Note: This document has been translated from 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.

Mission

... for patient comfort.

To support the zest for living

Our mission is
“Contributing to a healthier society through cutting-edge medical technologies”

“Is it appropriate for the patient?

Is it valuable for the patient?”

These questions are always at the center of our focus, and we are constantly striving to provide excellent medical devices.

(Securities Code 7575)
June 10, 2026

To Shareholders with Voting Rights:

Keisuke Suzuki
President and CEO
Japan Lifeline Co., Ltd.
2-2-20, Higashishinagawa, Shinagawa-ku, Tokyo

NOTICE OF THE 46TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

You are cordially invited to attend the 46th Ordinary General Meeting of Shareholders of Japan Lifeline Co., Ltd. (the "Company"). The meeting will be held for the purposes as described below.

In convening this General Meeting of Shareholders, the Company has taken measures for providing information that constitutes the content of reference documents for the general meeting of shareholders, etc. (items for which measures for providing information in electronic format are to be taken) in electronic format, and has posted the information on each of the following websites. Please access either of the websites to view the information.

The Company's website:

https://www.jll.co.jp/investors/event/agm.html (in Japanese)

Website for posted informational materials for the general meeting of shareholders:

https://d.sokai.jp/7575/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 "Japan Lifeline" in "Issue name (company name)" or "7575" 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, and exercise your voting rights by 5:30 p.m. on Thursday, June 25, 2026.

In addition, for shareholders who exercise their voting rights in advance via the Internet, 500 people will be selected by lottery to receive an electronic gift (equivalent to 500 yen), regardless of whether they approve or disapprove of the proposals. For information on how to apply, please click here⇒ https://youtu.be/Vxj8vOCGMQ8 (in Japanese)

1. Date and Time:	Friday, June 26, 2026 at 10:00 a.m. Japan time (Reception starts at 9:00 a.m.)
2. Place:	Tennoz Central Tower 6F, The Company's Education Center (Tennoz Accademia) 2-2-24, Higashishinagawa, Shinagawa-ku, Tokyo

3. Meeting Agenda:

Matters to be reported:

1. The Business Report, Consolidated Financial Statements for the Company’s 46th Fiscal Year (April 1, 2025 - March 31, 2026) and results of audits concerning the Consolidated Financial Statements by the Accounting Auditor and Audit and Supervisory Committee
2. Non-Consolidated Financial Statements for the Company’s 46th Fiscal Year (April 1, 2025 - March 31, 2026)

Proposals to be resolved:

Proposal No. 1: Distribution of Surplus
Proposal No. 2: Partial Amendment of the Articles of Incorporation
Proposal No. 3: Election of Ten (10) Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

- When attending the meeting, please submit the Voting Rights Exercise Form at the reception desk.
- For this General Meeting of Shareholders, paper-based documents containing the items subject to measures for electronic provision will be provided to all shareholders, regardless of whether or not delivery of paper-based documents was requested.
  However, of the items subject to measures for electronic provision, based on laws and regulations and the Articles of Incorporation, the paper-based documents do not contain the following items: system to ensure proper business execution, the consolidated statement of changes in equity, notes to the consolidated financial statements, the non-consolidated statement of changes in equity, and notes to the non-consolidated financial statements. The Audit and Supervisory Committee and the Accounting Auditor have audited the documents subject to audit, including matters not described above.
- If revisions to the matters subject to measures for electronic provision arise, a notice of the revisions and the details of the matters before and after the revisions will be posted on each of the websites above.

[Notice of Business Briefing Session]
Following the close of the General Meeting of Shareholders, the Company plans to hold a business briefing session at the same venue.
The business briefing session will also be streamed live over the Internet following the General Meeting of Shareholders.
For information on how to view the live streaming, please refer to the “Guide to Live Streaming of the General Meeting of Shareholders” on page 5.

Guide to Exercising Voting Rights

Voting rights in ordinary general meeting are important rights for all shareholders.
We ask you to exercise your voting rights after you look through the attached Reference Documents for the General Meeting of Shareholders.
There are three ways of exercising your voting rights.

Shareholders exercising voting rights by internet

Please input your vote for or against the proposals in accordance with following instructions.

Voting Deadline
5:30 p.m., Thursday, June 25, 2026 Japan time

Shareholders exercising voting rights by mail

Please mark your vote for or against the proposals on the Voting Rights Exercise Form and send it by mail without a postage stamp.

Voting Deadline
5:30 p.m., Thursday, June 25, 2026 Japan time

Shareholders attending the General Meeting of Shareholders

When attending the meeting, please submit the Voting Rights Exercise Form at the reception desk.

Voting Deadline
Friday, June 26, 2026 at 10:00 a.m. Japan time (Reception starts at 9:00 a.m.)

How to fill out the Voting Rights Exercise Form

Please indicate your approval or disapproval of each proposal.
Proposals No. 1 and No. 2
To mark your approval → Circle "Approve."
To mark your disapproval → Circle "Disapprove."
Proposal No. 3
To mark your approval for all candidates → Circle "Approve."
To mark your disapproval for all candidates → Circle "Disapprove."
To mark your disapproval for certain candidates → Circle "Approve" and write the number of the candidate(s) you wish to disapprove.

- If there is no indication of being for or against a proposal in the Voting Rights Exercise Form, the Company shall respond by deeming there to have been an indication of being for the proposal.
- If you exercise your voting rights both via the Internet and by mailing Voting Rights Exercise Form, your vote via the Internet shall be deemed valid.
- And, if you exercise your voting rights via the Internet multiple times, the last vote shall be deemed valid.

Guide to Exercising Voting Rights via the Internet

How to scan the QR code

You can log-in the website for exercise of voting rights without entering log-in ID and temporary password written in the Voting Rights Exercise Form.

1. Please scan the QR code on the Voting Rights Exercise Form.
   Note: QR code is a registered trademark of DENSO WAVE INCORPORATED.

2. Then, follow the instructions on the screen and enter your vote for or against the proposal.

How to enter log-in ID and temporary password

Website for exercise of voting rights https://evote.tr.mufg.jp/ (in Japanese)

1. Please access the website for exercise of voting rights.

2. Enter the "log-in ID and temporary password" printed on your Voting Rights Exercise Form and click a button.
   Enter "log-in ID and temporary password"
   Click "log-in"

3. Then, follow the instructions on the screen and enter your vote for or against the proposal.

For inquiries regarding how to use your personal computer or smartphone to exercise voting rights on the website, please contact the Help Desk:	Help Desk, Stock Transfer Agency Division, Mitsubishi UFJ Trust and Banking Corporation 0120-173-027 (Toll-free, Service hours: 9:00 a.m. to 9:00 p.m.)

- Institutional investors can use the Electronic Voting System Platform operated by ICJ, Inc.

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal No. 1: Distribution of Surplus

Items Related to the Year-end Dividend

The Company proposes a year-end dividend for the 46th fiscal year as follows, taking into consideration business performance in the fiscal year under review, funding demands for future business development, and other factors.

1. Type of dividend property
   Cash

2. Items related to the allocation of dividend property to shareholders and its total amount
   The Company proposes a dividend of 54.00 yen per common share.
   Furthermore, the total dividend amount in this case will be 3,792,430,908 yen.

3. Date the distribution of surplus comes into effect
   June 29, 2026.

Proposal No. 2: Partial Amendment of the Articles of Incorporation

1. Reason for the Proposal

   1. To accelerate its transformation into a Global MedTech Company, the Company proposes to change its trade name to JLL Med Inc., and accordingly, to amend Article 1 (Trade Name) of the current Articles of Incorporation.
   The new trade name "JLL" reflects the Company's commitment to carrying forward the trust it has built over the years, while "Med" expresses its determination to evolve into a Global MedTech Company.
   The effective date of this amendment to the Articles of Incorporation shall be March 1, 2027, and a supplementary provision to that effect shall be established in the Articles of Incorporation. Such supplementary provision shall be deleted after the effective date.

   2. The Company wishes to change the provisions relating to Directors with special titles and establish a new provision relating to Operating Officers for the purpose of further strengthening the supervisory function of the Board of Directors, by separating management decision-making and supervisory functions from business execution functions and clarifying their respective roles. Accordingly, the Company proposes to amend the provisions of Article 15 (Convener and Chairperson), Article 22 (Representative Directors and Directors with Special Titles), and Article 23 (Convener of the Board of Directors Meetings and Chairperson) of the current Articles of Incorporation, as well as to establish a new provision, Article 30 (Operating Officer), as an amendment to the current Articles of Incorporation.

   3. The Company proposes to renumber the articles affected by the above-mentioned establishment of the new provision.

2. Details of the Amendment

   Details of the amendment are as follows:

(Underlined text indicates amendments.)

Current Articles of Incorporation	Proposed Amendment
(Trade Name)	(Trade Name)
Article 1.	Article 1.
(1) The Company shall be called "<u>Nihon Life Line Kabushiki Kaisha.</u>"	(1) The Company shall be called "<u>JLL Med Kabushiki Kaisha</u>."
(2) The Company shall be expressed in English as "<u>Japan Lifeline Co., Ltd." and abbreviated as "JLL.</u>"	(2) The Company shall be expressed in English as "<u>JLL Med Inc.</u>"
Articles 2–14 (provisions omitted)	Articles 2–14 (no changes to the current provisions)
(Convener and Chairperson)	(Convener and Chairperson)
Article 15.	Article 15.
(1) A General Meeting of Shareholders shall be convened by <u>the President and Director, who</u> shall act as chairperson of such meeting.	(1) <u>Unless otherwise provided for by laws and regulations,</u> a General Meeting of Shareholders shall be convened by <u>a Director predetermined by the Board of Directors, and such Director</u> shall act as chairperson of such meeting.
(2) If the <u>President and Director</u> is unable to act, another Director shall convene a General Meeting of Shareholders and act as chairperson of such meeting, in accordance with the order determined in advance by the Board of Directors.	(2) If the <u>Director under the previous paragraph</u> is unable to act, another Director shall convene a General Meeting of Shareholders and act as chairperson of such meeting, in accordance with the order determined in advance by the Board of Directors.
Articles 16–21 (provisions omitted)	Articles 16–21 (no changes to the current provisions)
(Representative Directors and Directors with Special Titles)	(Representative Directors and Directors with Special Titles)
Article 22.	Article 22.
(1) The Board of Directors shall, by its resolution, appoint the Representative Directors.	(1) The Board of Directors shall, by its resolution, appoint the Representative Directors <u>from among the Directors (excluding Directors who are Audit and Supervisory Committee Members)</u>.
(2) The Board of Directors may, by its resolution, appoint <u>one (1) Chairman of the Board, one (1) President and</u>	(2) The Board of Directors may, by its resolution, appoint <u>one (1) Chairman of the Board from among the</u>

Director, one (1) or more Senior Executive Vice Presidents, one (1) or more Senior Managing Directors, and one (1) or more Managing Directors.	Directors (excluding Directors who are Audit and Supervisory Committee Members).
(Convener of the Board of Directors Meetings and Chairperson)	(Convener of the Board of Directors Meetings and Chairperson)
Article 23.	Article 23.
(1) Unless otherwise provided for by laws and regulations, a meeting of the Board of Directors shall be convened by the President and Director who shall act as chairperson of such meeting.	(1) Unless otherwise provided for by laws and regulations, a meeting of the Board of Directors shall be convened by a Director predetermined by the Board of Directors, and such Director shall act as chairperson of such meeting.
(2) If the President and Director is unable to act, another Director shall convene and chair a meeting of the Board of Directors, in accordance with the order determined in advance by the Board of Directors.	(2) If the Director under the previous paragraph is unable to act, another Director shall convene and chair a meeting of the Board of Directors, in accordance with the order determined in advance by the Board of Directors.
Articles 24–29 (provisions omitted)	Articles 24–29 (no changes to the current provisions)
(New Provision)	(Operating Officers) Article 30. (1) The Board of Directors may, by its resolution, appoint the Operating Officers and have them execute the business of the Company. (2) Matters related to the Operating Officers shall be governed by these Articles of Incorporation as well as the Rules of the Operating Officers prescribed by the Board of Directors.
Articles 30–39 (provisions omitted)	Articles 31–40 (no changes to the current provisions)
Supplementary Provisions	Supplementary Provisions
Article 1. (provision omitted)	Article 1. (no changes to the current provision)
(New Provision)	(Effective Date) Article 2. Amendment of Article 1. (Trade Name) shall take effect from March 1, 2027. This supplementary provision shall be deleted after the effective date of the amendment of Article 1.

Proposal No. 3: Election of Ten (10) Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

The terms of office of all ten (10) directors (excluding directors who are Audit and Supervisory Committee members) will expire at the conclusion of this Ordinary General Meeting of Shareholders.

Accordingly, the Company proposes to elect ten (10) directors (excluding Directors who are Audit and Supervisory Committee members).

The candidates for director (excluding director who is an Audit and Supervisory Committee member) are as follows:

No.	Name	Current position and responsibility in the Company	Candidate attributes	Attendance at Board of Directors meetings
1	Keisuke Suzuki	Representative Director, President and CEO	Reelection	100% (12/12)
2	Tatsuya Murase	Representative Director, Vice President and COO	Reelection	100% (12/12)
3	Toru Takamiya	Director, Senior Executive Officer and Head of R&D and Production Group	Reelection	100% (12/12)
4	Takeyoshi Egawa	Director and CFO (Executive Officer) and Head of Corporate Management Group	Reelection	100% (12/12)
5	Kenji Yamada	Director, Executive Officer and Head of Corporate Administration Group	Reelection	100% (12/12)
6	Takashi Ito	Director, Executive Officer and Head of Arrhythmia Business Operations Group	Reelection	100% (12/12)
7	Yumiko Hoshiba	Director, Senior Operating Officer and General Manager of Operations Division	Reelection	100% (12/12)
8	Yoshiaki Ikei	Outside Director	Reelection Outside Independent	100% (12/12)
9	Naoko Kawahara	Outside Director	Reelection Outside Independent	100% (12/12)
10	Rie Nakagawa	Outside Director	Reelection Outside Independent	100% (10/10)

<table>
<tr><th>Candidate No.</th><th>Name
(Date of birth)</th><th>Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company</th><th>Number of shares of the Company held</th></tr>
<tr><td rowspan="2">1</td><td rowspan="2">Keisuke Suzuki
(September 9, 1953)
(age 72)

Reelection

Term of office at the conclusion of this General Meeting of Shareholders:
29 years

Attendance at Board of Directors meetings:
100% (12/12)</td><td>Feb. 1981 Director of the Company
Apr. 1987 Director and Vice President
Nov. 1992 Retired from Director
Jan. 1994 Consultant
June 1997 Director and Vice President
June 2005 President and CEO (Representative Director)
Apr. 2025 Representative Director, President and CEO (to the present)</td><td>122,016</td></tr>
<tr><td colspan="2">Reasons for nomination as candidate for director:
Keisuke Suzuki is responsible for the management of the Company since its foundation, and has led the Company’s growth by demonstrating excellent leadership and responding quickly to changes in the business environment. As he possesses abundant experience and advanced insight in overall management and the medical equipment business as described above, the Company has judged that he is an appropriate person to realize the sustainable improvement of corporate value, and has therefore nominated him again as a candidate for director.</td></tr>
</table>

<table>
<tr><th>Candidate No.</th><th>Name
(Date of birth)</th><th>Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company</th><th>Number of shares of the Company held</th></tr>
<tr><td rowspan="2">2</td><td rowspan="2">Tatsuya Murase
(November 12, 1973)
(age 52)

Reelection

Term of office at the conclusion of this General Meeting of Shareholders: 4 years

Attendance at Board of Directors meetings: 100% (12/12)</td><td>Oct. 2009 Joined the Company
Apr. 2015 General Manager of EG Business Promotion Department, CVE Department
Apr. 2016 General Manager of AST Department
Apr. 2018 General Manager of CVE Department
July 2020 Operating Officer and General Manager of CVE Department
Apr. 2022 Senior Operating Officer and Executive Manager of CVG Business Unit
June 2022 Director and Executive Manager of CVG Business Unit
Jan. 2024 Managing Director and Executive Manager of General Business Headquarters
Apr. 2025 Director, Executive Officer and Head of Business Operations Headquarters
June 2025 Representative Director, Vice President and COO (to the present)</td><td>15,400</td></tr>
<tr><td colspan="2">Reasons for nomination as candidate for director:
Tatsuya Murase possesses many years of experience and a track record in the medical device industry. He has contributed to the growth of the Company’s cardiovascular and new business areas. Since June 2025, he has led management decision-making and business execution as Representative Director, Vice President and COO. As he possesses abundant experience and advanced insight as described above, the Company has judged that he is an appropriate person to realize the sustainable improvement of corporate value, and has therefore nominated him again as a candidate for director.</td></tr>
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<tr><th>Candidate No.</th><th>Name
(Date of birth)</th><th colspan="2">Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company</th><th>Number of shares of the Company held</th></tr>
<tr><td rowspan="14">3</td><td rowspan="14">Toru Takamiya
(November 17, 1964)
(age 61)

Reelection

Term of office at the conclusion of this General Meeting of Shareholders:
9 years

Attendance at Board of Directors meetings:
100% (12/12)</td><td>Aug. 2006</td><td>Joined the Company</td><td rowspan="13">12,300</td></tr>
<tr><td>Apr. 2009</td><td>General Manager of SHT Division, TVI Department</td></tr>
<tr><td>Apr. 2011</td><td>General Manager of EST Department</td></tr>
<tr><td>Apr. 2012</td><td>General Manager of CVE Department</td></tr>
<tr><td>July 2013</td><td>Operating Officer and General Manager of CVE Department</td></tr>
<tr><td>Apr. 2014</td><td>Operating Officer and General Manager of Cardiovascular Business Department</td></tr>
<tr><td>Apr. 2015</td><td>Operating Officer and Executive Manager of CV Business Unit</td></tr>
<tr><td>June 2017</td><td>Director and Executive Manager of CV Business Unit</td></tr>
<tr><td>Apr. 2021</td><td>Director and Executive Manager of CVG Business Unit</td></tr>
<tr><td>Apr. 2022</td><td>Director and Executive Manager of R&D and Manufacturing Headquarters</td></tr>
<tr><td></td><td>Managing Director of JLL Malaysia Sdn. Bhd.</td></tr>
<tr><td>Apr. 2025</td><td>Director, Executive Officer and Head of R&D and Production Group</td></tr>
<tr><td>Apr. 2026</td><td>Director, Senior Executive Officer and Head of R&D and Production Group (to the present)</td></tr>
<tr><td colspan="3">Reasons for nomination as candidate for director:
Toru Takamiya possesses many years of experience and a track record in the medical device industry. After previously serving as manager of the Company’s Cardiovascular and Transvascular Intervention businesses, he is currently in charge of the R&D and production department. As he possesses abundant experience and advanced insight in these areas, the Company has judged that he is an appropriate person to realize the sustainable improvement of corporate value of the Company, and has therefore nominated him again as a candidate for director.</td></tr>
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<tr><th>Candidate No.</th><th>Name
(Date of birth)</th><th colspan="2">Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company</th><th>Number of shares of the Company held</th></tr>
<tr><td rowspan="7">4</td><td rowspan="7">Takeyoshi Egawa
(January 14, 1976)
(age 50)

Reelection

Term of office at the conclusion of this General Meeting of Shareholders:
3 years

Attendance at Board of Directors meetings:
100% (12/12)</td><td>May 2018</td><td>Joined the Company</td><td rowspan="6">12,694</td></tr>
<tr><td>Apr. 2019</td><td>General Manager of Finance and Accounting Division</td></tr>
<tr><td>Apr. 2022</td><td>Operating Officer and Senior Manager of Business Administration Department</td></tr>
<tr><td>Apr. 2023</td><td>Senior Operating Officer, and Senior Manager of Business Administration Department of Corporate Administration Headquarters</td></tr>
<tr><td>June 2023</td><td>Director and Senior Manager of Business Administration Department of Corporate Administration Headquarters</td></tr>
<tr><td>Apr. 2025</td><td>Director and CFO (Executive Officer) and Head of Corporate Management Group (to the present)</td></tr>
<tr><td colspan="3">Reasons for nomination as candidate for director:
Takeyoshi Egawa has practical experience working at an auditing firm and many years of experience and achievements as general manager of the Finance and Accounting Division of an operating company. He currently oversees the Company’s corporate management department. As he possesses abundant experience and advanced insight in these areas, the Company has judged that he is an appropriate person to realize the sustainable improvement of corporate value of the Company, and has therefore nominated him again as a candidate for director.</td></tr>
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<tr><th>Candidate No.</th><th>Name
(Date of birth)</th><th>Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company</th><th>Number of shares of the Company held</th></tr>
<tr><td rowspan="2">5</td><td rowspan="2">Kenji Yamada
(November 26, 1971)
(age 54)

Reelection

Term of office at the conclusion of this General Meeting of Shareholders:
11 years

Attendance at Board of Directors meetings:
100% (12/12)</td><td>May 1998 Joined the Company
Apr. 2011 General Manager of Corporate Administration Division
July 2013 Operating Officer and General Manager of Corporate Administration Division
Apr. 2014 Operating Officer and Deputy Executive Manager of Corporate Administration Headquarters
Apr. 2015 Operating Officer and Executive Manager of Corporate Administration Headquarters
June 2015 Director and Executive Manager of Corporate Administration Headquarters
July 2017 Director and Executive Manager of R&D and Manufacturing Headquarters
Aug. 2017 Managing Director of JLL Malaysia Sdn. Bhd.
July 2020 Managing Director and Executive Manager of Corporate Administration Headquarters of the Company
Apr. 2025 Director, Executive Officer and Head of Corporate Administration Group (to the present)</td><td>35,400</td></tr>
<tr><td colspan="2">Reasons for nomination as candidate for director:
Kenji Yamada is in charge of the corporate administration departments reflecting his wide-ranging experience in general affairs, corporate planning, legal affairs, and as an officer of overseas subsidiaries, and also has experience as manager of the R&D and manufacturing department. As he possesses abundant experience and advanced insight in these areas, the Company has judged that he is an appropriate person to realize the sustainable improvement of corporate value of the Company, and has therefore nominated him again as a candidate for director.</td></tr>
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<tr><th>Candidate No.</th><th>Name
(Date of birth)</th><th colspan="2">Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company</th><th>Number of shares of the Company held</th></tr>
<tr><td rowspan="10">6</td><td rowspan="10">Takashi Ito
(March 23, 1968)
(age 58)

Reelection

Term of office at the conclusion of this General Meeting of Shareholders:
2 years

Attendance at Board of Directors meetings:
100% (12/12)</td><td>Apr. 1993</td><td>Joined the Company</td><td rowspan="9">8,337</td></tr>
<tr><td>Apr. 2015</td><td>General Manager of CRM Business Promotion Department</td></tr>
<tr><td>Apr. 2018</td><td>General Manager of CRM Department</td></tr>
<tr><td>July 2020</td><td>Operating Officer and General Manager of CRM Department</td></tr>
<tr><td>Apr. 2022</td><td>Operating Officer and General Manager of Device Business Department</td></tr>
<tr><td>Jan. 2024</td><td>Senior Operating Officer and Executive Manager of Arrhythmia Business Unit</td></tr>
<tr><td>June 2024</td><td>Director and Executive Manager of Arrhythmia Business Unit</td></tr>
<tr><td>Apr. 2025</td><td>Director, Senior Operating Officer, and Head of Arrhythmia Business Operations Group</td></tr>
<tr><td>Apr. 2026</td><td>Director, Executive Officer and Head of Arrhythmia Business Operations Group (to the present)</td></tr>
<tr><td colspan="3">Reasons for nomination as candidate for director:
Takashi Ito has been engaged in the sales departments over many years since joining the Company and has contributed to the expansion of the Cardiac Rhythm Management business as its manager. He currently oversees the Arrhythmia Business Unit, including the EP/Ablation business. As he possesses abundant experience and advanced insight in these areas, the Company has judged that he is an appropriate person to realize the sustainable improvement of corporate value of the Company, and has therefore nominated him again as a candidate for director.</td></tr>
</table>

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company		Number of shares of the Company held
7	Yumiko Hoshiba (March 3, 1962) (age 64) Reelection Term of office at the conclusion of this General Meeting of Shareholders: 8 years Attendance at Board of Directors meetings: 100% (12/12)	Apr. 1992	Joined the Company	28,728
		Apr. 2008	General Manager of Administration Division	
		Apr. 2011	General Manager of General Affairs Division	
		July 2014	Operating Officer and General Manager of General Affairs Division	
		Apr. 2015	Operating Officer and General Manager of General Affairs Department	
		Apr. 2018	Operating Officer and General Manager of Human Resources & General Affairs Department	
		June 2018	Director and General Manager of Human Resources & General Affairs Department	
		Apr. 2024	Director and Senior Manager of General Affairs Department	
		Apr. 2025	Director, Senior Operating Officer and Senior Manager of Operations Department	
		Oct. 2025	Director, Senior Operating Officer and General Manager of Operations Division (to the present)	
		Reasons for nomination as candidate for director: Yumiko Hoshiba has been contributing to strengthening the Company’s growth foundation by promoting risk management, revamping core systems and making various other improvements in the corporate administration departments. She currently oversees the sales management and logistics departments. As she possesses abundant experience and advanced insight in these areas, the Company has judged that she is an appropriate person to realize the sustainable improvement of corporate value of the Company, and has therefore nominated her again as a candidate for director.		

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<tr><th>Candidate No.</th><th>Name
(Date of birth)</th><th colspan="2">Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company</th><th>Number of shares of the Company held</th></tr>
<tr><td rowspan="7">8</td><td rowspan="7">Yoshiaki Ikei
(May 4, 1957)
(age 69)

Reelection

Outside

Independent

Term of office at the conclusion of this General Meeting of Shareholders:
9 years

Attendance at Board of Directors meetings:
100% (12/12)</td><td>Apr. 1981</td><td>Joined Mitsubishi Corporation</td><td rowspan="6">6,400</td></tr>
<tr><td>Apr. 1999</td><td>Executive Officer and General Manager of Corporate Strategy Department of AUCNET INC.</td></tr>
<tr><td>Oct. 2001</td><td>Managing Executive Officer and General Manager of Osaka Branch of RECOF Corporation</td></tr>
<tr><td>Nov. 2007</td><td>Representative Director of MA Partners Inc. (to the present)</td></tr>
<tr><td>July 2012</td><td>Senior Managing Director of STREX Inc.</td></tr>
<tr><td>June 2017</td><td>Outside Director of the Company (to the present)</td></tr>
<tr><td colspan="3">Reasons for nomination as candidate for outside director and overview of expected roles:
Yoshiaki Ikei has been involved in the M&A industry for many years and also possesses a wealth of experience and wide-ranging insight in corporate management, and has conducted appropriate supervision of the Company’s management, while also providing valuable advice and recommendations from an objective and multifaceted perspective. He also serves as Chairperson of the Nomination and Remuneration Advisory Committee and as a member of the Investment Committee, filling the important role of improving corporate governance. The Company has judged that he may be expected to provide advice and views aimed at strengthening the supervisory function of the Board of Directors and at sustainably improving corporate value, and has therefore nominated him again as a candidate for outside director.</td></tr>
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<table>
<tr><th>Candidate No.</th><th>Name
(Date of birth)</th><th colspan="2">Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company</th><th>Number of shares of the Company held</th></tr>
<tr><td rowspan="5">9</td><td rowspan="5">Naoko Kawahara
(April 29, 1983)
(age 43)

Reelection

Outside

Independent

Term of office at the conclusion of this General Meeting of Shareholders:
2 years

Attendance at Board of Directors meetings:
100% (12/12)</td><td>Dec. 2010</td><td>Registered as an attorney-at-law
Joined Tokyo Green Law Office (to the present)</td><td rowspan="3">1,400</td></tr>
<tr><td>Oct. 2021</td><td>Audit & Supervisory Board Member (part-time) of Kodaira-chemical Co., Ltd (to the present)</td></tr>
<tr><td>June 2024</td><td>Outside Director of the Company (to the present)</td></tr>
<tr><td colspan="3">Reasons for nomination as candidate for outside director and overview of expected roles:</td></tr>
<tr><td colspan="3">Naoko Kawahara has expertise and extensive experience in corporate legal affairs as an attorney and has also served as outside corporate auditor of other companies. Based on the above, although she has never been directly involved in corporate management, the Company has judged that she may be expected to provide advice and views aimed at strengthening the supervisory function of the Board of Directors and at sustainably improving corporate value from an objective and multifaceted perspective, and has therefore nominated her again as a candidate for outside director.</td></tr>
</table>

<table>
<tr><th>Candidate No.</th><th>Name
(Date of birth)</th><th>Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company</th><th>Number of shares of the Company held</th></tr>
<tr><td rowspan="2">10</td><td rowspan="2">Rie Nakagawa
(August 10, 1968)
(age 57)

Reelection

Outside

Independent

Term of office at the conclusion of this General Meeting of Shareholders:
1 year

Attendance at Board of Directors meetings:
100% (10/10)</td><td>Aug. 2003 Joined MISUMI Group Inc.
Oct. 2015 President of FA Business Company, Representative Corporate Officer
Oct. 2020 Representative Corporate Officer, User Service Platform
Jan. 2022 Representative Corporate Officer, Sustainability Platform
Dec. 2022 Director and COO of GRAMEEN NIPPON (to the present)
June 2023 Outside Director of FUJI OIL HOLDINGS INC. (currently, FUJI OIL CO., LTD.) (to the present)
June 2024 Outside Director of Duskin Co., Ltd. (to the present)
June 2025 Outside Director of the Company (to the present)</td><td>500</td></tr>
<tr><td colspan="2">Reasons for nomination as candidate for outside director and overview of expected roles:
Rie Nakagawa possesses a wealth of experience and insight in corporate management, including serving as president of a business company and officer in charge of sustainability in MISUMI Group Inc., and she also serves as an outside director of other companies. She also serves as a member of the Nomination and Remuneration Advisory Committee, filling the important role of improving corporate governance. The Company has judged that she may be expected to provide advice and views aimed at strengthening the supervisory function of the Board of Directors and at sustainably improving corporate value, and has therefore nominated her again as a candidate for outside director.</td></tr>
</table>

Notes:
1. There is no special interest between any of the candidates and the Company.
2. Yoshiaki Ikei, Naoko Kawahara and Rie Nakagawa are candidates for outside directors.
3. The Company has entered into agreements with Yoshiaki Ikei, Naoko Kawahara, and Rie Nakagawa to limit their liability for damages under Article 423, paragraph (1) of the Companies Act to the minimum liability amount stipulated by laws and regulations. If the reelection of Yoshiaki Ikei, Naoko Kawahara, and Rie Nakagawa is approved, the Company plans to renew the aforementioned agreements with them.
4. The Company has entered into a directors and officers liability insurance policy as provided for in Article 430-3 paragraph (1) of the Companies Act with an insurance company. In the event that an insured party incurs claims for damages arising from their execution of their duties, any compensation for damages and payment of legal fees of the like is subject to compensation. The insured parties covered by this policy include directors of the Company and the full amount of the insurance premiums is borne by the Company. Damages (etc.) incurred as a result of criminal activities or the like on the part of the insured parties will not be subject to compensation. If the reelection of each candidate is approved, they will be included as an insured in the policy. When the policy is renewed, the Company plans to renew the policy with the same terms.
5. The Company has submitted notification to the Tokyo Stock Exchange that Yoshiaki Ikei, Naoko Kawahara, and Rie Nakagawa have been designated as independent officers. If the reelection of Yoshiaki Ikei, Naoko Kawahara, and Rie Nakagawa is approved, the Company plans for their designation as independent officers to continue.

(Reference) Skill matrix for the Board of Directors

When nominating candidates for director, in order that the Board of Directors may fulfill its roles and duties effectively, the Company aims for the Board to be composed of members who have experience and knowledge in the areas of corporate management, business promotion, and strengthening of business foundation.

When nominating candidates for outside directors, the Company recognizes the importance of board diversity in its nominations, including corporate managers from industries different to that of the Company and people with specialist knowledge in areas such as law or accounting auditing.

If Proposal No. 3 is approved as proposed at this Ordinary General Meeting of Shareholders, the composition of the Board of Directors and the skills of the directors will be as follows.

		Corporate management	Business promotion		
Name	Position in the Company (scheduled)	Management experience	Knowledge of the medical device industry	Sales/marketing	R&D/manufacturing/ medical affairs
Keisuke Suzuki	Representative Director	○	○	○	
Tatsuya Murase	Representative Director	○	○	○	
Toru Takamiya	Director		○	○	○
Takeyoshi Egawa	Director				
Kenji Yamada	Director				
Takashi Ito	Director		○	○	
Yumiko Hoshiba	Director				
Yoshiaki Ikei	Outside Director (Independent)	○			
Naoko Kawahara	Outside Director (Independent)				
Rie Nakagawa	Outside Director (Independent)	○		○	
Shogo Takahashi	Director (Full-time Audit and Supervisory Committee Member)				○
Yutaka Karigome	Outside Director (Audit and Supervisory Committee Member, Independent)				
Tomonari Ota	Outside Director (Audit and Supervisory Committee Member, Independent)				

	Strengthening business foundation				Committee
Name	Finance/accounting	Legal affairs/ compliance/ sustainability	Personnel affairs/ human resource development	DX/IT	Nomination and Remuneration Advisory Committee
Keisuke Suzuki					○
Tatsuya Murase					○
Toru Takamiya					
Takeyoshi Egawa	○	○			
Kenji Yamada		○	○	○	
Takashi Ito					
Yumiko Hoshiba		○	○	○	
Yoshiaki Ikei	○				◎
Naoko Kawahara		○			
Rie Nakagawa		○			○
Shogo Takahashi		○			
Yutaka Karigome	○				○
Tomonari Ota		○			

Notes:
1. The above table lists up to three of the skills possessed by the director candidates, and does not show all of the skills they possess.
2. "Management experience" means experience and knowledge that provides the basis for strategic thinking aimed at achieving sustainable improvements in corporate value over the medium to long term.
3. "Knowledge of the medical device industry" means experience and knowledge that provides the basis for comprehensive decision-making in the rapidly changing medical device industry.
4. "Sales/marketing" means experience and knowledge that provides the basis for formulating competitive sales strategies.
5. "R&D/manufacturing/medical affairs" means experience and knowledge that provides the basis for formulating competitive product strategies.
6. "Finance/accounting" means experience and knowledge that provides the basis for policy determination and decision-making in corporate and business activities.
7. "Legal affairs/compliance/sustainability" means experience and knowledge that provides the basis for taking advantage of opportunities and managing risk in relation to corporate and business activities.
8. "Personnel affairs/human resource development" means experience and knowledge that provides the basis for securing and utilizing management resources in relation to corporate and business activities.
9. "DX/IT" means experience and knowledge that provides the basis for reforming business processes in relation to corporate and business activities.
10. In the column of "Nomination and Remuneration Advisory Committee," ◎ denotes the Chair, and ○ denotes members.

Business Report

(From April 1, 2025 to March 31, 2026)

[1]Overview of the Company Group

1. Business Progress and Results

The Group is engaged mainly in the manufacture and sales of highly controlled medical devices, primarily focusing on cardiac devices, for general hospitals in Japan.

The business environment surrounding Japan's medical devices industry is characterized by the three main dynamics of 1) expanding structural demand driven by increase in the elderly population, 2) strained medical care delivery system, and 3) changes in the macroeconomy such as weak yen and inflation, and they are having an increasingly significant impact on the performance of individual companies. In this environment, medical trends in the market have been constantly changing and the demand for efficient and relevant solutions to various challenges faced by medical professionals has been increasing more than ever.

First, on the demand side, the market continues to expand against the backdrop of the increase in the elderly population. In particular, the number of atrial fibrillation cases in the cardiovascular field has continued to increase at a strong pace since the mid-2010s. Further, with the number of people aged 75 and older increasing significantly from 2025, the shift from surgeries to less physically taxing endovascular therapy (minimally invasive treatment) is also expected to gather pace. As minimally invasive treatment will gradually lower the age of eligible patients, it will lead to expansion of the medical device market, and provide a tailwind for the industry. We expect such structural expansion in demand to form a base that supports market growth in the future.

Secondly, chronic shortage of resources at medical institutions, which are on the supply side of medical care, has become a serious issue. Given the shortened working hours and staff shortage following workstyle reform of doctors, there is strong demand for medical devices that support streamlining of medical care including simplification of procedures and shortening of treatment time in a clinical environment. This is not just about the pursuit of therapeutic effects but signals that we are now moving into an era where products that succeed will be the ones contributing toward sustaining the medical care delivery system.

Thirdly, in terms of macroeconomy, the weakening of the yen and the worldwide inflation could also have an impact on our profit structure. Even as manufacturing expenses including raw material costs, logistics costs, and labor costs as well as selling, general and administrative expenses are increasing, it is difficult for us to pass on the rise in such costs immediately to the selling prices as the official prices of medical devices are set by the government under Japan's universal healthcare system. For that reason, we need to continuously monitor inflation as a risk that could put pressure on our profits.

In light of the above recognition of the environment, our important management challenges include diversifying domestic risk by expanding the business globally and implementing appropriate growth strategies to address the changes in the medical care trends. As for globalization, our urgent tasks are optimizing domestic products for the overseas market and establishing global quality standards. In terms of addressing the changes in the medical care trends, research and development related to pulsed field ablation (PFA) for arrhythmia treatment and the acquisition of pipeline assets such as stent graft and transcatheter aortic valve implantation (TAVI) for endovascular therapy are examples of our efforts to capture the opportunity. We aim to achieve both sustainable growth and profitability in this rapidly changing business environment through early incorporation of market needs into our product lineup, leveraging the unique hybrid business model combining our dual roles of manufacturer and distributor.

As for our business performance for the fiscal year under review, net sales increased by 4.6%, gross profit rose by 2.9%, operating profit grew by 2.3%, and net income attributable to owners of the parent expanded by 0.4% year on year. In the third year of the medium-term management plan (a five-year period from the fiscal year ended March 31, 2024 to the fiscal year ending March 31, 2028), we steadily worked on the following five key initiatives of "constantly introducing competitive products," "expanding into new business areas," "expanding global sales," "advancing OEM manufacturing," and "strengthening management with improved capital efficiency." As a result, net sales and profit metrics were largely in line with the initial guidance, with all of them record highs.

Our core businesses EP/Ablation and Cardiovascular performed well in terms of sales, which went up by 4.5% and 3.7% year-over-year, respectively, driven by the growth in core product groups. Specifically, in EP/Ablation, intracardiac defibrillation catheters and hemostatic devices for femoral vein drove the sales growth against the backdrop of an increase in procedures. In Cardiovascular, sales of our proprietary products, the Frozen Elephant Trunk and vascular grafts, grew. In addition, new therapeutic areas within high-growth businesses saw sales increase by 44.5% in Neurovascular and 17.4%*1 in Gastrointestinal, representing double-digit growth. However, Cardiac Rhythm Management, positioned as a stable business, posted a 1.6% decrease in sales.

Selling, general and administrative expenses increased by 703 million yen year-over-year due to factors including higher personnel and research and development expenses for medium- to long-term growth. This resulted in a year-over-year increase of 280 million yen in operating profit, with the operating margin of 21.3%.

While an excessive depreciation of the yen is likely to have a negative impact on our business performance in the long term, we recognize that its impact on our earnings is relatively small in the short term. This is because approximately 70% of our purchases of products are yen-denominated transactions that are not affected by exchange rates, and because we use the moving-average method for cost of sales. These structures spread the impact of any temporary increases in procurement costs over time.

*1 Sales of Gastrointestinal included those from the terminated coronary intervention business; without this business, sales would have increased 23.5% year-over-year.

The details of our business performance for the fiscal year under review were as follows:

Classification	The 45th fiscal year (April 1, 2024 to March 31, 2025)		The 46th fiscal year (April 1, 2025 to March 31, 2026) (Fiscal year under review)		Increase/ (Decrease)	Increase/ (Decrease)
	Amount	Composition ratio	Amount	Composition ratio		
	Millions of yen	%	Millions of yen	%	Millions of yen	%
(1) Net sales	56,610	100.0	59,187	100.0	2,577	4.6
(2) Gross profit	34,191	60.4	35,174	59.4	983	2.9
(3) Operating profit	12,326	21.8	12,606	21.3	280	2.3
(4) Ordinary profit	12,335	21.8	12,588	21.3	253	2.1
(5) Net income attributable to owners of the parent	9,317	16.5	9,350	15.8	32	0.4

(1) Net sales

Net sales were 59,187 million yen (+4.6% YoY). For details, please see “Net sales by product category” below.

(2) Gross profit

Gross profit was 35,174 million yen (+2.9% YoY). In terms of product mix, while the growth rate of proprietary products was low due to the spread of PFA in the EP/Ablation business, the growth rate of purchased products was high. As a result, the proprietary product sales ratio came to 56.0%, a decrease of 140 bps year-over-year, and the gross profit margin fell to 59.4%, a decrease of 100 bps year-over-year. Lower selling prices due to revisions to reimbursement prices, changes to distribution channels, etc. for some products also had an impact. However, profits rose as sales volume increased significantly.

(3) Operating profit

Operating profit was 12,606 million yen (+2.3% YoY). Operating margin came to 21.3% (-50 bps YoY). Selling, general and administrative expenses increased 703 million yen. The main reasons for the increase/decrease are as follows:

(Reasons for increase)

- Higher personnel costs from salary increases
- An increase in research and development expenses related to the development of PFA systems and other projects
- An increase in sales-related expenses due to higher business activity

(Reason for decrease)

- Recognition of reversal of allowance for doubtful accounts due to the partial collection of bad debts (provision of allowance for doubtful accounts from suspended customer transactions was recorded in the previous fiscal year)

(4) Ordinary profit

Ordinary profit was 12,588 million yen (+2.1% YoY). Non-operating income totaled 392 million yen, including interest income and gain on sale of scraps. Non-operating expenses of 410 million yen were recognized, mainly consisting of loss on valuation of inventories and related items, in connection with the discontinuation of some products that have become less competitive in the market (cholangioscope systems and endoscopic laser ablation catheters).

(5) Net income attributable to owners of the parent

Net income attributable to owners of the parent was 9,350 million yen (+0.4% YoY). Extraordinary losses were 229 million yen, including expenses related to head office relocation. As for tax expenses, the income tax burden was 24.5% after receiving a tax credit.

[Net sales by product category]

Classification	The 45th fiscal year (April 1, 2024 to March 31, 2025)	The 46th fiscal year (April 1, 2025 to March 31, 2026) (Fiscal year under review)	Increase/ (Decrease)	Increase/ (Decrease)
	Millions of yen	Millions of yen	Millions of yen	%
Cardiac Rhythm Management	13,267	13,057	(210)	(1.6)
EP/Ablation	27,845	29,109	1,264	4.5
Cardiovascular	12,206	12,657	451	3.7
Neurovascular	1,842	2,661	819	44.5
Gastrointestinal	1,448	1,701	252	17.4
Total	56,610	59,187	2,577	4.6

Cardiac Rhythm Management
(implantable medical devices for treating arrhythmia)

Main products:
- Cardiac pacemakers
- Transvenous implantable cardioverter defibrillators (T-ICDs)
- Subcutaneous implantable cardioverter defibrillators (S-ICDs)
- Cardiac resynchronization therapy pacemakers (CRT-Ps)
- Cardiac resynchronization therapy defibrillators (CRT-Ds)
- Automated external defibrillators (AEDs)
- Lead management devices

Net sales in the CRM product category were 13,057 million yen (−1.6% YoY). Pacemaker sales were sluggish as competitors' leadless pacemakers gained market share. Although affected by competitors' new products, net sales of the core product S-ICD came to a level equivalent to the previous fiscal year on the back of the expansion in the new implant market. At the same time, the newly introduced lead management device also contributed to the earnings.

EP/Ablation
(electrode catheters for arrhythmia diagnosis and treatment)

Main products:
- Electrophysiology (EP) catheters
- Ablation catheters
- Intracardiac defibrillation catheters
- Esophageal temperature monitoring catheters
- Steerable sheath
- Femoral vein hemostatic devices
- Radiofrequency transseptal wires

Net sales in the EP/Ablation product category were 29,109 million yen (+4.5% YoY). With the rapid spread of PFA, a new treatment for atrial fibrillation, sales of some EP catheters, including esophageal temperature monitoring catheters, remained weak. On the other hand, sales of the core product, intracardiac defibrillation catheters, increased, driven by an almost 10% year-over-year rise in atrial fibrillation ablation procedures. Net sales of hemostatic devices for femoral vein also grew significantly thanks to an increase in the number of facilities adopting the product and the expansion of case coverage following the introduction of new sizes. Further, the radiofrequency transseptal wire XEROstar, a proprietary product launched in the fourth quarter, had a very strong start.

Cardiovascular
(medical devices for treating aortic diseases)

Main products:
- Vascular grafts
- Frozen Elephant Trunk
- Stent grafts
- Atrial septum defect closures

Net sales in the cardiovascular business reached 12,657 million yen (+3.7% YoY). The sales volume of the core product Frozen Elephant Trunk grew and the product maintained the high market share, although the market growth was not as strong as anticipated at the beginning of the fiscal year. The market share of vascular grafts expanded at a steady pace, supported by the scaling back of certain product lines by competitors. The following products also contributed to the result: (1) the pressure-sensor-equipped guide wire for TAVI, launched in the second quarter, and (2) the delivery catheter system for regenerative medicine products.

Neurovascular
(medical devices for the treatment of neurovascular diseases)

Main products:
- Embolic coils
- Aspiration catheters
- Microcatheters
- Stent retrievers

Neurovascular net sales were 2,661 million yen (+44.5% YoY). Aspiration catheters significantly expanded their market presence, supported by the success in differentiation through marketing measures that advertised product features. Embolic coil sales also remained strong, with newly expanded sales channels in radiology and other departments, in addition to existing neurovascular and abdominal fields. Stent retrievers also contributed to revenue increase as the number of facilities adopting the products increased steadily.

Gastrointestinal
(medical devices for the treatment of gastrointestinal diseases)

Main products:
- Bile duct tube stents
- Bile duct dilation balloons
- Contrast catheter
- Double-lumen dilators
- ERCP guidewires
- Colonic stents
- Gastro-duodenal stents
- Radio-frequency ablation needles for liver cancer treatment

Gastrointestinal net sales were 1,701 million yen (+17.4% YoY). Excluding the coronary intervention business, which was terminated in the fiscal year ended March 31, 2024, adjusted net sales increased 23.5% to 1,661 million yen. Sales of the mainstay bile-duct tube stent were higher than expected as the product was well received by the market. Sales volumes of products such as ERCP guidewires and biliary dilation balloons also grew steadily.

2. Capital Investments

The total amount of capital investments conducted in the fiscal year under review was 751 million yen. The main item was investment related to the Company’s manufacturing facility, and required funds were allocated from funds on hand.

3. Financing

There is no financing to report.

4. Trends in Assets and Income of the Corporate Group

Classification	The 43rd fiscal year (April 1, 2022 to March 31, 2023)	The 44th fiscal year (April 1, 2023 to March 31, 2024)	The 45th fiscal year (April 1, 2024 to March 31, 2025)	The 46th fiscal year (April 1, 2025 to March 31, 2026) (Fiscal year under review)
Net sales (Millions of yen)	51,750	51,384	56,610	59,187
Operating profit (Millions of yen)	10,837	10,892	12,326	12,606
Ordinary profit (Millions of yen)	10,905	10,581	12,335	12,588
Net income attributable to owners of the parent (Millions of yen)	6,891	7,515	9,317	9,350
Basic earnings per share (Yen)	88.22	98.73	131.43	133.30
Total assets (Millions of yen)	74,641	73,509	75,123	80,211
Net assets (Millions of yen)	56,195	58,102	59,914	65,897

(Note) Basic earnings per share are calculated using the average number of shares for the fiscal year.

5. Issues to Be Addressed

(i) Medium-term management plan (FYE March 2024 to FYE March 2028)

Under our mission of "Contributing to a healthier society through cutting-edge medical technologies," we aim to achieve both sustainable growth and profitability through the hybrid business model combining our dual roles of manufacturer and distributor.

In the current medium-term management plan, the numerical targets for the fiscal year ending March 31, 2028, the final year of the plan, and the outlook for their achievement as of May 2026 are as follows. Although the current outlook remains below the target, we will work to realign our trajectory toward achieving the targets by fully implementing the key initiatives outlined below.

	Net sales (FYE March 2028)	New business area* net sales (FYE March 2028)	Operating margin (Each fiscal year)	EPS (FYE March 2028)	ROIC (FYE March 2028)
Numerical targets	70.0 billion yen	11.0 billion yen	20% level	145 yen per share	13%
Outlook	68.0 billion yen	7.0 billion yen	18%	125 yen per share	11-12%

* Neurovascular, gastrointestinal, and structural heart therapeutic fields

We will work on the following four key initiatives to achieve the above numerical targets.

1. Expanding into new business areas (neurovascular, gastrointestinal, and structural heart therapeutic fields)

We are accelerating expansion into new business areas for our medium- to long-term sustainable growth, positioning three therapeutic areas—neurovascular, gastrointestinal, and structural heart disease—as strategic pillars, where we can leverage the knowledge and technology we have developed in the cardiovascular field.

i Neurovascular field

To date, we have sequentially introduced our major products to the market, including embolic coils, aspiration catheters, and stent retrievers, based on the long-term exclusive distribution agreement concluded with the Wallaby Medical Holding, Inc. in 2022. As a result, brand recognition in the domestic market has been steadily improving.

[Future Challenges] We will further enhance the profitability of the entire area, focusing on the early market launch of the flow diverter, which is expected to have strong market competitiveness.

ii Gastrointestinal field

We are expanding our share mainly in a large market of the biliary-pancreatic area by focusing on developing our own products. We are creating new added value by leveraging our proprietary technologies developed in the cardiovascular area, such as catheter shaft technologies. Particularly, the bile-duct tube stent has been well received in clinical practice, and its market share is expanding.

[Future Challenges] We recognize the importance of building a product pipeline over the medium- to long-term. We will work to establish a second revenue pillar by accelerating the introduction of high value purchased products that can generate synergies with our existing products.

iii Structural heart therapeutic field

With a substantial domestic market estimated at 60–70 billion yen, we position transcatheter aortic valve implantation (TAVI), for which we concluded a long-term exclusive distribution agreement in Japan with Meril Life Sciences in 2023, as our primary growth driver.

[Future Challenges] The scheduled market launch in the fiscal year ending March 31, 2027 is anticipated to be delayed, as it has become necessary to reassess the regulatory strategy initially envisioned. At present, we are advancing our review of a backup plan that includes conducting a clinical trial in Japan.

2. Constantly introducing competitive products (EP/Ablation and Cardiovascular)

In our existing business area, we also position EP/Ablation and Cardiovascular as a core business area focused on our own products. In these business areas, constantly introducing competitive products aligned with market needs is our critical strategy.

i EP/Ablation

In EP/Ablation, addressing PFA, a new technology that has rapidly become widespread in Japan during the fiscal year under review, has become our top priority. PFA has brought significant changes to our business environment. While supporting a further increase in case numbers in atrial fibrillation due to a reduction of complication risk and shortening of procedure time, its rapid adoption has caused a sharp decline in demand for some products specialized in conventional therapies. In response to these environmental changes, we are urgently advancing the restructuring of our product portfolio aligned with procedural trends in the age of PFA. In terms of specific achievements, we maintained an overwhelming market share of 95% in intracardiac defibrillation catheters even under competitive conditions, by adding an unrivaled groin access model which also shows high compatibility with the procedure using PFA. In addition, hemostatic devices for femoral vein launched as peripheral devices have penetrated more than 40% of all cases within two years of market launch, and the radiofrequency transseptal wire, a proprietary product launched in 2026, is also demonstrating a steady start. We expect these products to become a pillar of revenue, even in procedures using PFA.

[Future Challenges] We will accelerate initiatives including developing our own line of PFA catheters, development of products for global markets, and M&A activities targeting companies with promising products and technologies.

ii Cardiovascular

While competition with other companies is intensifying for our mainstay product, Frozen Elephant Trunk, by adding the larger-diameter size that had been strongly requested by the market, we have stemmed the decline in market share and maintained a high share of 90%.

[Future Challenges] We will develop successor models for the Frozenix series, our proprietary brand of Frozen Elephant Trunk. We will advance preparations for introducing a pipeline of thoracic stent grafts, which currently represent the only area in which we have not yet entered.

3. Expanding global sales and advancing OEM manufacturing

As our highest priority for achieving sustainable growth, we are committed to expanding global sales to build a revenue base that is not dependent on the domestic market, while also promoting OEM manufacturing to leverage our resources across multiple dimensions. By providing proprietary technological expertise and manufacturing capabilities cultivated in the domestic market to global markets and partner companies, we aim to simultaneously expand our business portfolio and enhance profitability.

In expanding our global sales, we are focusing on a phased approach to market development and the establishment of a quality management system that meets global standards. As the first phase of our strategy, our expansion into the Middle East and Asia is progressing smoothly through successful partnerships with local distributors. As a next pillar of growth, we are accelerating preparations for obtaining manufacturing and marketing approval in the U.S. market (FDA approval), while advancing the development of a global Quality Management System (QMS) capable of meeting FDA audit requirements.

In our OEM business, we are creating new revenue opportunities by providing our research and development capabilities and advanced manufacturing functions to external partners. As specific initiatives, our collaboration and partnership with Heartseed Inc. in the regenerative medicine field and the OEM manufacturing plan at our Malaysia plant are progressing steadily.

4. Strengthening management with improved capital efficiency

In addition to KPI such as net sales and operating profit margin, we place strong emphasis on earnings per share (EPS) and return on invested capital (ROIC), which are critical indicators of shareholder value. We are implementing appropriate capital policies to ensure the sustainable improvement of these indicators.

As a fundamental principle, we promote a cash allocation policy that optimizes growth investments and shareholder returns, primarily funded by operating cash flow. For the three-year period from the fiscal year ended March 2026 to the fiscal year ending March 2028, we expect to generate approximately 27 billion yen in operating cash flow, which we will allocate strategically to growth investments, facility renewal, and shareholder returns. Furthermore, based on the scale and timing of individual projects, we will flexibly utilize external borrowings in addition to internal funds to optimize our capital structure and secure investment opportunities.

With respect to growth investments, we plan to accelerate our initiatives by establishing an M&A investment framework of 5-10 billion yen, while continuing to invest in overseas start-ups to secure future product pipelines and in expanding our global manufacturing capacity. In addition, we manage our research and development investments with a target level of approximately 8–10% of sales from our proprietary products, aiming to maximize investment efficiency.

With respect to shareholder returns, during the remaining two fiscal years of the medium-term management plan (the fiscal years ending March 31, 2027 and 2028), we will prioritize achieving the total shareholder return target of 27-30 billion yen set for the five year plan period. Accordingly, we plan to provide dividends that exceed the current basic policy (the higher of a 40% payout ratio or a 5.0% dividend on equity [DOE]). For the fiscal year ending March 31, 2027, we plan a dividend of 56 yen per share (an increase of 2 yen YoY, with a payout ratio of 49.1%), and for the fiscal year ending March 31, 2028, we anticipate a dividend of approximately 57 yen per share (an increase of around 1 yen).

To maintain appropriate capital efficiency, we strictly manage the level of cash and cash equivalents on hand and have clearly defined a policy to return excess funds to shareholders in a flexible manner. Specifically, we manage our year end cash and cash equivalents with a target range of approximately 7-10 billion yen. Any amount exceeding the buffer of around 3 billion yen reserved for future growth investments will be considered for proactive shareholder return initiatives such as additional dividends or share buybacks. Through such disciplined cash management, we will continue to pursue management practices that maintain ROIC above our cost of capital (estimated 8-9%).

(ii) Sustainability Initiatives

1. Sustainability Strategy and Goals

In our mission, we aim to simultaneously pursue not only the economic value of providing patients and healthcare professionals with the latest and optimal medical devices, but also the social value of realizing a healthier society. We view sustainability as an important management strategy, and believe that meeting the expectations of various stakeholders, as well as business growth, will enhance our corporate value.

The Sustainability Committee, chaired by the President and CEO, leads the setting and implementation of the company-wide policy for sustainability initiatives. Specific initiatives are carried out by subcommittees established for each of the seven priority issues identified by the Board of Directors, and the Sustainability Committee confirms progress toward the goals on a quarterly basis. The Board of Directors provides oversight based on regular reports received from the Committee and makes decisions on important matters related to sustainability.

2. Key ESG Initiatives and Achievements in the Fiscal Year Under Review

Environment	Priority Issue: Reduce environmental impact
●	Build a foundation for refinement of Scope 3 calculation
●	Maintain a recycling rate of 99% for industrial waste from plants in Japan
Social	Priority Issue: Create a workplace where diverse human resources can play active roles
●	Be recognized in the 2026 Outstanding Organizations of KENKO Investment for Health (Large Enterprise Category) for six years in a row
●	Prepare for the introduction of a dual track personnel system
●	Prepare for the introduction of paid childcare and caregiving leave, as well as a babysitter subsidy program
Social	Priority Issue: Develop human resources who can boost corporate competitiveness
●	Launch a development program for managerial candidates
●	Strengthen training programs for developing global human resources
Social	Priority Issue: Ensure product quality and reinforce the supply system
●	Complete the MDSAP* recertification audit with zero findings
●	Establish training programs for QMS maintenance and develop curricula based on competency evaluations
●	Promote sustainable procurement by establishing CSR procurement guidelines and distributing them to domestic suppliers
Social	Priority Issue: Promote the adoption of digital technologies
●	Enhance AI literacy and promote practical application through training by external instructors and on demand learning programs
●	Promote paperless operations through the introduction of electronic fax systems and the digitization of analog documents in order processing
Governance	Priority Issue: Strengthen governance
●	Expand the scope of human rights due diligence to include overseas subsidiaries and identify and assess human rights risks
●	Prepare for the establishment of a compliance reporting hotline for business partners
●	Implement explanatory sessions and individual study sessions on fair competition regulations

* MDSAP: Medical Device Single Audit Program
A program to confirm the conformity and adequacy of a manufacturer's QMS with regulatory requirements in five countries (USA, Australia, Brazil, Canada and Japan) through a single audit by an accredited auditing organization

Detailed information on the status of these efforts is posted on the Company's website. https://www.jll.co.jp/sustainability/ (in Japanese)

6. Material Parent Companies and Subsidiaries

(i) Relationship with Parent Company

There are no significant relationships with any parent company.

(ii) Subsidiaries

Company name	Capital	The Company's percentage of equity participation	Principal business
JLL Malaysia Sdn. Bhd.	105 million MYR	% 100	Manufacture and sale of medical devices

7. Principal Business

Product group	Main products:
Cardiac Rhythm Management	Cardiac pacemakers, transvenous implantable cardioverter defibrillators (T-ICDs), subcutaneous implantable cardioverter defibrillators (S-ICDs), cardiac resynchronization therapy pacemakers (CRT-Ps), cardiac resynchronization therapy defibrillators (CRT-Ds), automated external defibrillators (AED), lead management devices
EP/Ablation	Electrophysiology (EP) catheters, ablation catheters, intracardiac defibrillation catheters, esophageal temperature monitoring catheters, steerable sheaths, femoral vein hemostatic devices, radiofrequency transseptal wires
Cardiovascular	Vascular grafts, Frozen Elephant Trunk, stent grafts, atrial septum defect closures
Neurovascular	Embolic coils, aspiration catheters, microcatheters, stent retrievers
Gastrointestinal	Bile-duct tube stents, bile duct dilatation balloons, contrast catheters, double-lumen dilators, ERCP guidewires, colonic stents, gastroduodenal stents, radio-frequency ablation needles for liver cancer treatment

8. Principal Business Locations and Plants

(i) The Company

Headquarters	2-2-20, Higashishinagawa, Shinagawa-ku, Tokyo
Education facility	Tennoz Accademia (Shinagawa-ku, Tokyo)
Logistics center	Haneda Logistics Center (Ota-ku, Tokyo) Kansai Logistics Center (Ibaraki-shi, Osaka)
Factories	Toda Factory (Toda-shi, Saitama) Oyama Factory (Oyama-shi, Tochigi) Ichihara Factory (Ichihara-shi, Chiba)
Research facility	Research & Development Department (Toda-shi, Saitama)
Branches and sales offices	Sapporo Office, Hokkaido Branch (Chuo-ku, Sapporo-shi, Hokkaido) Kushiro Office (Kushiro-shi, Hokkaido) Sendai Office, Tohoku Branch (Aoba-ku, Sendai-shi, Miyagi) Aomori Office (Aomori-shi, Aomori) Akita Office (Akita-shi, Akita) Koriyama Office (Koriyama-shi, Fukushima) Urawa Office, Kitakanto Branch (Minami-ku, Saitama-shi, Saitama) Niigata Office (Chuo-ku, Niigata-shi, Niigata) Gunma Office (Maebashi-shi, Gunma) Utsunomiya Office (Utsunomiya-shi, Tochigi) Ibaraki Office (Tsukuba-shi, Ibaraki) Matsumoto Office (Matsumoto-shi, Nagano) Tokyo Office I, Tokyo Branch (Toshima-ku, Tokyo) Tokyo Office II (Shinagawa-ku, Tokyo) Tama Office (Fuchu-shi, Tokyo) Chiba Office (Mihama-ku, Chiba-shi, Chiba) Yokohama Office, Minami-Kanto Branch (Naka-ku, Yokohama-shi, Kanagawa) Hamamatsu Office (Chuo-ku, Hamamatsu-shi, Shizuoka) Shizuoka Office (Suruga-ku, Shizuoka-shi, Shizuoka) Nagoya Office, Tokai Hokuriku Branch (Naka-ku, Nagoya-shi, Aichi) Mie Office (Tsu-shi, Mie) Hokuriku Office (Kanazawa-shi, Ishikawa) Fukui Office (Fukui-shi, Fukui) Osaka Office, Kansai Branch (Kita-ku, Osaka-shi, Osaka) Kyoto Office (Shimogyo-ku, Kyoto-shi, Kyoto) Nara Office (Nara-shi, Nara) Kobe Office (Chuo-ku, Kobe-shi, Hyogo) Himeji Office (Himeji-shi, Hyogo) Hiroshima Office, Chugoku and Shikoku Branch (Naka-ku, Hiroshima-shi, Hiroshima) Okayama Office (Kita-ku, Okayama-shi, Okayama) Yonago Office (Yonago-shi, Tottori) Takamatsu Office (Takamatsu-shi, Kagawa) Matsuyama Office (Matsuyama-shi, Ehime) Fukuoka Office, Kyushu Branch 1 (Hakata-ku, Fukuoka-shi, Fukuoka) Nagasaki Office (Nagasaki-shi, Nagasaki) Kumamoto Office (Chuo-ku, Kumamoto-shi, Kumamoto) Okinawa Office (Naha-shi, Okinawa) Kitakyushu Office, Kyushu Branch 2 (Kokurakita-ku, Kitakyushu-shi, Fukuoka) Oita Office (Oita-shi, Oita) Kagoshima Office (Kagoshima-shi, Kagoshima)

(ii) Subsidiaries

(Overseas)

Company name	Locations
JLL Malaysia Sdn. Bhd.	Penang, Malaysia

9. Employees

(i) Employees of the Corporate Group

Classification	Number of employees	Change from previous fiscal year end	Average age	Average years of service
	(number)	(number)	(age)	(years)
Male	756	＋30	43.3	11.5
Female	548	＋24	35.2	5.9
Total/average	1,304	＋54	39.9	9.1

(ii) Employees of the Company

Classification	Number of employees	Change from previous fiscal year end	Average age	Average years of service
	(number)	(number)	(age)	(years)
Male	737	＋22	43.5	11.6
Female	348	＋59	39.2	7.3
Total/average	1,085	＋81	42.1	10.2

(Note) The number of employees does not include persons seconded from the Company.

10. Principal Lenders

Lender	Amount outstanding
	Millions of yen
MUFG Bank, Ltd.	1,000
Sumitomo Mitsui Banking Corporation	800
Mizuho Bank, Ltd.	800
Resona Bank, Limited	300

11. Other Important Information Concerning the Current State of the Company Group

There are no relevant matters to report.

[2]Status of Shares

1. Total number of shares authorized to be issued 346,400,000 shares

2. Total number of shares outstanding 71,300,000 shares

3. Number of shareholders 13,647 persons

4. Major shareholders

Shareholder name	Number of shares held	Ratio to the number of outstanding shares (excluding treasury stock)
	thousand shares	%
KS Shoji	11,067	15.76
The Master Trust Bank of Japan, Ltd. (Trust Account)	7,498	10.68
Custody Bank of Japan, Ltd. (Trust Account)	7,282	10.37
SG/UCITS V/INV	1,912	2.72
BNP PARIBAS LUXEMBOURG/2S/JASDEC/FIM/LUXEMBOURG FUNDS/UCITS ASSETS	1,450	2.06
Japan Lifeline Employee Shareholders Association Exclusive Trust	1,437	2.05
RM Asset Management Co., Ltd.	972	1.38
MT Shokai	972	1.38
MSJ Shokai	972	1.38
MM Shokai	972	1.38
M.S. MEDICAL	972	1.38

Note: In addition to the above, there are shares of treasury stock held by the Company (1,069 thousand shares), and they do not include shares of the Company (75 thousand shares) remained in the Board Incentive Plan (BIP) trust.

5. Status of stock granted to Company Officers as consideration for execution of duties during the fiscal year under review

	Number of shares	Number of persons to receive shares
	(shares)	(number)
Directors (excluding Audit and Supervisory Committee Members and Outside Directors)	61,967	8
Outside Directors (excluding Audit and Supervisory Committee Members)	-	-
Directors (Audit and Supervisory Committee Members)	-	-

Notes: 1. Performance-linked share awards (BIP Trust on Remuneration for Directors and Other Officers) were granted to eight (8) directors. Of the 61,967 shares, 19,267 shares were converted into cash and said amount of cash was paid to said directors.

2. Details of the Company's share awards are described below under "[4] 5. Remuneration to Directors."

6. Other Important Information Concerning Shares

Cancellation of treasury stock

At a meeting of the Board of Directors held on May 7, 2025, the Company resolved to cancel treasury stock and conducted a cancellation of treasury stock as follows.

Type of shares cancelled:: Common shares

Total number of shares cancelled:: 4,458,470 shares

Cancellation date: May 16, 2025

[3]Status of Share Acquisition Rights

Issuance of paid stock options (share acquisition rights)

At a meeting of the Board of Directors held on July 31, 2025, the Company resolved to issue paid stock options to its directors and operating officers and issued them as follows.

The Board of Directors resolution date (July 31, 2025)		
Eligible recipients and number of share acquisition rights to be allocated	Directors (excluding Audit and Supervisory Committee members): 10 persons	Operating Officers: 6 persons
Number of share acquisition rights	6,150 units	900 units
Class and number of shares subject to share acquisition rights	Common stock 615,000 shares (100 shares per share acquisition right)	Common stock 90,000 shares (100 shares per share acquisition right)
Payment amount of share acquisition right or the calculation method	The issue price per share acquisition right shall be 100 yen.	
Exercise price of share acquisition right	The exercise price shall be 1,458 yen per share. This is the closing price of the Company's common stock in ordinary trading on the Tokyo Stock Exchange on July 30, 2025, which is the trading day immediately preceding the Board of Directors resolution date for the issuance of these share acquisition rights.	
Conditions for exercise of share acquisition rights	(1) If the net sales for the fiscal year ending March 31, 2028 exceed 70,000 million yen. However, if the Board of Directors determines that it is inappropriate to make judgments based on actual figures due to various circumstances, the Company may make adjustments to the actual figures. (2) Share acquisition right holders must be directors, auditors, or employees of the Company or its affiliated companies at the time of exercising the share acquisition rights. However, this shall not apply in cases of resignation due to expiration of term, mandatory retirement, or other justifiable reasons recognized by the Board of Directors. (3) Exercise of share acquisition rights by heirs of share acquisition right holders is not permitted.	

	(4) If the exercise of share acquisition rights would cause the Company's total issued shares to exceed the total number of authorized shares at that time, such share acquisition rights may not be exercised. (5) Exercise of less than one whole share acquisition right is not permitted.
Exercise period of share acquisition rights	From July 1, 2028 to August 18, 2035 (provided that if the final day is not a bank business day, then the preceding bank business day)

(Notes) 1. The payment amount of share acquisition rights was determined to be the same amount based on the results calculated by Plutus Consulting Co., Ltd., a third-party valuation agency, using the Monte Carlo simulation, which is a general option pricing model, taking into consideration the Company's stock price information and other factors. The Company has determined that this amount does not constitute a favorable issuance.

2. If the Company conducts a stock split or stock consolidation after the allotment date of the share acquisition rights, the exercise price shall be adjusted according to the following formula, with any fraction less than one yen resulting from the adjustment rounded up:

Adjusted Exercise Price = Exercise Price before Adjustment × 1/Split (or Consolidation) Ratio

Furthermore, if the Company issues new shares or disposes of treasury stock at a price below market value for the Company's common stock after the allotment date of the share acquisition rights (excluding issuance of new shares and disposal of treasury stock based on the exercise of share acquisition rights and transfer of treasury stock through stock exchange), the exercise price shall be adjusted according to the following formula, with any fraction less than one yen resulting from the adjustment rounded up:

$$\text{Adjusted Exercise Price} = \text{Exercise Price before Adjustment} \times \frac{\text{Outstanding Shares} + \dfrac{\text{New Shares} \times \text{Payment Amount per Share}}{\text{Market Price per Share before New Issuance}}}{\text{Outstanding Shares} + \text{New Shares}}$$

In the above formula, "Outstanding Shares" means the total number of issued shares of the Company's common stock minus the number of treasury shares of the Company's common stock. When disposing of treasury shares of the Company's common stock, "New Shares" shall be read as "Treasury Shares to be Disposed." In addition to the above, if the Company merges with another company, conducts a company split, or in other cases requiring adjustment of the Exercise Price similar to these cases after the allotment date of the share acquisition rights, the Company may make appropriate adjustments to the Exercise Price within a reasonable range.

[4]Company Officers

1. Names, etc. of Directors (as of March 31, 2026)

Position	Name	Areas of responsibility and significant concurrent positions
Representative Director President and CEO	Keisuke Suzuki	
Representative Director Vice President and COO	Tatsuya Murase	
Director and CFO Executive Officer	Takeyoshi Egawa	Head of Corporate Management Group
Director Executive Officer	Kenji Yamada	Head of Corporate Administration Group
Director Executive Officer	Toru Takamiya	Head of R&D and Production Group
Director Senior Operating Officer	Yumiko Hoshiba	General Manager of Operations Division
Director Senior Operating Officer	Takashi Ito	Head of Arrhythmia Business Operations Group
Director	Yoshiaki Ikei	Representative Director of MA Partners Inc.
Director	Naoko Kawahara	Attorney-at-law, Tokyo Green Law Office
Director	Rie Nakagawa	Director and COO of GRAMEEN NIPPON Outside Director of FUJI OIL CO., LTD. Outside Director of Duskin Co., Ltd.
Director (Full-time Audit and Supervisory Committee Member)	Shogo Takahashi	
Director (Audit and Supervisory Committee Member)	Yutaka Karigome	Director of Yutaka Karigome Certified Public Tax Accountant Office
Director (Audit and Supervisory Committee Member)	Tomonari Ota	Partner Attorney of TMI Associates

Notes:
1. Directors Yoshiaki Ikei, Naoko Kawahara, and Rie Nakagawa, and Directors (Audit and Supervisory Committee Members) Yutaka Karigome and Tomonari Ota are Outside Directors.
2. Director (Audit and Supervisory Committee Member) Yutaka Karigome is qualified as a Certified Public Tax Accountant, and possesses a considerable level of knowledge in regard to finance and accounting.
3. Atsuhiro Suzuki, Tadashi Idei, and Fumihiro Sasaki retired as Directors due to expiry of the term of office as of the conclusion of the 45th Ordinary General Meeting of Shareholders held on June 26, 2025.
4. Masahiko Nakamura and Daizo Asari retired as Directors (Audit and Supervisory Committee Members) due to expiry of the term of office as of the conclusion of the 45th Ordinary General Meeting of Shareholders held on June 26, 2025.
5. Rie Nakagawa was newly elected and appointed as Director at the 45th Ordinary General Meeting of Shareholders held on June 26, 2025.
6. Tomonari Ota was newly elected and appointed as Director (Audit and Supervisory Committee Member) at the 45th Ordinary General Meeting of Shareholders held on June 26, 2025.
7. The Company appoints full-time Audit and Supervisory Committee members with the goal of increasing the effectiveness of information-gathering and audits, such as having them continuously and effectively attend important meetings outside the Board of Directors.
8. The Company has submitted notification to the Tokyo Stock Exchange that Directors Yoshiaki Ikei, Naoko Kawahara, and Rie Nakagawa, and Directors (Audit and Supervisory Committee Members) Yutaka Karigome and Tomonari Ota have been designated as independent officers as provided for by the aforementioned exchange.

2. Summary of the Agreement on Limitation of Liability

The Company has entered into agreements with each of the outside directors to limit his/her liability, as stipulated in Article 423, paragraph (1) of the Companies Act, to the minimum liability amount stipulated by laws and regulations.

3. Summary of the Indemnity Agreements

There are no relevant matters to report.

4. Summary of the Liability Insurance Agreement for Directors and Other Officers

The Company has entered into a directors and officers liability insurance policy with an insurance company, in accordance with Article 430-3, paragraph (1) of the Companies Act, to cover directors, Operating Officers, and the known successors thereof, of the Company and its subsidiaries. In the event that an insured party incurs claims for damages arising from the execution of their duties, any compensation for damages and payment of legal fees or the like is subject to compensation. The insurance premiums are borne in full by the Company.

Additionally, as a countermeasure against any hindrance of the appropriateness of the insured parties' execution of their duties, damages (etc.) incurred as a result of criminal activities or the like on the part of the insured parties will not be subject to compensation.

5. Remuneration to Directors

(i) Policy for determining the directors' remuneration, etc.

a. Method of Decision of Decision-making Policy for the content of individual director remuneration, etc.

In order to ensure the objectivity and transparency of the processes for nominating and evaluating directors and determining their remuneration, the Company has established a Nomination and Remuneration Advisory Committee. The Nomination and Remuneration Advisory Committee is an advisory body for the Board of Directors, and is chaired by an outside director. The decision-making policy for the content of individual remuneration, etc. for directors (excluding Audit and Supervisory Committee members) was decided upon at a meeting of the Board of Directors, based upon the contents of a report from the Nomination and Remuneration Advisory Committee following deliberations by the said Committee.

b. Summary of the Decision-Making Policy

i Basic policy on directors' remuneration

The Company, in order to ensure that the system of remuneration to directors functions appropriately while encouraging the improvement of the corporate value and the sustainable growth of the Company, established the following basic policy.

(A) It should be an appropriate motivator for the achievement of the performance targets

(B) It should be a competitive level of remuneration that will link to the securement of excellent personnel

(C) It should lead to an improvement in corporate value in the medium to long term

(D) The decision process for remuneration should have a high level of both objectivity and transparency

ii Method of decision-making on remuneration structure and remuneration amounts

The remuneration of the Company's directors consists of fixed remuneration, performance-linked bonuses, and performance-linked share awards (BIP Trust on Remuneration for Directors and Other Officers). The latter two function as both monetary remuneration connected to short-term performance and an incentive for improvements in corporate value in the medium to long term.

(A) Fixed remuneration

Paid on a monthly basis as a monthly fixed monetary amount.

Fixed remuneration for directors (excluding directors who are Audit and Supervisory Committee members) is determined by the Nomination and Remuneration Advisory Committee, upon receipt of an order from the Board of Directors, based on comprehensive consideration of the rank, job responsibilities, and level of contribution to performance of each director, as well as benchmark remuneration levels of an external database service. Fixed remuneration for directors who are also members of the Audit and Supervisory Committee is determined through deliberation by the Audit and Supervisory Committee.

(B) Performance-linked bonus

An amount calculated in accordance with the bonus amount and the achievement of the performance targets for each director will be paid as monetary compensation within three (3) months after the end of the fiscal year. Under this system, the Company has adopted a performance-linked framework whereby it increases or decreases monetary remuneration paid in accordance with levels of achievement relative to performance indicators comprising consolidated net sales, consolidated operating profit and basic earnings per share (EPS) in the consolidated financial forecasts for a single fiscal-year disclosed at the start of each fiscal year (after deducting bonuses for directors (and other officers) when 100% of the consolidated earnings forecast is achieved), such that have been set as performance indicators given the emphasis placed on such indicators under the medium-term management plan, etc. Outside directors and directors who are Audit and Supervisory Committee members are not eligible for the payment.

(C) Performance-linked share awards (BIP Trust on Remuneration for Directors and Other Officers)

In principle, in July following the end of the fiscal year subject to evaluation, the Company will deliver and pay to each director shares of the Company and an amount equal to the cash proceeds from the conversion of the shares of the Company, in accordance with the base points and the achievement of the performance targets of each director. Under this system, the Company has adopted a performance-linked framework whereby it increases or decreases number of shares granted and monetary remuneration paid in accordance with levels of achievement relative to performance indicators comprising consolidated net sales, consolidated operating profit and basic earnings per share in the consolidated financial forecasts for a single fiscal-year disclosed at the start of each fiscal year (after deducting remunerations for directors (and other officers) when 100% of the consolidated earnings forecast is achieved), such that have been set as performance indicators given the emphasis placed on such indicators under the medium-term management plan, etc. Outside directors and directors who are Audit and Supervisory Committee members are not eligible for the program.

iii Policy regarding the decision on director remuneration type ratio

Regarding performance-linked remuneration as a proportion of the total remuneration amount, for an average eligible director, in the case of a normal degree of target achievement, the ratio of performance-linked remuneration to fixed remuneration is 2:8. Meanwhile, as for non-monetary remuneration as a proportion of all remuneration, for an average eligible director, the ratio of non-monetary remuneration to monetary remuneration is 1:9.

c. Reason why the Board of Directors deemed the content of individual remuneration, etc. for directors (excluding Audit and Supervisory Committee members) for the fiscal year under review to be in accordance with the decision-making policy

With regard to the decision of the content of individual remuneration, etc. for directors (excluding Audit and Supervisory Committee members), the Nomination and Remuneration Advisory Committee considers the base proposal from a multifaceted approach based on the decision-making policy. The contents decided over the course of this process are deemed by the Board of Directors, too, to be in accord with the decision-making policy.

(ii) Matters relating to decision of the General Meeting of Shareholders regarding remuneration to directors

The maximum monetary remuneration for directors (excluding Audit and Supervisory Committee members) was set at 700 million yen per year by a decision of the 41st Ordinary General Meeting of Shareholders held on June 25, 2021. (This does not include the employee salary of directors who simultaneously serve as employees of the Company.) The number of directors (excluding Audit and Supervisory Committee members) at the conclusion of the Ordinary General Meeting of Shareholders in question is eleven (11). In addition to the above monetary remuneration, at the 43rd Ordinary General Meeting of Shareholders held on June 28, 2023, the performance-linked share awards (BIP Trust on Remuneration for Directors and Other Officers) was approved, and over the course of three fiscal years the Company has contributed a total of up to 300 million yen to BIP Trust on Remuneration for Directors and Other Officers. The upper limit of the number of points awarded to directors for the purpose of granting shares is 132,200 points per year (outside directors and those who are members of the Audit and Supervisory Committee are not eligible to receive points). The number of directors (not counting outside directors and directors who are Audit and Supervisory Committee members) at the conclusion of the Ordinary General Meeting of Shareholders in question is eight (8).

Maximum monetary remuneration for directors who are Audit and Supervisory Committee members was set at 70 million yen per year by a decision of the 41st Ordinary General Meeting of Shareholders held on June 25, 2021. The number of directors who are Audit and Supervisory Committee members at the conclusion of the Ordinary General Meeting of Shareholders in question is four (4).

(iii) Delegation of decision-making for the content of individual director's (excluding Audit and Supervisory Committee members) remuneration, etc.

The decision of the contents of remuneration (etc.) for each individual Director (excluding Audit and Supervisory Committee Members) is made by the Nomination and Remuneration Advisory Committee upon receipt of an order from the Board of Directors. The Nomination and Remuneration Advisory Committee consists of Outside Director Yoshiaki Ikei (Chairman), Outside Director Rie Nakagawa, Outside Director (Audit and Supervisory Committee Member) Yutaka Karigome, Representative Director and President Keisuke Suzuki, and Representative Director Tatsuya Murase.

The content of this authority is the decision on the fixed remuneration amount of each director (excluding Audit and Supervisory Committee members), and the reason this authority is delegated is to increase the objectivity and transparency of the procedures relating to director remuneration, etc.

(iv) Total amount of remuneration, etc. to Directors

Categories of directors (and other officers)	Total amount of remuneration	Total amount of remuneration by type			Number of eligible directors (and other officers)
		Fixed remuneration	Performance-linked bonus	Performance-linked share awards (BIP Trust on Remuneration for Directors and Other Officers)	
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	(number)
Directors (excluding Audit and Supervisory Committee members) (inc. Outside Directors)	567 (30)	445 (30)	30 (-)	91 (-)	13 (4)
Directors (Audit and Supervisory Committee members) (inc. Outside Directors)	40 (22)	40 (22)	- (-)	- (-)	5 (4)
Total (inc. Outside Directors)	607 (53)	486 (53)	30 (-)	91 (-)	18 (8)

(Notes) 1. The above table includes three Directors (excluding Audit and Supervisory Committee Members) and two Directors (Audit and Supervisory Committee Members) who retired upon the expiration of their term of office at the close of the 45th Ordinary General Meeting of Shareholders held on June 26, 2025.

2. In addition to the total amount of the above remuneration, etc., according to the resolution of the 37th Ordinary General Meeting of Shareholders held on June 28, 2017, the Company paid the total of 33 million yen of retirement benefits for directors to two retired Directors (excluding Audit and Supervisory Committee Members) and the total of 1 million yen of retirement benefits for directors to two retired Directors (Audit and Supervisory Committee Members), respectively.
This amount includes 34 million yen in provisions for directors' retirement benefits that were disclosed in business reports for prior fiscal years.

3. The details and calculation method of the performance-linked bonus and performance-linked share awards (BIP Trust on Remuneration for Directors and Other Officers), as well as the details of the indicators and the reasons for their selection, are as described in (i) above, and the actual results are as described in "[1] 4. Trends in Assets and Income of the Corporate Group."

6. Outside Officers

(i) Status of Important Positions Held Concurrently at Other Corporations, etc. and Relationships between the Company and These Other Corporations, etc.

- Outside Director Yoshiaki Ikei is a Representative Director of MA Partners, Inc. There is no special relationship between the Company and MA Partners.
- Outside Director Naoko Kawahara is an attorney-at-law at Tokyo Green Law Office. There is no special relationship between the Company and Tokyo Green Law Office.
- Outside Director Rie Nakagawa is a Director and COO of GRAMEEN NIPPON and Outside Director of FUJI OIL CO., LTD. and Duskin Co., Ltd. There is no special relationship between the Company and GRAMEEN NIPPON, FUJI OIL CO., LTD., and Duskin Co., Ltd.
- Outside Director (Audit and Supervisory Committee Member) Yutaka Karigome is a Director of Yutaka Karigome Certified Public Tax Accountant Office. There is no special relationship between the Company and Yutaka Karigome Certified Public Tax Accountant Office.
- Outside Director (Audit and Supervisory Committee Member) Tomonari Ota is a Partner Attorney at TMI Associates. There is no special relationship between the Company and TMI Associates.

(ii) Kinship with Executives or Officers (Excluding Executives) of a Specified Associated Service Provider

There is no kinship with executives or officers (excluding executives) of a specified associated service provider.

(iii) Main Activities in the Fiscal Year under Review

Title	Name	Main activities and overview of duties to be performed regarding expected roles for Outside Director
Director	Yoshiaki Ikei	Participated in all 12 meetings of the Board of Directors during the fiscal year under review. Yoshiaki Ikei possesses extensive experience and wide-ranging insight as a corporate manager, and has made appropriate and necessary statements on the Company’s overall management from an objective and multifaceted perspective. He also plays an important role in strengthening the corporate governance of the Company by holding regular opinion-exchange meetings with the Representative Directors, deliberating on the appropriateness of investment and loan cases as a member of the Investment and Credit Committee, and serving as Chairperson of the Nomination and Remuneration Advisory Committee, fulfilling the important role of ensuring the objectivity and transparency of the processes for making nominations and deciding on remuneration.
Director	Naoko Kawahara	Participated in all 12 meetings of the Board of Directors during the fiscal year under review. She has made appropriate and necessary statements aimed at strengthening the supervisory function of the Board of Directors and at sustainably improving corporate values from an objective and multifaceted perspective based on her specialist position as an attorney and experience as an outside corporate auditor at other companies. She also participates in regular opinion-exchange meetings with the Representative Directors, participates in the Compliance Committee as an observer, and so on, and by doing this she plays an important role in strengthening the corporate governance of the Company.
Director	Rie Nakagawa	Participated in all 10 meetings of the Board of Directors held since her appointment on June 26, 2025. Rie Nakagawa possesses extensive experience and wide-ranging insight as a corporate manager, and has made appropriate and necessary statements on the Company’s overall management from an objective and multifaceted perspective. She also plays an important role in strengthening the corporate governance of the Company by engaging in regular opinion-exchange meetings with the Representative Directors, and serves as a member of the Nomination and Remuneration Advisory Committee, filling the important role of ensuring the objectivity and

Title	Name	Main activities and overview of duties to be performed regarding expected roles for Outside Director
		transparency of the processes of making nominations and deciding on remuneration.
Director (Audit and Supervisory Committee Member)	Yutaka Karigome	Participated in all 12 meetings of the Board of Directors and all 13 meetings of the Audit and Supervisory Committee during the fiscal year under review. Yutaka Karigome has made appropriate and necessary statements based on his specialist position as a Certified Public Tax Accountant and experience as an outside corporate auditor at other companies and is fulfilling the important role of strengthening the auditing and supervisory functions of the Board of Directors by auditing business execution and making decisions from an objective standpoint. He also plays an important role in strengthening the corporate governance of the Company by engaging in regular opinion-exchange meetings with the Representative Directors and participating in the Investment and Credit Committee as an observer, and, as a member of the Nomination and Remuneration Advisory Committee, fills the important role of ensuring the objectivity and transparency of the processes of making nominations and deciding on remuneration.
Director (Audit and Supervisory Committee Member)	Tomonari Ota	Participated in all 10 meetings of the Board of Directors and all 11 meetings of the Audit and Supervisory Committee held since his appointment on June 26, 2025. Tomonari Ota has made appropriate and necessary statements based on his specialist position as an attorney and is fulfilling the important role of strengthening the auditing and supervisory functions of the Board of Directors by auditing business execution and making decisions from an objective standpoint. He also participates in regular opinion-exchange meetings with the Representative Directors, participates in the Compliance Committee as an observer, and so on, and by doing this he plays an important role in strengthening the corporate governance of the Company.

[5] Accounting Auditor

1. Accounting Auditor's Name

Ernst & Young ShinNihon LLC

2. Accounting Auditor's Fees, etc.

(i) Fees, etc. payable by the Company	45 million yen
(ii) Cash and other profits payable by the Company or its subsidiaries	45 million yen

(Notes) 1. Under the audit agreement between the Company and its Accounting Auditor, fees for audits pursuant to the Companies Act and audits pursuant to the Financial Instruments and Exchange Act are not separated, and otherwise cannot be separated. Consequently, the above amount in item (i) shows the total of these two types of fees.

2. The Audit and Supervisory Committee agreed on the Accounting Auditor's fees, etc. after confirming and considering the contents of the audit plan, including the number of audit days and number of people assigned, for the fiscal year under review as explained by the Accounting Auditor, examination and evaluation of audit performance in the previous fiscal year, and the basis of calculating the fee estimate, etc.

3. Description of Non-Audit Services

There are no relevant matters to report.

4. Policy Regarding Determination of Termination or Nonrenewal of Appointment of Accounting Auditor

In the event that the Accounting Auditor is deemed to have met any of the grounds set forth in the clauses of Article 340, paragraph (1) of the Companies Act, the Audit and Supervisory Committee shall terminate the appointment of the Accounting Auditor subject to the unanimous consent of the Audit and Supervisory Committee.

In addition, should the Accounting Auditor be deemed unable to execute its duties properly, the Audit and Supervisory Committee shall determine the details for dismissal or non-reappointment of the Accounting Auditor, and should the Audit and Supervisory Committee judge that by replacing the Accounting Auditor it is possible to develop a more appropriate audit system for the Company, it shall determine the details of non-reappointment of the Accounting Auditor as a proposal for submission to the General Meeting of Shareholders.

(Note) Amounts and numbers of shares in this Business Report are rounded down to the nearest unit.
In addition, ratios are rounded off to the nearest unit.

Consolidated Financial Statements

Consolidated Balance Sheet (As of March 31, 2026)

(Millions of yen)

Description	Fiscal year under review	(Reference) Previous fiscal year
(Assets)		
Current assets	**49,046**	**44,336**
Cash and deposits	12,494	11,014
Notes and accounts receivable - trade	14,550	13,830
Inventories	20,129	17,961
Other	1,871	1,529
Fixed assets	**31,164**	**30,786**
Property, plant and equipment	**13,911**	**13,285**
Buildings and structures, net	6,823	6,995
Machinery, equipment and vehicles, net	921	959
Land	3,795	3,795
Leased assets, net	213	348
Construction in progress	1,124	7
Other, net	1,032	1,180
Intangible assets	**1,564**	**1,910**
Other	1,564	1,910
Investments and other assets	**15,688**	**15,590**
Investment securities	7,350	7,374
Long-term loans receivable	2,793	2,691
Long-term prepaid expenses	1,763	2,222
Deferred tax assets	3,288	2,977
Retirement benefit asset	162	405
Other	1,886	1,672
Allowance for doubtful accounts	(1,557)	(1,753)
Total assets	**80,211**	**75,123**

Description	Fiscal year under review	(Reference) Previous fiscal year
(Liabilities)		
Current liabilities	**13,597**	**14,334**
Notes and accounts payable - trade	4,432	4,358
Short-term borrowings	2,900	3,500
Current portion of long-term borrowings	–	120
Accounts payable - other	1,128	947
Income taxes payable	1,694	1,703
Provision for bonuses	1,870	1,946
Provision for bonuses for directors	30	79
Other	1,541	1,678
Long-term liabilities	**716**	**874**
Lease liabilities	166	213
Long-term accounts payable - other	137	172
Provision for director’s stock based compensation	85	164
Other	326	323
Total liabilities	**14,314**	**15,208**
Net assets		
Shareholders’ equity	**64,409**	**58,675**
Share capital	**2,115**	**2,115**
Capital surplus	**4,418**	**8,888**
Retained earnings	**59,083**	**53,455**
Treasury stock	**(1,208)**	**(5,784)**
Accumulated other comprehensive income	**1,441**	**1,239**
Net unrealized holding gains or losses on securities	58	(32)
Foreign currency translation adjustment	1,138	788
Remeasurements of defined benefit plans	243	483
Share acquisition rights	**47**	**–**
Total net assets	**65,897**	**59,914**
Total liabilities and net assets	**80,211**	**75,123**

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

Consolidated Statement of Income (From April 1, 2025 to March 31, 2026)

(Millions of yen)

Description	Fiscal year under review		(Reference) Previous fiscal year	
Net sales		**59,187**		**56,610**
Cost of sales		**24,013**		**22,419**
Gross profit		**35,174**		**34,191**
Selling, general and administrative expenses		**22,567**		**21,864**
Operating profit		**12,606**		**12,326**
Non-operating income				
Interest income	165		196	
Dividend income	55		57	
Gain on valuation of investment securities	53		–	
Foreign exchange gains	11		0	
Gain on sale of scraps	70		32	
Other	36	392	48	336
Non-operating expenses				
Interest expenses	34		36	
Loss on valuation of investment securities	–		135	
Provision of allowance for doubtful accounts	22		7	
Commission expenses	15		96	
Loss on valuation of inventories	286		–	
Other	51	410	51	327
Ordinary profit		**12,588**		**12,335**
Extraordinary income				
Gain on sale of fixed assets	0		14	
Gain on sale of investment securities	18	18	37	52
Extraordinary losses				
Loss on sale of fixed assets	16		3	
Loss on retirement of fixed assets	85		359	
Loss on sale of investment securities	18		–	
Head office relocation expenses	108	229	–	362
Net income before income taxes		**12,377**		**12,024**
Income taxes - current	3,267		3,022	
Income taxes - deferred	(240)	3,027	(315)	2,707
Net income		**9,350**		**9,317**
Net income attributable to owners of the parent		**9,350**		**9,317**

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

Non-consolidated Financial Statements

Non-consolidated Balance Sheet (As of March 31, 2026)

(Millions of yen)

Description	Fiscal year under review	(Reference) Previous fiscal year	Description	Fiscal year under review	(Reference) Previous fiscal year
(Assets)			**(Liabilities)**		
Current assets	**48,421**	**43,697**	**Current liabilities**	**13,474**	**14,301**
Cash and deposits	11,312	10,353	Accounts payable - trade	4,497	4,389
Notes receivable - trade	1,335	1,310	Short-term borrowings	2,900	3,500
Accounts receivable - trade	13,215	12,519	Current portion of long-term borrowings	–	120
Merchandise	9,034	7,451	Accounts payable - other	941	803
Finished goods	5,663	5,224	Accrued expenses	926	760
Work in process	3,319	3,373	Provision for bonuses for directors	30	79
Raw materials	1,993	1,725	Income taxes payable	1,694	1,703
Supplies	331	275	Consumption taxes payable	401	494
Prepaid expenses	903	849	Provision for bonuses	1,870	1,946
Short-term loans receivable	475	–	Deposits received	120	224
Other	837	612	Other	93	280
Fixed assets	**30,648**	**30,500**	**Long-term liabilities**	**895**	**1,152**
Property, plant and equipment	**10,976**	**11,087**	Lease liabilities	166	213
Buildings, net	4,541	4,833	Long-term accounts payable - other	137	172
Structures, net	101	122	Provision for retirement benefits	192	290
Machinery and equipment, net	782	816	Provision for director’s stock based compensation	85	164
Tools, furniture and fixtures, net	951	1,089	Other	313	311
Land	3,795	3,795	**Total liabilities**	**14,370**	**15,454**
Leased assets, net	213	348	**Net assets**		
Construction in progress	519	0	**Shareholders’ equity**	**64,593**	**58,775**
Other, net	70	81	**Share capital**	**2,115**	**2,115**
Intangible assets	**1,551**	**1,901**	**Capital surplus**	**4,419**	**8,889**
Telephone subscription right	–	9	Legal capital surplus	2,133	2,133
Software	1,344	1,557	Other	2,285	6,755
Software in progress	13	–	Gain on disposal of treasury stock	2,285	6,755
Other	193	334	**Retained earnings**	**59,266**	**53,554**
Investments and other assets	**18,120**	**17,511**	Legal retained earnings	528	528
Investment securities	7,341	7,365	Other	58,737	53,025
Shares of subsidiaries and associates	2,891	2,525	Reserve for tax purpose reduction entry of fixed assets	38	38
Long-term loans receivable	2,793	2,691	Reserve for open innovation promotion tax system	38	38
Long-term prepaid expenses	1,503	1,980	General reserve	6,000	6,000
Deferred tax assets	3,277	3,045	Retained earnings brought forward	52,661	46,948
Leasehold and guarantee deposits	997	713	**Treasury stock**	**(1,208)**	**(5,784)**
Other	871	943	**Valuation and translation adjustments**	**58**	**(32)**
Allowance for doubtful accounts	(1,557)	(1,753)	Net unrealized holding gains or losses on securities	58	(32)
			Share acquisition rights	**47**	**–**
			Total net assets	**64,699**	**58,743**
Total assets	**79,070**	**74,197**	**Total liabilities and net assets**	**79,070**	**74,197**

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

Non-consolidated Statement of Income (From April 1, 2025 to March 31, 2026)

(Millions of yen)

Description	Fiscal year under review		(Reference) Previous fiscal year	
Net sales		**59,187**		**56,610**
Cost of sales		**24,349**		**22,831**
Gross profit		**34,838**		**33,779**
Selling, general and administrative expenses		**22,169**		**21,544**
Operating profit		**12,669**		**12,234**
Non-operating income				
Interest income	152		178	
Dividend income	55		57	
Foreign exchange gains	12		1	
Gain on valuation of investment securities	53		–	
Gain on sale of scraps	70		32	
Other	35	379	48	318
Non-operating expenses				
Interest expenses	37		35	
Loss on valuation of investment securities	–		135	
Provision of allowance for doubtful accounts	22		7	
Commission expenses	15		96	
Loss on valuation of inventories	286		–	
Other	51	413	51	327
Ordinary profit		**12,635**		**12,226**
Extraordinary income				
Gain on sale of fixed assets	0		14	
Gain on sale of investment securities	18	18	37	51
Extraordinary losses				
Loss on sale of fixed assets	16		3	
Loss on retirement of fixed assets	85		359	
Loss on sale of investment securities	18		–	
Head office relocation expenses	108	228	–	362
Net income before income taxes		**12,424**		**11,915**
Income taxes - current	3,263		3,018	
Income taxes - deferred	(273)	2,990	(380)	2,637
Net income		**9,434**		**9,278**

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

Accounting Auditor's Audit Report on the Consolidated Financial Statements (duplicated copy)

Independent Auditor's Report

(English Translation)

May 22, 2026

To the Board of Directors
Japan Lifeline Co., Ltd.

Ernst & Young ShinNihon LLC
Tokyo office
Seiichiro Suyama, CPA
Engagement Partner
Nobuhiko Kasai, CPA
Engagement Partner

Auditors' Opinion

We have audited, pursuant to Article 444, paragraph (4) of the Companies Act, the consolidated financial statements, which consist of the consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in equity and the notes to the consolidated financial statements of Japan Lifeline Co., Ltd. (hereinafter referred to as the "Company") for the fiscal year from April 1, 2025 to March 31, 2026.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Company and its consolidated subsidiaries as of March 31, 2026 and the consolidated result of their operations for the year then ended in conformity with accounting principles generally accepted in Japan.

Grounds for Auditor's Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibility is stated in "Auditor's Responsibility in Auditing of Consolidated Financial Statements." We are independent from the Company and its consolidated subsidiaries in accordance with the regulations relating to professional ethics in Japan (including those applicable to audits of financial statements of public interest entities), and have fulfilled other ethical responsibilities as auditor. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other Information

The other information refers to the business report and its supplementary schedules. Management is responsible for preparing and disclosing the other information. In addition, the Audit and Supervisory Committee is responsible for overseeing the directors' performance of duties within the maintenance and operation of the reporting process for the other information.

The scope of our audit opinion on the consolidated financial statements does not include the content of the other information, and we do not express an opinion regarding the other information.

Our responsibility in auditing the consolidated financial statements is to read through the other information, and in the process of reading it, we examine whether there are material differences between the other information and the consolidated financial statements or the knowledge we have gained in the auditing process, and we also pay attention as to whether there are any indications in the other information of material errors besides such material differences.

If we determine there to be material errors in the other information based on the work we have performed, we are required to report those facts.

There are no matters to report regarding the other information.

Responsibilities of Management and the Audit and Supervisory Committee for Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of consolidated financial statements in accordance with accounting standards generally accepted in Japan. This responsibility includes designing and operating internal controls, which management considers necessary for the preparation and fair presentation of consolidated financial statements that are free from material misstatements, whether due to fraud or error.

In preparation of consolidated financial statements, management is responsible for reviewing whether it is proper for consolidated financial statements to be prepared based on the going concern assumption, and if it is necessary to disclose the relevant matters in accordance with accounting standards generally accepted in Japan, management is responsible for disclosure thereof.

Audit and Supervisory Committee is responsible for monitoring execution of duties by directors in preparation and operation of the financial reporting process.

Auditor’s Responsibility in Auditing of Consolidated Financial Statements

Our responsibility is to obtain reasonable assurance as to whether the consolidated financial statements as a whole are free from material misstatement due to fraud or error based on the audit we performed, and to express an opinion on the consolidated financial statements from an independent standpoint in the audit report. A misstatement may occur due to fraud or error, and if, individually or in the aggregate, it is reasonably expected to affect the decision-making of users of consolidated financial statements, it is judged to be material.

We make a professional judgment in the course of the audit in accordance with the auditing standards generally accepted in Japan, and carry out the following maintaining professional skepticism.

- Identify and evaluate the risk of material misstatement due to fraud or error. In addition, plan and implement auditing procedures that address the risk of material misstatement. The selection and application of audit procedures is at our discretion. Moreover, obtain sufficient and appropriate audit evidence to form the basis of the opinion.
- Although the purpose of auditing the consolidated financial statements is not to express an opinion on the effectiveness of internal controls, in making those risk assessments, we consider internal controls in relation to audits in order to design audit procedures that are appropriate for the circumstances.
- Evaluate the adequacy of the accounting policy adopted by management and its application method, as well as the reasonableness of accounting estimates made by management and the adequacy of related notes.
- Reach conclusions on whether it is appropriate for management to prepare consolidated financial statements on the premise of going concern, and whether there is material uncertainty about events or situations that create significant doubts about the premise of going concern based on the audit evidence obtained. If material uncertainties regarding the going concern assumption are observed, it is expected to alert on the notes to the consolidated financial statements in the audit report, or if the notes to the consolidated financial statements regarding material uncertainties are not appropriate, it is required to express a qualified opinion with exceptive items on the consolidated financial statements. Our conclusions are based on the audit evidence obtained up to the date of the audit report, but future events and circumstances may prevent a company from continuing as a going concern.
- Assess whether the presentation of and notes to the consolidated financial statements comply with corporate accounting standards generally accepted in Japan, as well as assess the presentation, composition and contents of the consolidated financial statements including related notes, and whether the consolidated financial statements properly represent the underlying transactions or accounting events.
- Plan and perform audit of the consolidated financial statements to obtain sufficient and appropriate audit evidence regarding the financial information of the Company and its consolidated subsidiaries to provide a basis for our opinion on the consolidated financial statements. We are responsible for directing, supervising and inspecting audits of the consolidated financial statements. We are solely responsible for the audit opinion.

We give reports to the Audit and Supervisory Committee on the scope and timing of planned audits, important audit findings including important deficiencies in internal controls identified during the audit process, and on other matters required by the auditing standard.

We give reports to the Audit and Supervisory Committee that we are in compliance with the regulations relating to professional ethics in Japan regarding independence, as well as matters that are reasonably considered to affect our independence as the Auditor, and if measures have been taken to eliminate obstructive factors or if safeguards have been applied to reduce obstructive factors to permissible levels, the specifics thereof.

Relationship of Interest

We have no interests in or relationships with the Company and its consolidated subsidiaries which are required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Notice to Readers:

The original consolidated financial statements, which consist of the consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in equity and the notes to the consolidated financial statements, are written in Japanese.

Accounting Auditor's Audit Report on the Financial Statements (duplicated copy)

Independent Auditor's Report

(English Translation)

May 22, 2026

To the Board of Directors
Japan Lifeline Co., Ltd.

Ernst & Young ShinNihon LLC
Tokyo office
Seiichiro Suyama, CPA
Engagement Partner
Nobuhiko Kasai, CPA
Engagement Partner

Auditors' Opinion

We have audited, pursuant to Article 436, paragraph (2), item (i) of the Companies Act, the non-consolidated financial statements, which consist of the balance sheet, the statement of income, the statement of changes in equity and the notes to the financial statements as well as their supplementary schedules of Japan Lifeline Co., Ltd. (hereinafter referred to as the "Company") for the 46th fiscal year from April 1, 2025 to March 31, 2026.

In our opinion, the financial statements and supplementary schedules referred to above present fairly, in all material respects, the financial position of the Company as of March 31, 2026 and the result of their operations for the year then ended in conformity with accounting principles generally accepted in Japan.

Grounds for Auditor's Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibility is stated in "Auditor's Responsibility in Auditing of the Financial Statements and the accompanying supplemental schedules." We are independent from the Company in accordance with the regulations relating to professional ethics in Japan (including those applicable to audits of financial statements of public interest entities), and have fulfilled other ethical responsibilities as auditor. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other Information

The other information refers to the business report and its supplementary schedules. Management is responsible for preparing and disclosing the other information. In addition, the Audit and Supervisory Committee is responsible for overseeing the directors' performance of duties within the maintenance and operation of the reporting process for the other information.

The scope of our audit opinion on the non-consolidated financial statements, etc. does not include the content of the other information, and we do not express an opinion regarding the other information.

Our responsibility in auditing the non-consolidated financial statements, etc. is to read through the other information, and in the process of reading it, we examine whether there are material differences between the other information and the non-consolidated financial statements, etc. or the knowledge we have gained in the auditing process, and we also pay attention as to whether there are any indications in the other information of material errors besides such material differences.

If we determine there to be material errors in the other information based on the work we have performed, we are required to report those facts.

There are no matters to report regarding the other information.

Responsibilities of Management and the Audit and Supervisory Committee for the Financial Statements and the accompanying supplemental schedules

Management is responsible for the preparation and fair presentation of the financial statements and the accompanying supplemental schedules in accordance with accounting standards generally accepted in

Japan. This responsibility includes designing and operating internal controls, which management considers necessary for the preparation and fair presentation of the financial statements and the accompanying supplemental schedules that are free from material misstatements, whether due to fraud or error.

In preparation of the financial statements and the accompanying supplemental schedules, management is responsible for reviewing whether it is proper for the financial statements and the accompanying supplemental schedules to be prepared based on the going concern assumption, and if it is necessary to disclose the relevant matters in accordance with accounting standards generally accepted in Japan, management is responsible for disclosure thereof.

Audit and Supervisory Committee is responsible for monitoring execution of duties by directors in preparation and operation of the financial reporting process.

Auditor's Responsibility in Auditing of the Financial Statements and the accompanying supplemental schedules

Our responsibility is to obtain reasonable assurance as to whether the financial statements and the accompanying supplemental schedules as a whole are free from material misstatement due to fraud or error based on the audit we performed, and to express an opinion on the financial statements and the accompanying supplemental schedules from an independent standpoint in the audit report. A misstatement may occur due to fraud or error, and if, individually or in the aggregate, it is reasonably expected to affect the decision-making of users of the financial statements, it is judged to be material.

We make a professional judgment in the course of the audit in accordance with the auditing standards generally accepted in Japan, and carry out the following maintaining professional skepticism.

- Identify and evaluate the risk of material misstatement due to fraud or error. In addition, plan and implement auditing procedures that address the risk of material misstatement. The selection and application of audit procedures is at our discretion. Moreover, obtain sufficient and appropriate audit evidence to form the basis of the opinion.
- Although the purpose of auditing the financial statements and the accompanying supplemental schedules is not to express an opinion on the effectiveness of internal controls, in making those risk assessments, we consider internal controls in relation to audits in order to design audit procedures that are appropriate for the circumstances
- Evaluate the adequacy of the accounting policy adopted by management and its application method, as well as the reasonableness of accounting estimates made by management and the adequacy of related notes.
- Reach conclusions on whether it is appropriate for management to prepare financial statements on the premise of going concern, and whether there is material uncertainty about events or situations that create significant doubts about the premise of going concern based on the audit evidence obtained. If material uncertainties regarding the going concern assumption are observed, it is expected to alert on the notes to the financial statements and the accompanying supplemental schedules in the audit report, or if the notes to the financial statements and the accompanying supplemental schedules regarding material uncertainties are not appropriate, it is required to express a qualified opinion with exceptive items on the financial statements and the accompanying supplemental schedules. Our conclusions are based on the audit evidence obtained up to the date of the audit report, but future events and circumstances may prevent a company from continuing as a going concern.
- Assess whether the presentation of and notes to the financial statements and the accompanying supplemental schedules comply with corporate accounting standards generally accepted in Japan, as well as assess the presentation, composition and contents of the financial statements and the accompanying supplemental schedules including related notes, and whether the financial statements and the accompanying supplemental schedules properly represent the underlying transactions or accounting events.

We give reports to the Audit and Supervisory Committee on the scope and timing of planned audits, important audit findings including important deficiencies in internal controls identified during the audit process, and on other matters required by the auditing standard.

We give reports to the Audit and Supervisory Committee that we are in compliance with the regulations relating to professional ethics in Japan regarding independence, as well as matters that are reasonably considered to affect our independence as the Auditor, and if measures have been taken to eliminate obstructive factors or if safeguards have been applied to reduce obstructive factors to permissible levels, the specifics thereof.

Relationship of Interest

We have no interests in or relationships with the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Notice to Readers:

The original financial statements, which consist of the balance sheet, the statement of income, the statement of changes in equity and the notes to the financial statements and the accompanying supplemental schedules, are written in Japanese.

Audit and Supervisory Committee's Audit Report (duplicated copy)

Audit Report

Audit and Supervisory Committee audited the execution of duties by the directors for the 46th fiscal year from April 1, 2025 to March 31, 2026. Our auditing methods and results are as follows.

1. Methods and Details of Audit

With regard to the resolution of the Board of Directors concerning the matters stipulated in Article 399-13, paragraph (1), item (1)- (b) and -(c) of the Companies Act, as well as the system (the internal control system) developed based on such resolution, the Audit and Supervisory Committee received reports regularly and requested explanation as necessary from the directors, employees, etc. on the establishment and operation of such system, expressed its opinion, and conducted audit by the following methods. With regard to internal controls over financial reporting, the Company receives reports on the evaluation and audit status of its internal controls by directors and employees, and so forth, as well as by Ernst & Young ShinNihon LLC, and requests explanations as required.

(1) In accordance with the Audit and Supervisory Committee audit criteria established by the Audit and Supervisory Committee, as well as the auditing policies, audit plans, and allocation of duties, we cooperated with the internal control department of the Company; attended significant meetings; obtained reports on matters related to the execution of duties from directors and employees, etc.; requested explanation as necessary; reviewed documents that record approval of material matters; and conducted investigations regarding the status of the business operations and assets at the head office and important business sites. With respect to subsidiaries, we communicated with, and collected information from corporate auditors and other relevant personnel of subsidiaries as well as receiving reports from subsidiaries on their business as necessary.

(2) Audit and Supervisory Committee members monitored and verified whether the Accounting Auditor maintained its independence and implemented appropriate audits, as well as received reports from the Accounting Auditor regarding the performance of its duties and sought explanations as necessary. In addition, we received notice from the Accounting Auditor that "system to ensure that duties are performed properly" (matters set forth in each item of Article 131 of the Rules of Corporate Accounting) had been prepared in accordance with the "Quality Control Standards for audit" (issued by the Business Accounting Council on November 16, 2021) and other relevant standards, and sought explanations as necessary.

Based on the above methods, Audit and Supervisory Committee members examined the Business Report and the supplementary schedules thereof, the non-consolidated financial statements (non-consolidated balance sheet, non-consolidated statement of income, non-consolidated statement of changes in equity, and non-consolidated notes) and the supplementary schedules thereof, as well as the consolidated financial statements (consolidated balance sheet, consolidated statement of income, consolidated statement of changes in equity and consolidated notes) related to the relevant fiscal year.

2. Results of Audit

(1) Results of Audit of Business Report and Other Relevant Documents

(i) In our opinion, the business report and the supplementary schedules are in accordance with the related laws and regulations, and Articles of Incorporation, and fairly represent the Company's condition.

(ii) We have found no evidence of wrongful action or material violation of related laws and regulations, nor of any violation with respect to the Articles of Incorporation, related to performance of duties by the directors.

(iii) In our opinion, the contents of the resolutions of the Board of Directors related to the internal controls system are fair and reasonable. In addition, we have found no matters on which to remark regarding the description in the Business Report and the performance of duties by the directors related to such internal controls system.

(2) Results of Audit of Non-Consolidated Financial Statements and Supplementary Schedules

In our opinion, the methods and results employed and rendered by Ernst & Young ShinNihon LLC are fair and reasonable.

(3) Results of Audit of Consolidated Financial Statements

In our opinion, the methods and results employed and rendered by Ernst & Young ShinNihon LLC are fair and reasonable.

May 26, 2026

Audit and Supervisory Committee, Japan Lifeline Co., Ltd.

Full-time Audit and Supervisory Committee Member and Director

Shogo Takahashi

Audit and Supervisory Committee Member and Outside Director

Yutaka Karigome

Audit and Supervisory Committee Member and Outside Director

Tomonari Ota