
Changes during period					
Issuance of new shares	37,492	37,492			74,984
Dividends of surplus			(780,956)		(780,956)
Profit attributable to owners of parent			1,694,399		1,694,399
Purchase of treasury shares				(1,366)	(1,366)
Net changes in items other than shareholders' equity					
Total changes during period	37,492	37,492	913,443	(1,366)	987,060
Balance at end of period	3,295,841	6,541,784	12,642,202	(405,251)	22,074,576

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	1,564,136	465,857	(3,964)	2,026,029	47,826	23,161,371
Changes during period						
Issuance of new shares						74,984
Dividends of surplus						(780,956)
Profit attributable to owners of parent						1,694,399
Purchase of treasury shares						(1,366)
Net changes in items other than shareholders' equity	273,366	853,675	5,126	1,132,168	15,237	1,147,405
Total changes during period	273,366	853,675	5,126	1,132,168	15,237	2,134,466
Balance at end of period	1,837,502	1,319,532	1,162	3,158,197	63,064	25,295,837

Note: Listed amounts have been rounded down to the nearest thousand yen.