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Securities code: 4671
June 3, 2025

To Our Shareholders:

Tadashi Yasuda, President Executive Officer
FALCO HOLDINGS Co., Ltd.
44-3, Shogoinrengezo-cho Sakyo-ku, Kyoto

Notice of the 38th Annual General Meeting of Shareholders

Please take notice that the 38th Annual General Meeting of Shareholders of FALCO HOLDINGS Co., Ltd. (the "Company") will be held as described below.

When convening this general meeting of shareholders, the Company takes measures for providing information that constitutes the content of reference documents for the general meeting of shareholders, etc. (matters for which measures for providing information in electronic format are to be taken) in electronic format, and posts this information on the following websites. Please access one of the following websites to review the information.

[The Company's website]

<https://www.falco-hd.co.jp/stockholder/meeting.html> (in Japanese)

[Website for posted informational materials for the general meeting of shareholders]

<https://d.sokai.jp/4671/teiji/> (in Japanese)

[TSE website (Listed Company Search)]

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

(Access the TSE website by using the internet address shown above, enter "FALCO HOLDINGS" in "Issue name (company name)" or the Company's securities code "4671" in "Code," and click "Search." Then, click "Basic information" and select "Documents for public inspection/PR information." Under "Filed information available for public inspection," click "Click here for access" under "[Notice of General Shareholders Meeting /Informational Materials for a General Shareholders Meeting].")

If you are unable to attend the meeting in person, you may exercise your voting rights via the internet or in writing. Please review the Reference Documents for the General Meeting of Shareholders below and exercise your voting rights by 5:00 p.m. on Monday, June 23, 2025 (Japan Standard Time).

- 1. Date and Time:** Tuesday, June 24, 2025 at 10:00 a.m. (Japan Standard Time)
- 2. Location:** MAIN BANQUET KACHO, 1F, THE THOUSAND KYOTO
570 Higashi Shiokoji-cho Shimogyo-ku, Kyoto

- 3. Purpose of the Meeting:**

Matters to be reported:

1. Business Report and Consolidated Financial Statements for the 38th Fiscal Year (from April 1, 2024 to March 31, 2025) and Audit Reports of the Financial Auditor and the Audit Committee on the Consolidated Financial Statements
2. Non-consolidated Financial Statements for the 38th Fiscal Year (from April 1, 2024 to March 31, 2025)

Matters to be resolved:

Proposal No. 1	Appropriation of Surplus
Proposal No. 2	Election of Seven Directors (Excluding Directors Who Are Audit Committee Members)
Proposal No. 3	Election of Three Directors Who Are Audit Committee Members
Proposal No. 4	Election of One Substitute Director Who Is an Audit Committee Member
Proposal No. 5	Election of Financial Auditor

Reference Documents for the General Meeting of Shareholders

Proposal No. 1 Appropriation of Surplus

The Company recognizes that returning profits to shareholders is one of its key management issues. It is our basic policy with regard to shareholder returns to strive to secure a strong business foundation and improve return on shareholders' equity, and to provide appropriate returns of profit in accordance with enhancement of internal reserves, business performance and other factors while maintaining stable dividends. Based on this policy, we have set a consolidated dividend on equity (DOE) ratio target of 5% from the fiscal year ended March 31, 2025.

After giving comprehensive consideration to the various circumstances as well as our financial position, we have decided to pay a year-end dividend of ¥63 per share as an ordinary dividend for the current fiscal year, in order to achieve our target for shareholder returns (5% consolidated DOE ratio) at an early date. Combined with the previously provided interim dividend (¥60 per share), this will bring the annual dividend to ¥123 per share, representing an increase for the 13th consecutive year.

Year-end dividends

- (1) Type of dividend property
To be paid in cash.
- (2) Allotment of dividend property to shareholders and their aggregate amount
The Company proposes to pay a dividend of ¥63 per common share of the Company.
In this event, the total dividends will be ¥662,148,774.
- (3) Effective date of dividends of surplus
The effective date of dividends shall be June 25, 2025.

Proposal No. 2 Election of Seven Directors (Excluding Directors Who Are Audit Committee Members)

The terms of office of all six Directors (excluding Directors who are Audit Committee Members; applicable to the rest of this proposal) will expire at the conclusion of this meeting.

Therefore, the Company proposes the election of seven Directors, increasing the number of Directors by one to enhance the management system.

The election of candidates for Director is carried out based on recommendations by the Nomination and Remuneration Committee, of which a majority of members are independent outside Directors.

In addition, the Audit Committee has expressed the opinion that all of the candidates are suitable for this proposal.

The candidates for Director are as follows:

Candidate No.	Name	Candidate attributes	Position in the Company	Attendance at Board of Directors meetings
1	Tadashi Yasuda	Reelection	President Executive Officer	16/16 (100%)
2	Takafumi Fukui	Reelection	Director and Senior Managing Executive Officer	16/16 (100%)
3	Yoichi Kawata	Reelection	Director and Managing Executive Officer	16/16 (100%)
4	Tetsuo Goda	Reelection	Director	16/16 (100%)
5	Hisayuki Ohba	New election	Executive Officer	—
6	Shuhei Kuroda	New election	Executive Officer	—
7	Kei Shimada	New election	—	—

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company		Number of the Company's shares owned	
1	Tadashi Yasuda (August 9, 1958) Reelection	Feb. 1995	Joined FALCO biosystems Ltd. (currently the Company)	43,200 shares	
		Dec. 2005	Managing Director, General Manager of Corporate Planning Division, and General Manager of Business Development Division of the Company		
		Jan. 2008	Senior Managing Director, and General Manager of Planning Management Division		
		Mar. 2010	Senior Managing Director, General Manager of Strategy Business Office, and General Manager of Pharmacy Business Office		
		June 2015	Executive Vice President, and General Manager of Strategy Business Office		
		June 2017	President, and General Manager of Strategy Business Office		
		Apr. 2019	President, and General Manager of Corporate Planning Office		
		June 2021	President		
			Chairman of FALCO Business Support Co., Ltd. (currently MediSage Co., Ltd.) (current position)		
		June 2023	President Executive Officer of the Company		
Reasons for nomination as candidate for Director					
Since joining the Company, Tadashi Yasuda has had jurisdiction over accounting and corporate planning divisions and following his appointment as President in June 2017 and President Executive Officer in June 2024, he has demonstrated strong leadership and decision-making skills while overseeing the operations of the entire Group. Due to his experience and deep insight, the Company has again nominated him as a candidate for Director.					

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company		Number of the Company's shares owned
2	<p>Takafumi Fukui (October 12, 1965)</p> <p>Reelection</p>	<p>Nov. 2002 Joined FALCO biosystems Ltd. (currently the Company)</p> <p>Apr. 2020 General Manager of Biomedical Business Department of FALCO biosystems Ltd.</p> <p>June 2021 Director, and Deputy General Manager of Clinical Business Office of the Company</p> <p>Director, and General Manager of Biomedical Business Department of FALCO biosystems Ltd.</p> <p>June 2022 Director, and General Manager of Genome Business Office of the Company</p> <p>Managing Director, and General Manager of Biomedical Business Department of FALCO biosystems Ltd.</p> <p>June 2023 Director and Managing Executive Officer, and General Manager of Genome Business Office of the Company</p> <p>Senior Managing Director, and General Manager of Biomedical Business Department of FALCO biosystems Ltd.</p> <p>Dec. 2023 Director and Managing Executive Officer, Corporate Planning Office, and General Manager of Genome Business Office of the Company</p> <p>June 2024 Director and Senior Managing Executive Officer, and General Manager of Genome Business Office (current position)</p> <p>Chairman, and General Manager of Biomedical Business Department of FALCO biosystems Ltd. (current position)</p> <p>Chairman of FALCO Pharmacies, Ltd. (current position)</p> <p>Chairman of Tulip Drug Dispensary Co., Ltd. (current position)</p> <p>Representative Director of MediSage Co., Ltd. (current position)</p>		7,600 shares
<p>Reasons for nomination as candidate for Director</p> <p>Since joining FALCO biosystems Ltd., Takafumi Fukui has had jurisdiction over the genetics business and following his appointment as Director and Senior Managing Executive Officer, and General Manager of the Genome Business Office of the Company, as well as Chairman, and General Manager of the Biomedical Business Department of FALCO biosystems Ltd. in June 2024 among other positions, he has contributed to the development of the Group, particularly including the Group's genetics business. Due to his experience and deep insight, the Company has again nominated him as a candidate for Director.</p>				

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company		Number of the Company's shares owned
3	Yoichi Kawata (March 30, 1962) Reelection	Nov. 1992	Joined FALCO biosystems Ltd. (currently the Company)	
		July 2017	Executive Officer, and General Manager of Clinical Testing Department of FALCO biosystems Ltd.	
		June 2018	Director, Deputy General Manager of Clinical Business Office, and Deputy General Manager of Business Development Office of the Company	
		Apr. 2019	Director, and General Manager of Clinical Testing Division of FALCO biosystems Ltd.	10,230 shares
		June 2021	Director, Deputy General Manager of Clinical Business Office, and Deputy General Manager of Corporate Planning Office of the Company	
		June 2022	Director, and Deputy General Manager of Clinical Business Office	
		June 2023	Managing Director, and General Manager of Clinical Testing Division of FALCO biosystems Ltd.	
		Reasons for nomination as candidate for Director Since joining the Company, Yoichi Kawata has had jurisdiction over the clinical testing division and following his appointment as President of FALCO biosystems Ltd. in June 2022, and Director and Managing Executive Officer, and General Manager of the Clinical Business Office of the Company in June 2023, he has contributed to the development of the Group's clinical testing business. Due to his experience and deep insight, the Company has again nominated him as a candidate for Director.		

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company		Number of the Company's shares owned
4	<p>Tetsuo Goda (February 26, 1966)</p> <p>Reelection</p>	<p>Apr. 2016 Joined FALCO biosystems Ltd.</p> <p>July 2017 Executive Officer, and General Manager of Clinical Sales Department</p> <p>July 2018 Managing Executive Officer, and General Manager of Clinical Sales Division</p> <p>Oct. 2018 Deputy General Manager of Clinical Business Office and Business Development Office of the Company (Administrative Officer)</p> <p>June 2019 Director, and Deputy General Manager of Clinical Business Office</p> <p>Director, and General Manager of Clinical Sales Division of FALCO biosystems Ltd.</p> <p>July 2020 Director, Deputy General Manager of Clinical Business Office, and Deputy General Manager of Corporate Planning Office of the Company</p> <p>June 2021 Director, General Manager of Business Development Office, and Deputy General Manager of Clinical Business Office</p> <p>Managing Director, and General Manager of Clinical Sales Division of FALCO biosystems Ltd.</p> <p>June 2022 Director, General Manager of ICT Business Office, and Deputy General Manager of Clinical Business Office of the Company</p> <p>Senior Managing Director of FALCO biosystems Ltd.</p> <p>President of FALCO Business Support Co., Ltd. (currently MediSage Co., Ltd.)</p> <p>June 2023 Director and Executive Officer, and General Manager of ICT Business Office of the Company</p> <p>June 2024 Director, and General Manager of Corporate Planning Office (current position)</p>		7,000 shares
<p>Reasons for nomination as candidate for Director</p> <p>Since joining FALCO biosystems Ltd., Tetsuo Goda has supervised the clinical sales and ICT divisions and following his appointment as Director, and General Manager of the Corporate Planning Office of the Company in June 2024, he has contributed to the development of the Group. Due to his experience and deep insight, the Company has again nominated him as a candidate for Director.</p>				

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company		Number of the Company's shares owned
5	Hisayuki Ohba (November 5, 1969) New election	Sept. 2007 Joined FALCO biosystems Ltd. (currently the Company) July 2015 Executive Officer, and General Manager of Accounting Department of FALCO Business Support Co., Ltd. (currently MediSage Co., Ltd.) June 2016 Director of Tulip Drug Dispensary Co., Ltd. Managing Executive Officer of FALCO Pharmacies, Ltd. July 2016 Managing Executive Officer of FALCO Business Support Co., Ltd. (currently MediSage Co., Ltd.) June 2017 Director of FALCO Pharmacies, Ltd. Jan. 2019 Managing Executive Officer, and General Manager of Accounting Department of FALCO Business Support Co., Ltd. (currently MediSage Co., Ltd.) June 2019 Director, General Manager of Planning Office, General Manager of Legal Affairs Office, General Manager of General Affairs Department, and General Manager of Accounting Department July 2019 Executive Officer, and Deputy General Manager of Management Office of the Company June 2022 Managing Director, General Manager of Planning Office, and General Manager of Accounting Department of FALCO Business Support Co., Ltd. (currently MediSage Co., Ltd.) July 2022 Executive Officer, and General Manager of Management Office of the Company Managing Director, and General Manager of Management Division of MediSage Co., Ltd. June 2024 Executive Officer, and Deputy General Manager of Pharmacy Business Office of the Company (current position) Director of FALCO Pharmacies, Ltd. (current position) President of Tulip Drug Dispensary Co., Ltd. (current position)		5,100 shares
Reasons for nomination as candidate for Director Since joining FALCO biosystems Ltd., Hisayuki Ohba has had jurisdiction over the management division and following his appointment as Executive Officer, and Deputy General Manager of the Pharmacy Business Office of the Company, as well as President of Tulip Drug Dispensary Co., Ltd. in June 2024, he has contributed to the stability of the Group's business management foundation as well as the development of its dispensing pharmacy business. Due to his experience and deep insight, the Company has nominated him as a candidate for Director.				

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company		Number of the Company's shares owned
6	<p>Shuhei Kuroda (May 22, 1973)</p> <p>New election</p>	<p>Mar. 2012 Joined FALCO Business Support Co., Ltd. (currently MediSage Co., Ltd.)</p> <p>Apr. 2017 General Manager of Accounting Department</p> <p>June 2019 Director of FALCO Pharmacies, Ltd.</p> <p>Director of Tulip Drug Dispensary Co., Ltd.</p> <p>June 2021 Director of FALCO Business Support Co., Ltd. (currently MediSage Co., Ltd.)</p> <p>June 2022 Executive Officer, Deputy General Manager of Clinical Business Office, and Deputy General Manager of Genome Business Office of the Company Director of FALCO biosystems Ltd.</p> <p>July 2022 Director, Deputy General Manager and Assistant to General Manager of ICT Business Division of MediSage Co., Ltd.</p> <p>Oct. 2022 Executive Officer, Deputy General Manager of Structural Reform Promotion Office, Deputy General Manager of Clinical Business Office, and Deputy General Manager of Genome Business Office of the Company</p> <p>June 2023 Executive Officer, General Manager of Corporate Planning Office, Deputy General Manager of ICT Business Office, and Deputy General Manager of Genome Business Office</p> <p>June 2024 Executive Officer, General Manager of Management Office, Deputy General Manager of ICT Business Office, and Deputy General Manager of Genome Business Office (current position) Managing Director, General Manager of Management Division, and Deputy General Manager and Assistant to General Manager of ICT Business Division of MediSage Co., Ltd. (current position)</p>		
<p>Reasons for nomination as candidate for Director</p> <p>Since joining FALCO Business Support Co., Ltd. (currently MediSage Co., Ltd.), Shuhei Kuroda has had jurisdiction primarily over the management division and following his appointment as Executive Officer, General Manager of the Management Office, Deputy General Manager of the ICT Business Office, and Deputy General Manager of the Genome Business Office of the Company, as well as Managing Director, General Manager of the Management Division, and Deputy General Manager and Assistant to the General Manager of the ICT Business Division of MediSage Co., Ltd. in June 2024, he has contributed to the development of the Group. Due to his experience and deep insight, the Company has nominated him as a candidate for Director.</p>				

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company		Number of the Company's shares owned
7	Kei Shimada (July 16, 1973)	Mar. 2005 July 2022 June 2024	Joined FALCO biosystems Ltd. Head (Deputy General Manager) of Sales Unit of ICT Business Division of MediSage Co., Ltd. Head (General Manager) of Sales Unit of ICT Business Division	4,800 shares
	New election	June 2024	Deputy General Manager of ICT Business Office of the Company (current position) Director, and Deputy General Manager of ICT Business Division of MediSage Co., Ltd. (current position)	
<p>Reasons for nomination as candidate for Director</p> <p>Since joining FALCO biosystems Ltd., Kei Shimada has had jurisdiction over the ICT division and following his appointment as Deputy General Manager of the ICT Business Office of the Company, as well as Director, and Deputy General Manager of the ICT Business Division of MediSage Co., Ltd. in June 2024, he has contributed to the development of the Group's ICT business. Due to his experience and deep insight, the Company has nominated him as a candidate for Director.</p>				

Notes:

1. There is no special interest between any of the candidates for Director and the Company.
2. The Company has entered into a directors and officers liability insurance contract with an insurance company, stipulated in Article 430-3, paragraph (1) of the Companies Act. If an insured person, including directors of the Company, receives a claim for damages resulting from an action (or non-action) that is part of their duties as an officer of the Company, then the amount of damages and legal costs borne by the insured person in relation to this claim shall be covered by this contract. (However, there are certain exemptions, such as damages resulting from an action in which the insured person knowingly violated a law or regulation will not be covered.) If each candidate is elected as a director, they will become an insured person under said insurance contract. Furthermore, the Company plans to renew said insurance contract with the same content at the next time of renewal.

Proposal No. 3 Election of Three Directors Who Are Audit Committee Members

The terms of office of all three Directors who are Audit Committee Members will expire at the conclusion of this meeting.

Therefore, the Company proposes the election of three Directors who are Audit Committee Members.

The election of Directors who are Audit Committee Members is carried out based on recommendations by the Nomination and Remuneration Committee, of which a majority of members are independent outside Directors.

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

Candidates for Director who is an Audit Committee Member are as follows:

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company		Number of the Company's shares owned
1	Masaharu Takai (May 1, 1965) New election Outside Independent	Oct. 1993 Apr. 1997 July 2004 Mar. 2007 July 2019 July 2023 June 2024 Feb. 2025	Joined Kyoto Office of Chuo Audit Corporation (later MISUZU Audit Corporation) Registered as a certified public accountant Partner of ChuoAoyama Audit Corporation (later MISUZU Audit Corporation) Partner of Kyoto Audit Corporation (currently PricewaterhouseCoopers Japan LLC) Vice Chairman of the Japanese Institute of Certified Public Accountants Keiji Chapter (current position) Established Masaharu Takai Certified Public Accountant Office, Representative (current position) Outside Director of the Company (current position) Management Function Supervisory Committee Member of Hikari Audit Corporation (current position)	0 shares
Reasons for nomination as candidate for outside Director who is an Audit Committee Member and summary of expected roles As a certified public accountant, Masaharu Takai has thorough knowledge of corporate accounting, and following his appointment as an Outside Director of the Company in June 2024, he has carried out his duties appropriately. The Company has nominated him as a candidate for outside Director who is an Audit Committee Member so that he can leverage his abundant experience, specialist knowledge, and deep insight in the management of the Company. Although he has never been involved in the management of a company in the past, except as an outside Director, the Company judges he will appropriately fulfill his duties as an outside Director who is an Audit Committee Member based on the above reasons. If elected, the Company expects that he will leverage his knowledge, as mentioned above, to supervise the execution of duties by directors and provide advice from an expert perspective, particularly concerning corporate accounting, and to contribute to and oversee matters such as the selection of candidates for director and other officers of the Company and the determination of officer remuneration from an objective and unbiased standpoint as a member of the Nomination and Remuneration Committee.				

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company		Number of the Company's shares owned
2	Mitsuo Isoda (January 7, 1970) New election Outside Independent	Apr. 1995 Registered as an attorney-at-law (Osaka Bar Association) Apr. 1995 Joined Miyake Joint Partnership Law Office (currently Miyake & Partners) June 2001 Completed the LL.M. Program of Harvard Law School Aug. 2001 Interned at New York office of Pillsbury Winthrop Shaw Pittman LLP Feb. 2002 Registered as an attorney-at-law of the New York State Bar Association (at that time) July 2002 Partner of Miyake & Partners June 2014 Outside Corporate Auditor of HASEKO Corporation (current position) June 2016 Outside Director of MORITA HOLDINGS CORPORATION (current position) Apr. 2018 Civil Mediation Commissioner of Osaka Summary Court (current position) May 2019 Representative Partner of Miyake & Partners (current position)		0 shares
Reasons for nomination as candidate for outside Director who is an Audit Committee Member and summary of expected roles Mitsuo Isoda has considerable knowledge, extensive experience, and deep insight on corporate law from his many years as an attorney-at-law, as well as experience as an outside director and outside corporate auditor of other companies, and the Company has nominated him as a candidate for outside Director who is an Audit Committee Member so that he will leverage these abilities in the management of the Company. Although he has never been involved in the management of a company in the past, except as an outside Director, the Company judges he will appropriately fulfill his duties as an outside Director who is an Audit Committee Member based on the above reasons. If elected, the Company expects that he will leverage his knowledge, as mentioned above, to supervise the execution of duties by directors and provide advice from an expert perspective, particularly concerning corporate law, and to contribute to and oversee matters such as the selection of candidates for director and other officers of the Company and the determination of officer remuneration from an objective and unbiased standpoint as a member of the Nomination and Remuneration Committee.				

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company		Number of the Company's shares owned
3	Keiko Kousaka (September 20, 1976) Reelection Outside Independent	Oct. 2002 Jan. 2009 June 2016 June 2017 Mar. 2018 June 2018 Jan. 2020 June 2021 Mar. 2022	Registered as an attorney-at-law, joined Irokawa Law Office (currently Irokawa Legal Professional Corporation) Partner External Audit and Supervisory Board Member of Nihon Yamamura Glass Co., Ltd. External Director (Audit and Supervisory Committee Member) (current position) Outside Auditor of Asia and Pacific Trade Center Co., Ltd. (current position) Outside Audit & Supervisory Board Member of Toyo Tanso Co., Ltd. Outside Audit Board Member of the Company Attorney-at-Law of Irokawa Legal Professional Corporation (current position) Outside Director (Audit Committee Member) of the Company (current position) Outside Director of Toyo Tanso Co., Ltd. (current position)	900 shares
Reasons for nomination as candidate for outside Director who is an Audit Committee Member and summary of expected roles As an attorney-at-law, Keiko Kousaka has thorough knowledge of corporate law and following her appointment as an outside Audit Board Member of the Company in June 2018, as well as an outside Director (Audit Committee Member) of the Company in June 2021, she has carried out her duties appropriately. She also has experience as an outside director who is an audit and supervisory committee member of other companies, and due to this wide-ranging knowledge and deep insight, the Company has nominated her as a candidate for outside Director who is an Audit Committee Member. Although she has never been involved in the management of a company in the past, except as an outside Director, the Company judges she will appropriately fulfill her duties as an outside Director who is an Audit Committee Member based on the above reasons. If elected, the Company expects that she will leverage her knowledge, as mentioned above, to supervise the execution of duties by directors and provide advice from an expert perspective, particularly concerning corporate law, and to contribute to and oversee matters such as the selection of candidates for director and other officers of the Company and the determination of officer remuneration from an objective and unbiased standpoint as a member of the Nomination and Remuneration Committee.				

Notes:

1. Mitsuo Isoda serves as Representative Partner at Miyake & Partners, and the Company has entered into an advisory agreement with this firm. However, the amount of transactions is less than 1% of both the Company's consolidated net sales and the firm's net sales. Therefore, the Company deems that there are no concerns over his independence. Keiko Kousaka serves as Partner at Irokawa Legal Professional Corporation, and the Company has entered into an advisory agreement with this firm. However, the amount of transactions is less than 1% of both the Company's consolidated net sales and the firm's net sales. Therefore, the Company deems that there are no concerns over her independence. There is no special interest between any other candidates for Director who is an Audit Committee Member and the Company.
2. Masaharu Takai, Mitsuo Isoda, and Keiko Kousaka are candidates for outside Director who are Audit Committee Members.
3. Masaharu Takai is currently an outside Director of the Company and at the conclusion of this meeting, his tenure will have been one year. Keiko Kousaka is currently an outside Director of the Company and at the conclusion of this meeting, her tenure will have been four years. She also served as an outside Audit Board Member for a three-year period up to June 2021.
4. The Company has entered into limited liability agreements with Masaharu Takai and Keiko Kousaka, pursuant to its articles of incorporation and the provisions of Article 427, paragraph (1) of the Companies Act. The maximum amount of liability under these agreements is five million yen, which is the scope of liability stipulated in the articles of incorporation, or the minimum liability amount provided for under laws and regulations, whichever is higher. However, this limit will be applicable only when the performance of duties giving rise to such liability is recognized to have been carried out in good faith and with no gross negligence. Additionally, if Masaharu Takai is elected as outside Director who is an Audit Committee Member, and Keiko Kousaka is reelected as outside Director who is an Audit Committee Member, the Company plans to renew said agreements with them. If the election of Mitsuo Isoda is approved, the Company plans to enter into the same limited liability agreement with him.

5. The Company has entered into a directors and officers liability insurance contract with an insurance company, stipulated in Article 430-3, paragraph (1) of the Companies Act. If an insured person, including directors of the Company, receives a claim for damages resulting from an action (or non-action) that is part of their duties as an officer of the Company, then the amount of damages and legal costs borne by the insured person in relation to this claim shall be covered by this contract. (However, there are certain exemptions, such as damages resulting from an action in which the insured person knowingly violated a law or regulation will not be covered.) If each candidate is elected as a Director who is an Audit Committee Member, they will become an insured person under said insurance contract. Furthermore, the Company plans to renew said insurance contract with the same content at the next time of renewal.
6. The Company has submitted notification to Tokyo Stock Exchange, Inc. that Masaharu Takai and Keiko Kousaka have been designated as independent officers as provided for by the aforementioned exchange. If Masaharu Takai is elected as outside Director who is an Audit Committee Member, and Keiko Kousaka is reelected as an outside Director who is an Audit Committee Member, the Company plans to continue their designation as independent officers. In addition, Mitsuo Isoda satisfies the requirements for an independent officer as provided for by Tokyo Stock Exchange, Inc., and if his election is approved, the Company plans to designate him as an independent officer.

(Reference)

If Proposal No. 2 and Proposal No. 3 are approved as originally proposed, the structure of the Board of Directors and the major skills, experience, and knowledge of each Director shall be as indicated below.

	Management experience	Marketing	Understanding of medical industry	Understanding of ICT	Finance and accounting	Legal, governance and risk management
Tadashi Yasuda	●	●	●	●	●	●
Takafumi Fukui	●		●			
Yoichi Kawata	●		●			
Tetsuo Goda	●	●	●	●		
Hisayuki Ohba	●		●		●	●
Shuhei Kuroda	●	●	●	●	●	●
Kei Shimada	●	●	●	●		
Masaharu Takai					●	
Mitsuo Isoda						●
Keiko Kousaka						●

Proposal No. 4 Election of One Substitute Director Who Is an Audit Committee Member

At the 37th Annual General Meeting of Shareholders held on June 21, 2024, Kinya Naito was elected as a substitute Director who is an Audit Committee Member. However, as of the start of this meeting, the term of Etsuko Nagashima as substitute Director who is an Audit Committee Member, which began with her election at the 36th Annual General Meeting of Shareholders held on June 23, 2023, will come to an end. To prepare for a contingency in which the Company does not have the number of directors who are Audit Committee Members required by laws and regulations, the Company proposes to elect one additional substitute Director who is an Audit Committee Member.

If this proposal is approved, the order in which the two substitute Directors who are Audit Committee Members will assume office will be as follows: Kinya Naito will assume office first, followed by Takehiko Katsuyama assuming office second.

If said substitute Director who is an Audit Committee Member assumes office as Director who is an Audit Committee Member, his term of office will expire when the term of office of the retiring Director who is an Audit Committee Member expires.

The election of a substitute Director who is an Audit Committee Member is carried out based on recommendations by the Nomination and Remuneration Committee, of which a majority of members are independent outside Directors. Said election of a substitute Director who is an Audit Committee Member can be nullified by resolution of the Board of Directors if the consent of the Audit Committee has been obtained, provided that it is before said substitute assumes office.

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

The candidate for substitute director who is an Audit Committee member is as follows:

Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company		Number of the Company's shares owned
Takehiko Katsuyama (November 16, 1965)	Aug. 1995 Oct. 1995 Nov. 1995 Dec. 2007 June 2016 July 2017 June 2018 June 2021	Registered to practice as a certified public accountant Joined Certified Public Tax Accountant Hori Mitsuyoshi Office, certified public accountant (current position) Registered as a certified public tax accountant Representative Audit Committee Member of Hirakata City Outside Audit Board Member of the Company Representative Audit Committee Member of The Wider-Area Union for the Medical Care System for Elderly People in Osaka Prefecture Outside Director of the Company Outside Director (Audit Committee Member) (current position)	2,700 shares

Reasons for nomination as candidate for substitute outside Director who is an Audit Committee Member and summary of expected roles

As a certified public accountant, Takehiko Katsuyama has thorough knowledge of corporate accounting, and following his appointment as an outside Director (Audit Committee Member) of the Company in June 2021, he has carried out his duties appropriately. The Company has nominated him as a candidate for substitute outside Director who is an Audit Committee Member so that he can leverage his wide-ranging knowledge and deep insight in the management of the Company.

Although he has never been involved in the management of a company in the past, except as an outside Director, the Company judges he will appropriately fulfill his duties as an outside Director who is an Audit Committee Member based on the above reasons. If he assumes office as an outside Director who is an Audit Committee Member, the Company expects that he will leverage his knowledge, as mentioned above, to supervise the execution of duties by directors and provide advice from an expert perspective, particularly concerning corporate accounting, and to contribute to and oversee matters such as the selection of candidates for director and other officers of the Company and the determination of officer remuneration from an objective and unbiased standpoint as a member of the Nomination and Remuneration Committee.

Notes:

1. There is no special interest between Takehiko Katsuyama and the Company.
2. Takehiko Katsuyama is a candidate for substitute outside Director who is an Audit Committee Member.
3. Takehiko Katsuyama is currently an outside Director of the Company, and at the conclusion of this meeting, his tenure will have been seven years. He also served as an outside Audit Board Member for a two-year period up to June 2018.
4. The Company has entered into a limited liability agreement with Takehiko Katsuyama, pursuant to its articles of incorporation and the provisions of Article 427, paragraph (1) of the Companies Act. The maximum amount of liability under this agreement is five million yen, which is the scope of liability stipulated in the articles of incorporation, or the minimum liability amount provided for under laws and regulations, whichever is higher. However, this limit will be

applicable only when the performance of duties giving rise to such liability is recognized to have been carried out in good faith and with no gross negligence. If appointed to serve as an outside Director who is an Audit Committee Member, the Company plans to conclude such a limited liability agreement with him.

5. The Company has entered into a directors and officers liability insurance contract with an insurance company, stipulated in Article 430-3, paragraph (1) of the Companies Act. If an insured person, including directors of the Company, receives a claim for damages resulting from an action (or non-action) that is part of their duties as an officer of the Company, then the amount of damages and legal costs borne by the insured person in relation to this claim shall be covered by this contract. (However, there are certain exemptions, such as damages resulting from an action in which the insured person knowingly violated a law or regulation will not be covered.) If Takehiko Katsuyama is appointed to serve as an outside Director who is an Audit Committee Member, he will become an insured person under said insurance contract.
6. The Company has submitted notification to Tokyo Stock Exchange, Inc. that Takehiko Katsuyama has been designated as an independent officer. If he is appointed to serve as an outside Director who is an Audit Committee Member, the Company plans to designate him as an independent officer.

Proposal No. 5 Election of Financial Auditor

Since the contract with PricewaterhouseCoopers Japan LLC, the Company's Financial Auditor, will expire at the conclusion of this meeting, the Company proposes to elect a new Financial Auditor.

This proposal is based on the decision of the Audit Committee.

In addition, the Audit Committee's reasons for nomination of Grant Thornton Taiyo LLC as candidate for Financial Auditor are that, in addition to the expectation that the firm will provide a new perspective on auditing, the Audit Committee judges it to be suitable based on a comprehensive assessment of such factors as the expertise, independence, appropriateness, and quality control system required of a financial auditor, as well as the level of audit fees.

The candidate for Financial Auditor is as follows:

(As of March 31, 2025)

Name	Grant Thornton Taiyo LLC	
Offices	Main office Akasaka K-tower 22F, 1-2-7 Motoakasaka, Minato-ku, Tokyo 107-0051 Japan Other offices Osaka Office and 11 other locations	
History	Sept. 1971	Taiyo Audit Corporation established
	Jan. 2006	Taiyo Audit Corporation and ASG Audit Corporation merged, establishing Grant Thornton Taiyo ASG
	July 2008	With the transition to a limited liability audit corporation, firm name changed to Grant Thornton Taiyo ASG LLC
	July 2012	Merged with Eisho Audit Corporation
	Oct. 2013	Merged with Kasumigaseki Audit Corporation
	Oct. 2014	Firm name changed to Grant Thornton Taiyo LLC
	July 2018	Merged with Yusei Audit & Co.
Overview	Capital	530 million yen
	Staff	Senior partners and partners 95 Specified partners 5 Certified public accountants 376 Employees who have passed the certified public accountant examination 253 Other professionals 216 Administrative staff 101 Advisors 1 Contract employees 276 Total 1,323
	Client companies	1,120

Note: Grant Thornton Taiyo LLC was subject to a partial suspension of operations by the Financial Services Agency from January 1, 2024, to March 31, 2024. However, the firm submitted a business improvement plan to the Financial Services Agency on January 31, 2024. With regard to the progress reports that the firm submitted to the Financial Services Agency, the first report was submitted on February 1, 2024, the second report was submitted on March 29, 2024, and the third report was submitted on July 1, 2024. Moreover, the firm has been implementing measures to improve audit quality and fundamentally resolve the issues, including strengthening governance functions that ensure transparency, changing the organizational structure, reforming the organizational culture, revising the personnel system, and reforming the on-site inspection. The firm has received a notice from the Financial Services Agency that further reports will not be required.

Based on the aforementioned, the measures taken for business improvement by the firm are deemed to be completed. Therefore, the Company proposes to elect this firm as the Financial Auditor.

The Audit Committee has evaluated the efforts of the firm to make improvements to prevent recurrence and judges that the firm will appropriately and rigorously provide auditing services to the Company.