

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.

June 10, 2025

To Shareholders with Voting Rights:

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

NOTICE OF THE 45TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

You are cordially invited to attend the 45th 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 Wednesday, June 25, 2025.

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:** Thursday, June 26, 2025 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 45th Fiscal Year (April 1, 2024 - March 31, 2025) 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 45th Fiscal Year (April 1, 2024 - March 31, 2025)

Proposals to be resolved:

Proposal No. 1: Distribution of Surplus

Proposal No. 2: Election of Ten (10) Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

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

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- 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.

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., Wednesday, June 25, 2025 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., Wednesday, June 25, 2025 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

Thursday, June 26, 2025 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.

Proposal No. 1

To mark your approval → Circle “Approve.”

To mark your disapproval → Circle “Disapprove.”

Proposals No. 2 and 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, etc.

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.)
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- 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 45th 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 53.00 yen per common share.
Furthermore, the total dividend amount in this case will be 3,722,428,182 yen.
3. Date the distribution of surplus comes into effect
June 27, 2025.

Proposal No. 2: Election of Ten (10) Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

The terms of office of all twelve (12) directors (excluding directors who are Audit and Supervisory Committee members) will expire at the conclusion of this Ordinary General Meeting of Shareholders.

Therefore, the Company proposes to decrease the number of directors by two (2) and to elect ten (10) directors (excluding Directors who are members of the Audit and Supervisory Committee).

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	Director, Executive Officer and Head of Business Operations Headquarters	Reelection	100% (12/12)
3	Takeyoshi Egawa	Director, Executive Officer and Head of Corporate Management Group	Reelection	100% (12/12)
4	Kenji Yamada	Director, Executive Officer and Head of Corporate Administration Group	Reelection	100% (12/12)
5	Toru Takamiya	Director, Executive Officer and Head of R&D and Manufacturing Group	Reelection	100% (12/12)
6	Yumiko Hoshiba	Director, Senior Operating Officer and Senior Manager of Operations Department	Reelection	100% (12/12)
7	Takashi Ito	Director, Senior Operating Officer and Head of Arrhythmia Business Operations Group	Reelection	100% (10/10)
8	Yoshiaki Ikei	Outside Director	Reelection Outside Independent	100% (12/12)
9	Naoko Kawahara	Outside Director	Reelection Outside Independent	100% (10/10)
10	Rie Nakagawa	-	New election Outside Independent	-

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
1	<p>Keisuke Suzuki (September 9, 1953) (age 71)</p> <p>Reelection</p> <p>Term of office at the conclusion of this General Meeting of Shareholders: 28 years</p> <p>Attendance at Board of Directors meetings: 100% (12/12)</p>	<p>Feb. 1981 Vice President of the Company</p> <p>Apr. 1987 Senior Executive Vice President</p> <p>Nov. 1992 Retired from Vice President</p> <p>Jan. 1994 Consultant</p> <p>June 1997 Senior Executive Vice President</p> <p>June 2005 President and CEO (Representative Director)</p> <p>Apr. 2025 Representative Director, President and CEO (to the present)</p> <p>Reasons for nomination as candidate for director:</p> <p>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.</p>	2,122,016

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
2	<p>Tatsuya Murase (November 12, 1973) (age 51)</p> <p>Reelection</p> <p>Term of office at the conclusion of this General Meeting of Shareholders: 3 years</p> <p>Attendance at Board of Directors meetings: 100% (12/12)</p>	<p>Oct. 2009 Joined the Company</p> <p>Apr. 2015 General Manager of EG Business Promotion Department, CVE Department</p> <p>Apr. 2016 General Manager of AST Department</p> <p>Apr. 2018 General Manager of CVE Department</p> <p>July 2020 Operating Officer and General Manager of CVE Department</p> <p>Apr. 2022 Senior Operating Officer and Executive Manager of CVG Business Unit</p> <p>June 2022 Vice President and Executive Manager of CVG Business Unit</p> <p>Jan. 2024 Senior Vice President and Executive Manager of General Business Headquarters</p> <p>Apr. 2025 Director, Executive Officer and Head of Business Operations Headquarters (to the present)</p>		11,100
		<p>Reasons for nomination as candidate for director:</p> <p>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 Surgery business. He is currently in charge of the Cardiovascular, Neurovascular, Gastrointestinal and Arrhythmia businesses. 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.</p>		

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
3	<p>Takeyoshi Egawa (January 14, 1976) (age 49)</p> <p>Reelection</p> <p>Term of office at the conclusion of this General Meeting of Shareholders: 2 years</p> <p>Attendance at Board of Directors meetings: 100% (12/12)</p>	<p>May 2018 Joined the Company</p> <p>Apr. 2019 General Manager of Finance and Accounting Division</p> <p>Apr. 2022 Operating Officer and Senior Manager of Business Administration Department</p> <p>Apr. 2023 Senior Operating Officer, and Senior Manager of Business Administration Department of Corporate Administration Headquarters</p> <p>June 2023 Vice President and Senior Manager of Business Administration Department of Corporate Administration Headquarters</p> <p>Apr. 2025 Director, Executive Officer and Head of Corporate Management Group (to the present)</p>		7,394
		<p>Reasons for nomination as candidate for director:</p> <p>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.</p>		

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
4	<p>Kenji Yamada (November 26, 1971) (age 53)</p> <p>Reelection</p> <p>Term of office at the conclusion of this General Meeting of Shareholders: 10 years</p> <p>Attendance at Board of Directors meetings: 100% (12/12)</p>	<p>May 1998 Joined the Company</p> <p>Apr. 2011 General Manager of Corporate Administration Division</p> <p>July 2013 Operating Officer and General Manager of Corporate Administration Division</p> <p>Apr. 2014 Operating Officer and Deputy Executive Manager of Corporate Administration Headquarters</p> <p>Apr. 2015 Operating Officer and Executive Manager of Corporate Administration Headquarters</p> <p>June 2015 Vice President and Executive Manager of Corporate Administration Headquarters</p> <p>July 2017 Vice President and Executive Manager of R&D and Manufacturing Headquarters</p> <p>Aug. 2017 Managing Director of JLL Malaysia Sdn. Bhd.</p> <p>July 2020 Senior Vice President and Executive Manager of Corporate Administration Headquarters of the Company</p> <p>Apr. 2025 Director, Executive Officer and Head of Corporate Administration Group (to the present)</p>	31,100
<p>Reasons for nomination as candidate for director:</p> <p>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.</p>			

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
5	<p>Toru Takamiya (November 17, 1964) (age 60)</p> <p>Reelection</p> <p>Term of office at the conclusion of this General Meeting of Shareholders: 8 years</p> <p>Attendance at Board of Directors meetings: 100% (12/12)</p>	<p>Aug. 2006 Joined the Company</p> <p>Apr. 2009 General Manager of SHT Division, TVI Department</p> <p>Apr. 2011 General Manager of EST Department</p> <p>Apr. 2012 General Manager of CVE Department</p> <p>July 2013 Operating Officer and General Manager of CVE Department</p> <p>Apr. 2014 Operating Officer and General Manager of Cardiovascular Business Department</p> <p>Apr. 2015 Operating Officer and Executive Manager of CV Business Unit</p> <p>June 2017 Vice President and Executive Manager of CV Business Unit</p> <p>Apr. 2021 Vice President and Executive Manager of CVG Business Unit</p> <p>Apr. 2022 Vice President and Executive Manager of R&D and Manufacturing Headquarters Managing Director of JLL Malaysia Sdn. Bhd.</p> <p>Apr. 2025 Director, Executive Officer and Head of R&D and Manufacturing Group (to the present)</p>	8,400
		<p>Reasons for nomination as candidate for director:</p> <p>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 Surgery and Transvascular Intervention businesses, he is currently in charge 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.</p>	

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
6	<p>Yumiko Hoshiba (March 3, 1962) (age 63)</p> <p>Reelection</p> <p>Term of office at the conclusion of this General Meeting of Shareholders: 7 years</p> <p>Attendance at Board of Directors meetings: 100% (12/12)</p>	<p>Apr. 1992 Joined the Company</p> <p>Apr. 2008 General Manager of Administration Division</p> <p>Apr. 2011 General Manager of General Affairs Division</p> <p>July 2014 Operating Officer and General Manager of General Affairs Division</p> <p>Apr. 2015 Operating Officer and General Manager of General Affairs Department</p> <p>Apr. 2018 Operating Officer and General Manager of Human Resources & General Affairs Department</p> <p>June 2018 Vice President and General Manager of Human Resources & General Affairs Department</p> <p>Apr. 2024 Vice President and Senior Manager of General Affairs Department</p> <p>Apr. 2025 Director, Senior Operating Officer and Senior Manager of Operations Department (to the present)</p>		23,428
		<p>Reasons for nomination as candidate for director:</p> <p>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.</p>		

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	<p>Takashi Ito (March 23, 1968) (age 57)</p> <p>Reelection</p> <p>Term of office at the conclusion of this General Meeting of Shareholders: 1 year</p> <p>Attendance at Board of Directors meetings: 100% (10/10)</p>	<p>Apr. 1993 Joined the Company</p> <p>Apr. 2015 General Manager of CRM Business Promotion Department</p> <p>Apr. 2018 General Manager of CRM Department</p> <p>July 2020 Operating Officer and General Manager of CRM Department</p> <p>Apr. 2022 Operating Officer and General Manager of Device Business Department</p> <p>Jan. 2024 Senior Operating Officer and Executive Manager of Arrhythmia Business Unit</p> <p>June 2024 Vice President and Executive Manager of Arrhythmia Business Unit</p> <p>Apr. 2025 Director, Senior Operating Officer, and Head of Arrhythmia Business Operations Group (to the present)</p>		5,337
		<p>Reasons for nomination as candidate for director:</p> <p>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.</p>		

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
8	<p>Yoshiaki Ikei (May 4, 1957) (age 68)</p> <p>Reelection</p> <p>Outside</p> <p>Independent</p> <p>Term of office at the conclusion of this General Meeting of Shareholders: 8 years</p> <p>Attendance at Board of Directors meetings: 100% (12/12)</p>	<p>Apr. 1981 Joined Mitsubishi Corporation</p> <p>Apr. 1999 Executive Officer and General Manager of Corporate Strategy Department of AUCNET INC.</p> <p>Oct. 2001 Managing Executive Officer and General Manager of Osaka Branch of RECOF Corporation</p> <p>Nov. 2007 Representative Director of MA Partners Inc. (to the present)</p> <p>July 2012 Senior Managing Director of STREX Inc.</p> <p>June 2017 Outside Director of the Company (to the present)</p> <p>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 a member of the Nomination and Remuneration Advisory Committee and 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.</p>	5,600

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
9	Naoko Kawahara (April 29, 1983) (age 42)	Dec. 2010	Registered as an attorney-at-law Joined Tokyo Green Law Office (to the present)	600
	Reelection	Oct. 2021	Audit & Supervisory Board Member (part-time) of Kodaira-chemical Co., Ltd (to the present)	
	Outside	June 2024	Outside Director of the Company (to the present)	
	Independent	Reasons for nomination as candidate for outside director and overview of expected roles:		
	Term of office at the conclusion of this General Meeting of Shareholders: 1 year	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.		
	Attendance at Board of Directors meetings: 100% (10/10)			

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
10	Rie Nakagawa (August 10, 1968) (age 56) New election Outside Independent	<p>Aug. 2003 Joined MISUMI Group Inc.</p> <p>Oct. 2015 President of FA Business Company, Representative Corporate Officer</p> <p>Oct. 2020 Representative Corporate Officer, User Service Platform</p> <p>Jan. 2022 Representative Corporate Officer, Sustainability Platform</p> <p>Dec. 2022 Director and COO of GRAMEEN NIPPON (to the present)</p> <p>June 2023 Outside Director of FUJI OIL HOLDINGS INC. (currently, FUJI OIL CO., LTD.) (to the present)</p> <p>June 2024 Outside Director of Duskin Co., Ltd. (to the present)</p> <p>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. Based on the above, 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 as a candidate for outside director.</p>	0

- 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 and Naoko Kawahara 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 and Naoko Kawahara is approved, the Company plans to renew the aforementioned agreements with them. If the election of Rie Nakagawa is approved, the Company plans to enter into the same limited liability agreement with her.
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 election 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 and Naoko Kawahara have been designated as independent officers. If the reelection of Yoshiaki Ikei and Naoko Kawahara is approved, the Company plans for their designation as independent officers to continue. Rie Nakagawa is a candidate for independent officer as provided for by Tokyo Stock Exchange, Inc. If the election of Rie Nakagawa is approved, the Company plans to designate her as an independent officer.

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

The terms of office of four (4) directors who are Audit and Supervisory Committee members will expire at the conclusion of this Ordinary General Meeting of Shareholders.

Therefore, the Company proposes to decrease the number of directors who are Audit and Supervisory Committee members by one (1) and to elect three (3) directors who are Audit and Supervisory Committee members.

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

The candidates for 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	Attendance at Audit and Supervisory Committee meetings
1	Shogo Takahashi	Director (Full-time Audit and Supervisory Committee Member)	Reelection	100% (12/12)	100% (12/12)
2	Yutaka Karigome	Outside Director (Audit and Supervisory Committee Member)	Reelection Outside Independent	100% (12/12)	100% (12/12)
3	Tomonari Ota	-	New election Outside Independent	-	-

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
1	<p>Shogo Takahashi (July 8, 1964) (age 60)</p> <p>Reelection</p> <p>Term of office at the conclusion of this General Meeting of Shareholders: 3 years</p> <p>Attendance at Board of Directors meetings: 100% (12/12)</p> <p>Attendance at Audit and Supervisory Committee meetings: 100% (12/12)</p>	<p>Dec. 1994 Joined the Company</p> <p>Apr. 2009 General Manager of Legal Affairs Office</p> <p>Mar. 2010 General Manager of Legal Affairs Office and General Manager of R&D and Manufacturing Division</p> <p>Apr. 2011 Executive Manager of R&D and Manufacturing Headquarters</p> <p>June 2011 Vice President and Executive Manager of R&D and Manufacturing Headquarters</p> <p>Mar. 2012 Managing Director of Synexmed (Hong Kong) Limited</p> <p>Apr. 2012 Chairman and President of JLL Shenzhen Co., Ltd.</p> <p>June 2013 Senior Vice President and Executive Manager of R&D and Manufacturing Headquarters of the Company</p> <p>July 2017 Senior Vice President and Executive Manager of Corporate Administration Headquarters</p> <p>July 2020 Senior Vice President and Executive Manager of R&D and Manufacturing Headquarters Managing Director of Synexmed (Hong Kong) Limited Chairman and President of JLL Shenzhen Co., Ltd. Managing Director of JLL Malaysia Sdn. Bhd.</p> <p>Apr. 2022 Senior Vice President in charge of R&D and Manufacturing Headquarters of the Company</p> <p>June 2022 Director (Full-time Audit and Supervisory Committee Member) (to the present)</p>	22,800
<p>Reasons for nomination as candidate for director who is an Audit and Supervisory Committee member</p> <p>Shogo Takahashi is familiar with the Company's overall business based on his experience being in charge of the R&D and manufacturing department and the corporate administration departments, and he also has experience and knowledge as a director who is an Audit and Supervisory Committee member of the Company. We believe that he can be expected to draw on these qualities to contribute to strengthening the auditing and supervisory functions of the Board of Directors by supervising business execution and decision-making from an objective standpoint. Accordingly, we have nominated him again as a candidate for director who is an Audit and Supervisory Committee member.</p>			

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
2	<p>Yutaka Karigome (April 12, 1963) (age 62)</p> <p>Reelection</p> <p>Outside</p> <p>Independent</p> <p>Term of office at the conclusion of this General Meeting of Shareholders: 4 years</p> <p>Attendance at Board of Directors meetings: 100% (12/12)</p> <p>Attendance at Audit and Supervisory Committee meetings: 100% (12/12)</p>	<p>Aug. 1987 Joined O-HARA Gakuen O-HARA Bookkeeping School Incorporated Educational Institution</p> <p>Sept. 1990 Deputy Director of Shoichiro Migiyama Certified Public Tax Accountant Office (currently Migiyama Certified Public Tax Accountant Office)</p> <p>Oct. 1992 Registered as a certified tax accountant</p> <p>June 2003 Director of Yutaka Karigome Certified Public Tax Accountant Office</p> <p>June 2006 Outside Corporate Auditor of the Company</p> <p>July 2015 National Tax Tribunal Judge of Kanto-Shinetsu National Tax Tribunal</p> <p>July 2018 Director of Yutaka Karigome Certified Public Tax Accountant Office (to the present)</p> <p>June 2019 External Corporate Auditor of BANDAI NAMCO Entertainment Inc. (to the present)</p> <p>June 2021 Outside Director (Audit and Supervisory Committee Member) of the Company (to the present)</p> <p>Apr. 2022 Professor of Graduate School of Accounting & Finance, Chiba University of Commerce</p> <p>Apr. 2024 Visiting Professor of Graduate School of Accounting & Finance, Chiba University of Commerce (to the present)</p> <p>Reasons for nomination as candidate for outside director who is an Audit and Supervisory Committee member and overview of expected role</p> <p>Yutaka Karigome has expertise as a certified tax accountant as well as wide-ranging experience and knowledge, including having worked as a national tax judge, and as a director who is an Audit and Supervisory Committee member of the Company and as outside corporate auditor. etc. of other companies. Based on the above, although he has never been directly involved in corporate management, we believe that he can be expected to continue contributing to strengthening the auditing and supervisory functions of the Board of Directors by auditing business execution and decision-making from an objective standpoint. Accordingly, we have nominated him again as a candidate for Outside Director who is an Audit and Supervisory Committee member.</p>	0

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
3	Tomonari Ota (November 12, 1975) (age 49) New election Outside Independent	Oct. 2003	Registered as an attorney-at-law Joined TMI Associates	0
		June 2011	Admitted to the California Bar	
		Jan. 2014	Partner Attorney of TMI Associates (to the present)	
		Reasons for nomination as candidate for outside director who is an Audit and Supervisory Committee member and overview of expected role Tomonari Ota possesses expert knowledge and a wealth of experience in corporate legal affairs such as M&A and corporate governance as an attorney. Based on the above, although he has never been directly involved in corporate management, we believe that he can be expected to continue contributing to strengthening the auditing and supervisory functions of the Board of Directors by auditing business execution and decision-making from an objective standpoint. Accordingly, we have nominated him as a candidate for Outside Director who is an Audit and Supervisory Committee member.		

- Notes: 1. There is no special interest between any of the candidates and the Company.
2. Yutaka Karigome and Tomonari Ota are candidates for outside directors.
3. The Company has entered into agreements with Yutaka Karigome to limit his liability, as stipulated in Article 423, paragraph (1) of the Companies Act, to the minimum liability amount stipulated by laws and regulations. If the reelection of Yutaka Karigome is approved, the Company plans to renew the aforementioned agreements with him. If the election of Tomonari Ota is approved, the Company plans to enter into the same limited liability agreement with him.
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 election 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 Yutaka Karigome has been designated as an independent officer. If the reelection of Yutaka Karigome is approved, the Company plans for his designation as an independent officer to continue. Tomonari Ota is a candidate for independent officer as provided for by Tokyo Stock Exchange, Inc. If the election of Tomonari Ota is approved, the Company plans to designate him as an independent officer.

(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. 2 and Proposal No. 3 are 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.

Name	Position in the Company (scheduled)	Corporate management	Business promotion		
		Management experience	Knowledge of the medical device industry	Sales/marketing	R&D/manufacturing/ medical affairs
Keisuke Suzuki	Representative Director (President and CEO)	○	○	○	
Tatsuya Murase	Representative Director		○	○	
Takeyoshi Egawa	Director				
Kenji Yamada	Director				
Toru Takamiya	Director		○	○	○
Yumiko Hoshiba	Director				
Takashi Ito	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)				

Name	Strengthening business foundation				Committee
	Finance/accounting	Legal affairs/ compliance/ sustainability	Personnel affairs/ human resource development	DX/IT	Nomination and Remuneration Advisory Committee
Keisuke Suzuki					○
Tatsuya Murase					○
Takeyoshi Egawa	○	○			
Kenji Yamada		○	○	○	
Toru Takamiya					
Yumiko Hoshiba		○	○	○	
Takashi Ito					
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, 2024 to March 31, 2025)

[1]Overview of the Company Group

1. Business Progress and Results

The Group is engaged in the medical device business, primarily in the cardiac field, mainly for general hospitals and other customers in Japan. Demand for medical care in Japan is increasing as the population ages, and this trend is expected to continue. On the other hand, the supply of medical care is strained and there are concerns about the sustainability of various medical services. The government is promoting “Physicians’ workstyle reform” to improve the situation in which the current healthcare system relies on chronically long working hours of healthcare professionals.

Under these circumstances, in order to survive the fierce competition in the medical device industry, it is necessary not only to provide products with high therapeutic efficacy, but also to contribute to solving various issues to realize sustainable medical care. The Group is addressing this by building a flexible and robust product portfolio, leveraging its strength in combining the two functions of a manufacturer and a trading company.

As for our business performance for the fiscal year under review, net sales increased by 10.2%, gross profit rose by 10.3%, operating profit grew by 13.2%, and net income attributable to owners of the parent expanded by 24.0% year on year. Selling prices fell for a wide range of items due to the revision of NHI reimbursement prices in June 2024. However, progress on “continuously introducing competitive products” in our core business and “expanding new therapeutic areas” in high growth businesses, key initiatives in the medium-term management plan (the five years from the fiscal year ended March 31, 2024 to the fiscal year ending March 31, 2028), was stronger than expected. As a result, net sales and profit metrics reached record highs on a full-year base, achieving double-digit sales and profit growth.

Our core business of EP/Ablation saw approximately 10% increase in atrial fibrillation ablation cases. Under this background, sales of the core product intracardiac defibrillation catheters rose 8.7% year on year despite the impact from the competition with new competitors in this field. The adoption of our hemostatic devices for femoral vein, products positioned as mid-term growth drivers that were launched about a year ago, expanded to around half of all ablation facilities in Japan, establishing an extremely good start for the product. In Cardiovascular, we aimed to enhance our product lineup of our core product Frozen Elephant Trunk. While maintaining our companies’ controlling market share, we captured growth of this market.

In “Expanding new therapeutic areas,” the commercialization of new products, including those related to the Neurovascular and Gastrointestinal fields, has been proceeding generally according to plans, and each product has contributed to profits more than previously expected. As a result, sales for Neurovascular rose 101.9% year on year while sales for Gastrointestinal (excluding the terminated coronary intervention business) rose 45.3% year on year.

Selling, general and administrative expenses increased 1,769 million yen year on year. The major reasons for this increase were higher personnel expenses and research and development expenses related to Pulsed Field Ablation (PFA), a new technology for treating arrhythmias. In the fiscal year under review, transitory costs also increased for provision of allowance for doubtful accounts, etc. booked in the first quarter. The increase in these expenses was offset by increased profits from strong sales. Operating profit for the fiscal year under review increased 1,434 million yen year on year, and operating margin was 21.8%.

Regarding changes to the external environment, while foreign currency exchange rates remain volatile, we have seen a minimal impact on our business performance. This is because approximately 75% of our purchases are denominated in yen, and because we use the moving average method for cost of sales, so even if there is a temporary increase in procurement costs, the impact is spread over a long period of time.

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

Classification	The 44th fiscal year (April 1, 2023 to March 31, 2024)		The 45th fiscal year (April 1, 2024 to March 31, 2025) (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	51,384	100.0	56,610	100.0	5,225	10.2
(2) Gross profit	30,986	60.3	34,191	60.4	3,204	10.3
(3) Operating profit	10,892	21.2	12,326	21.8	1,434	13.2
(4) Ordinary profit	10,581	20.6	12,335	21.8	1,754	16.6
(5) Net income attributable to owners of the parent	7,515	14.6	9,317	16.5	1,801	24.0

(1) Net sales

Net sales were 56,610 million yen (+10.2% YoY). For details, please see “Net sales by product category” below.

(2) Gross profit

Gross profit was 34,191 million yen (+10.3% YoY). Corresponding with the revisions to the NHI reimbursement prices, sales prices fell for many items. However, the core business and new areas of high growth businesses performed well in general, offsetting this impact as sales volume increased.

The gross profit margin was 60.4% (+10 bps YoY). The proprietary sales mix was 57.4% (-140 bps YoY), due to the growth in sales of third-party products such as Neurovascular items and hemostatic devices for femoral vein in EP/Ablation. On the other hand, the impact of worsening margins was absorbed by reduced production costs and reduced inventory losses and write-downs.

(3) Operating profit

Operating profit was 12,326 million yen (+13.2% YoY). Operating margin came to 21.8% (+60 bps YoY). Selling, general and administrative expenses increased 1,769 million yen. The main reasons for the increase were as follows.

- An increase in research and development expenses related to the development of PFA systems
- Higher personnel costs from salary increases
- Increased sales-related expenses such as travel and transportation expenses and advertising expenses
- Increase in IT-related expenses and depreciation, mainly related to the new core systems.
- An increase in provision of allowance for doubtful accounts due to the suspension of bill transactions with a business partner

(4) Ordinary profit

Ordinary profit was 12,335 million yen (+16.6% YoY). Non-operating income recorded 336 million yen for interest income and dividend income, etc. Non-operating expenses of 327 million yen included share buyback-related commission expenses and loss on valuation of investment securities.

(5) Net income attributable to owners of the parent

Net income attributable to owners of the parent was 9,317 million yen (+24.0% YoY). Extraordinary losses were 362 million yen. The major factor was a loss on retirement of non-current assets related to the endoscopic laser balloon console that occurred in the fourth quarter of the fiscal year under review. Regarding tax expenses, temporary differences related to loss on valuation of investment securities were likely to be eliminated within the expected period. As a result, tax expenses decreased as the Company booked 351 million yen in deferred tax assets and the amount of tax deductions, etc. increased.

[Net sales by product category]

Classification	The 44th fiscal year (April 1, 2023 to March 31, 2024)	The 45th fiscal year (April 1, 2024 to March 31, 2025) (Fiscal year under review)	Increase/ (Decrease)	Increase/ (Decrease)
	Millions of yen	Millions of yen	Millions of yen	%
Cardiac Rhythm Management	13,501	13,267	(233)	(1.7)
EP/Ablation	24,249	27,845	3,595	14.8
Cardiovascular	11,406	12,206	799	7.0
Neurovascular	912	1,842	929	101.9
Gastrointestinal	1,314	1,448	134	10.2
Total	51,384	56,610	5,225	10.2

(Note) From the current fiscal year, we have reclassified “Neurovascular,” which was previously included in “Cardiovascular,” into a new and independent category. Consequently, for the year-on-year comparisons, the figures for the previous fiscal year are reorganized into the changed product categories for comparative analysis. In addition, “open stent grafts,” which were previously listed as a main product in “Cardiovascular,” have been renamed to “Frozen Elephant Trunk.”

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)

Net sales in the CRM product category were 13,267 million yen (−1.7% YoY). This category was more greatly impacted by lower selling prices caused by the revision of NHI reimbursement prices compared with other categories. Pacemaker sales weakened particularly as competitors' leadless type products gained share in new implants. However, core product S-ICD net sales remained strong with double-digit growth, supported by physician training programs and targeted sales initiatives.

EP/Ablation

(electrode catheters for arrhythmia diagnosis and treatment)

- Main products:
- Electrophysiology (EP) catheters
 - Ablation catheters
 - Endoscopic laser ablation catheters
 - Intracardiac defibrillation catheters
 - Esophageal temperature monitoring catheters
 - Steerable sheath
 - Femoral vein hemostatic devices

Net sales in the EP/Ablation product category were 27,845 million yen (+14.8% YoY), a new record high on the full-year base. Under a backdrop of a 10% rise in atrial fibrillation ablation procedures, sales for core product intracardiac defibrillation catheters increased 8.7% year on year despite competition from other companies. Hemostatic devices for femoral vein, which were introduced to the market the previous fiscal year, were adopted in around 400 facilities, comprising around half of all ablation facilities across Japan, showing strong progress. On the other hand, the penetration of new therapies that use PFA accelerated from the third quarter of the fiscal year under review. Items that are not required in PFA therapy, such as esophageal temperature monitoring catheters and some EP catheters saw weak sales.

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 were 12,206 million yen (+7.0% YoY), a new record high on the full-year base. For the core product Frozen Elephant Trunk (FET), the Company focused on sales of products for integrated vascular grafts, which have become a trend in the market. The Company also enhanced the size lineup that had been unsatisfactory. As a result, we maintained at least a 90% market share despite the competition with other companies and sales of FET increased by 9.6% year on year. Other products such as vascular grafts, abdominal stent grafts, and atrial septum defect closures also demonstrated solid performance.

Neurovascular

(medical devices for the treatment of neurovascular diseases)

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

Neurovascular net sales were 1,842 million yen (+101.9% YoY). For embolic coils and aspiration catheters, we have continued to enhance appeal to customers by expanding the product lineup consistently, making further strides in market penetration. The second quarter launch of stent retrievers generated a synergy on the sales side as they are used along with aspiration catheters, contributing to sales and profits.

Gastrointestinal

(medical devices for the treatment of gastrointestinal diseases)

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

Gastrointestinal net sales were 1,448 million yen (+10.2% YoY). Excluding the coronary intervention business terminated in the previous fiscal year, adjusted net sales increased 45.3% to 1,345 million yen. In the key area of biliary & pancreatic, the mainstay product bile-duct tube stent saw increased market share as we also launched proprietary products with unique characteristics, such as biliary dilation balloons, contrast catheters, and double-lumen dilators. Also, in order to improve efficiency of sales resources, the Company decided to contract out the sales of radio-frequency ablation needles for liver cancer treatment, a non-core product of the liver area, to another company. As a result, the one-time delivery of inventory was in the fourth quarter of the fiscal year under review, and the product saw significantly higher sales year on year.

2. Capital Investments

The total amount of capital investments conducted in the fiscal year under review was 1,626 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 42nd fiscal year (April 1, 2021 to March 31, 2022)	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) (Fiscal year under review)
Net sales (Millions of yen)	51,469	51,750	51,384	56,610
Operating profit (Millions of yen)	9,973	10,837	10,892	12,326
Ordinary profit (Millions of yen)	10,005	10,905	10,581	12,335
Net income attributable to owners of the parent (Millions of yen)	7,484	6,891	7,515	9,317
Basic earnings per share (Yen)	93.13	88.22	98.73	131.43
Total assets (Millions of yen)	73,197	74,641	73,509	75,123
Net assets (Millions of yen)	54,567	56,195	58,102	59,914

(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 initiatives

Our mission is “Contributing to a healthier society through cutting-edge medical technologies.” As a full-service distributor, the Company introduces novel medical devices from overseas manufacturers to the Japanese market. At the same time, as a manufacturer, the Company uses a unique business model to develop and manufacture medical devices that reflect the needs of the medical settings, thereby making efforts to realize its mission.

Regarding the medium-term management plan (from the fiscal year ended March 31, 2024 to the fiscal year ending March 31, 2028) originally announced in May 2023, the fiscal year ended March 31, 2025 has ended, marking the completion of the second year of the plan, and after reviewing the medium-term outlook moving forward based on consideration of our smooth progress in terms of financial performance and status of our key initiatives, we have concluded that it is highly likely that we will surpass the initial numerical targets set for the fiscal year ending March 31, 2028. Accordingly, we have decided to upwardly revise each of the numerical targets.

	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)
Previous numerical targets	63.0 billion yen	8.0 billion yen	20% level	120 yen per share	12%
New numerical targets	70.0 billion yen	11.0 billion yen	20% level	145 yen per share	13%
Revision details	+7.0 billion yen	+3.0 billion yen	No change	+25 yen per share	+100 bps

* Previous numerical targets: Neurovascular and gastrointestinal fields

New numerical targets: Neurovascular, gastrointestinal and structural heart therapeutic fields

We will add new strategies to the initial three key initiatives and work on the following four key initiatives to achieve these numerical targets.

1. Expanding into new business areas

We have positioned the neurovascular, gastrointestinal and structural heart therapeutic fields as new therapeutic areas where future market growth is expected and where we can leverage the knowledge and technology we have developed in the cardiovascular field. We are targeting sales of 11 billion yen in these areas in the fiscal year ending March 31, 2028, and intend to develop them as new profit pillars.

In the neurovascular field, we entered into an exclusive sales agreement with Wallaby Medical Holding, Inc. for 11 neurovascular treatment devices in Japan in 2022. We launched embolic coils for the treatment of cerebral aneurysms and introduced stent retrievers for the treatment of acute ischemic stroke during the fiscal year under review. As a result, together with the thrombus aspiration catheters launched in the previous fiscal year, we now have a full lineup of the main devices for the treatment of acute ischemic stroke, one of our target diseases, and we will accelerate our growth in the neurovascular field.

In the gastrointestinal field, we have launched several products since 2017 that leverage our proprietary technologies established in the cardiovascular field. The bile-duct tube stent, which is based on our high-performance shaft manufacturing technology for catheters, has been well received in the medical field and sales are expanding. During the fiscal year under review, we launched products leveraging our proprietary technologies, including bile duct dilation balloons and double-lumen dilators as we worked to further expand our brand penetration in the gastrointestinal field.

As a new key initiative that was not part of the initial medium-term management plan, we will enter into the structural heart therapeutic field with transcatheter aortic valve implantation (TAVI)-related products as our focus. As we expect to see significant market growth for this product area, we expect to strengthen our presence in the structural heart therapeutic field through launching those products on the market.

2. Constantly introducing competitive products

The Company's business environment is expected to remain challenging due to continued reductions in insurance reimbursement prices to curb medical expenses and intensifying competition. We will strive to maintain profitability and strengthen market competitiveness by leveraging our business model, which combines the functions of a trading company and a manufacturer, and by continuously introducing new products in the cardiovascular field.

We are focusing on expanding sales of Frozen Elephant Trunk, our core product in the cardiovascular field, by viewing the market revitalization due to the entry of competitors as an opportunity. We will continue working on product development to launch new models based on needs in the medical field.

During the fiscal year under review, Pulsed Field Ablation (PFA) was launched by competitors as a new treatment technology in the atrial fibrillation ablation field. It is a treatment technology to reduce the risk of complications and shorten procedure times. With the number of atrial fibrillation ablation procedures expected to increase with more widespread use of PFA, we will work to expand sales of differentiated new models of our core product, intracardiac defibrillation catheters. During the fiscal year under review, we also formed a strategic partnership with CardioFocus, Inc., which has a proprietary PFA system, aimed at the joint development and supply of PFA products to the global market. By leveraging our strengths in catheter manufacturing technology and CardioFocus's clinical and device expertise in PFA, we are preparing to expand into the global PFA market with competitive products.

3. Strengthening management with improved capital efficiency

The Company invests in research and development of its own products and manufacturing facilities, and invests in and provides loans to suppliers to acquire product distribution rights. We will continue to invest in future business growth with a focus on cost efficiency.

During the fiscal year under review, we mainly invested in research and development related to new technologies such as PFA and clinical trials aimed at introducing highly innovative new products in Japan. In addition, we will actively advance growth investments to expand into the global market over the medium-to-long term.

As we expect to generate stable operating cash flow in the future, we plan to return a total of approximately 27.0 to 30.0 billion yen to shareholders over the period of the medium-term management plan, including dividends and stock repurchases. In accordance with the cash allocation policy announced in the medium-term management plan, we will balance investments in growth and returns to shareholders while ensuring financial soundness.

4. Expanding global sales and advancing OEM manufacturing

To achieve medium- to long-term business growth, the Company will actively promote two new growth strategies.

Under the strategy of “expanding global sales,” we will accelerate the development of distribution channels overseas for our proprietary products in the cardiovascular and gastrointestinal fields. During the period of the medium-term management plan, we will expand our distribution channels to over a dozen countries, primarily in the Middle East and Asia, where products approved in Japan can be marketed. In the long term, we aim to export our core proprietary products, such as intracardiac defibrillation catheters and the Frozen Elephant Trunk to the U.S. and European markets.

The other strategy, “advancing OEM manufacturing,” involves optimum leverage of the technology and expertise in catheter manufacturing that the Company has cultivated over many years to create new business opportunities.

(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.

It has been approximately four years since the Company identified the priority issues in June 2021, and during this time, social issues and the business environment surrounding the Company have significantly changed. Considering this situation, we reviewed our priority issues in March 2025 and reidentified seven of them. Starting in April 2025, we are promoting the newly identified initiatives.

Category	Newly identified priority issues
Philosophy	Solve social issues through innovative medical devices
Environment	Reduce environmental impact
Social	Create a workplace where diverse human resources can play active roles
Social	Develop human resources who can boost corporate competitiveness
Social	Ensure product quality and reinforce the supply system
Social	Promote the adoption of digital technologies
Governance	Strengthen governance

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

Environment	Priority Issue: Reduce environmental impact
<ul style="list-style-type: none"> • Operate solar power generation system at JLL Malaysia and commence operation at all plants, including three sites in Japan • Achieve a recycling rate of 99% for industrial waste from plants in Japan 	
Social	Priority Issue: Create a workplace where employees can work with comfort
<ul style="list-style-type: none"> • Revise JLL Group Human Rights Policy based on human rights due diligence conducted in the previous fiscal year • Be recognized in the 2025 Outstanding Organizations of KENKO Investment for Health (Large Enterprise Category) for five years in a row • Relax application criteria for telecommuting and the shorter working hours system to support the balance of parenting and nursing care with work 	
Social	Priority Issue: Develop human resources and provide opportunities for them to play an active role
<ul style="list-style-type: none"> • Implement action plans to improve employee engagement based on employee satisfaction survey results • Launch training programs for young and mid-level employees and develop programs for management candidates • Introduce an e-learning service with substantial content to support self-directed learning among employees 	
Social	Priority Issue: Secure product quality and stable supply
<ul style="list-style-type: none"> • Add products in the neurovascular field to those subject to ISO13485 and MDSAP* certification • Start up packaging and sterilization processes at JLL Malaysia and multi-track processes • Conduct questionnaires of parts suppliers and ascertain BCP response progress at each company 	
Governance	Priority Issue: Strengthen corporate governance
<ul style="list-style-type: none"> • Revise the Operating Officer system to ensure the effectiveness of corporate governance and realize flexible business execution • Strengthen email security and conduct employee training and drills as information security measures 	
Governance	Priority Issue: Promote compliance
<ul style="list-style-type: none"> • Ascertain the actual situation through a questionnaire on harassment and discrimination and provide training • Establish the JLL Group Anti-Bribery Policy 	

* 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.	95 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)
EP/Ablation	Electrophysiology (EP) catheters, ablation catheters, endoscopic laser ablation catheters, intracardiac defibrillation catheters, esophageal temperature monitoring catheters, steerable sheaths, femoral vein hemostatic devices
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, cholangioscope systems, ERCP guidewires, colonic stents, gastro-duodenal 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) 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 Branch (Naka-ku, Nagoya-shi, Aichi) Mie Office (Tsu-shi, Mie) Hokuriku Office, Hokuriku Shinshu Branch (Kanazawa-shi, Ishikawa) Fukui Office (Fukui-shi, Fukui) Matsumoto Office (Matsumoto-shi, Nagano) 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	726	+ 9	43.2	11.5
Female	524	+ 25	33.6	5.5
Total/average	1,250	+ 34	39.2	9.0

(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	715	+ 11	43.3	11.6
Female	289	+ 40	38.2	7.8
Total/average	1,004	+ 51	41.9	10.5

(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.	1,230
Sumitomo Mitsui Banking Corporation	1,030
Mizuho Bank, Ltd.	830
Resona Bank, Limited	530

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 75,758,470 shares
3. Number of shareholders 11,959 persons
4. Major shareholders

Shareholder name	Number of shares held	Ratio to the number of outstanding shares (excluding treasury stock)
	thousand shares	%
KS Shoji	9,067	12.91
Custody Bank of Japan, Ltd. (Trust Account)	8,067	11.49
The Master Trust Bank of Japan, Ltd. (Trust Account)	7,851	11.18
MT Shokai	4,860	6.92
Keisuke Suzuki	2,122	3.02
Japan Lifeline Employee Shareholders Association Exclusive Trust	1,366	1.95
STATE STREET BANK AND TRUST COMPANY 505001	938	1.34
STATE STREET BANK WEST CLIENT - TREATY 505234	891	1.27
STATE STREET BANK AND TRUST COMPANY 505103	853	1.21
BNP PARIBAS LUXEMBOURG/2S/JASDEC/FIM/LUXEMBOURG FUNDS/UCITS ASSETS	840	1.20

Note: In addition to the above, there are shares of treasury stock held by the Company (5,523 thousand shares), and they do not include shares of the Company (137 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)	31,921	7
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 seven (7) directors. Of the 31,921 shares, 9,921 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

(i) Purchase of treasury stock

At a meeting of its Board of Directors held on May 1, 2024, the Company resolved to acquire treasury stock and to conduct a tender offer for its own shares as the specific method of acquiring treasury stock and acquired treasury stock as follows.

Type of shares acquired: Common shares

Total number of shares acquired: 5,000,100 shares

Total amount of shares acquired: 5,225,104,500 yen

Acquisition period: From May 2, 2024 to June 3, 2024

(ii) Disposal of treasury stock

At a meeting of its Board of Directors held on May 1, 2024, the Company resolved to dispose of treasury stock as restricted stock incentive to the Japan Lifeline Employee Shareholders Association (ESA) and disposed of treasury stock as follows.

Disposal date July 26, 2024

Type of shares disposed of: Common shares

Total number of shares disposed of: 140,259 shares

Total amount of shares disposed of: 163,401,735 yen

Method of allotment By way of third party allotment

(Allottee) (Japan Lifeline Employee Shareholders Association Exclusive Trust 140,259 shares)

Transfer restriction period From July 26, 2024 to June 25, 2027

[3] Status of Share Acquisition Rights

There are no relevant matters to report.

[4]Company Officers

1. Names, etc. of Directors (as of March 31, 2025)

Position	Name	Areas of responsibility and significant concurrent positions
President and CEO (Representative Director)	Keisuke Suzuki	
Vice President & COO (Representative Director)	Atsuhiko Suzuki	Corporate Administration Group, R&D and Manufacturing Group, Business Operations Headquarters, and Regulatory Affairs Group
Director	Tatsuya Murase	Head of Business Operations Headquarters, Head of CVG Business Operations Group
Director	Kenji Yamada	Head of Corporate Administration Group
Director	Toru Takamiya	Head of R&D and Manufacturing Group Managing Director of JLL Malaysia Sdn. Bhd.
Director	Tadashi Idei	Head of Regulatory Affairs Group
Director	Yumiko Hoshiba	General Manager of Corporate Services Division
Director	Takeyoshi Egawa	General Manager of Corporate Management Division
Director	Takashi Ito	Head of Arrhythmia Business Operations Group
Director	Fumihiro Sasaki	
Director	Yoshiaki Ikei	Representative Director of MA Partners Inc.
Director	Naoko Kawahara	Attorney-at-law, Tokyo Green Law Office
Director (Full-time Audit and Supervisory Committee Member)	Shogo Takahashi	
Director (Audit and Supervisory Committee Member)	Masahiko Nakamura	Partner Attorney of TMI Associates
Director (Audit and Supervisory Committee Member)	Daizo Asari	Representative Partner of Seiwa Certified Public Tax Accountants' Corporation
Director (Audit and Supervisory Committee Member)	Yutaka Karigome	Director of Yutaka Karigome Certified Public Tax Accountant Office

- Notes:
1. Directors Fumihiro Sasaki, Yoshiaki Ikei, and Naoko Kawahara, and Directors (Audit and Supervisory Committee Members) Masahiko Nakamura, Daizo Asari, and Yutaka Karigome are Outside Directors.
 2. Directors (Audit and Supervisory Committee Members) Daizo Asari and Yutaka Karigome are qualified as a Certified Public Tax Accountant, and possess a considerable level of knowledge in regard to finance and accounting.
 3. Yusuke Naiki retired as Director due to expiry of the term of office as of conclusion of the 44th Ordinary General Meeting of Shareholders held on June 26, 2024.
 4. Takashi Ito and Naoko Kawahara were newly elected and appointed as Directors at the 44th Ordinary General Meeting of Shareholders held on June 26, 2024.
 5. 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.
 6. The Company has submitted notification to the Tokyo Stock Exchange that Directors Fumihiro Sasaki, Yoshiaki Ikei and Naoko Kawahara and Directors (Audit and Supervisory Committee Members) Masahiko Nakamura, Daizo Asari and Yutaka Karigome 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 director remuneration, etc. 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 (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 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 it necessary that the content of individual director remuneration, etc. for the fiscal year under review be in accord with the decision-making policy

With regard to the decision of the content of individual director remuneration, etc., 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 Fumihiro Sasaki (Chairman), Outside Director Yoshiaki Ikei, Outside Director (Audit and Supervisory Committee Member) Daizo Asari, President and CEO Keisuke Suzuki, and Representative Director and & COO Atsuhiko Suzuki.

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)	
Directors (excluding Audit and Supervisory Committee members) (inc. Outside Directors)	Millions of yen 591 (31)	Millions of yen 475 (31)	Millions of yen 79 (-)	Millions of yen 36 (-)	(number) 13 (4)
Directors (Audit and Supervisory Committee members) (inc. Outside Directors)	49 (29)	49 (29)	- (-)	- (-)	4 (3)
Total (inc. Outside Officers)	641 (60)	525 (60)	79 (-)	36 (-)	17 (7)

- (Notes) 1. The above table includes one Director (excluding members of the Audit and Supervisory Committees) who retired upon the expiration of his term of office at the close of the 44th Annual General Meeting of Shareholders held on June 26, 2024.
2. 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” above.

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 (Audit and Supervisory Committee Member) Masahiko Nakamura is a Partner at TMI Associates. There is no special relationship between the Company and TMI Associates.
 - Outside Director (Audit and Supervisory Committee Member) Daizo Asari is a Representative Partner at Seiwa Certified Public Tax Accountants' Corporation. There is no special relationship between the Company and Seiwa Certified Public Tax Accountants' Corporation.
 - 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.

- (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	Fumihiro Sasaki	Participated in all 12 meetings of the Board of Directors during the fiscal year under review. Fumihiro Sasaki possesses a wealth of 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, while also providing valuable advice regarding the Company's organizational structure, personnel system, and so on. He also plays an important role in strengthening the Company's corporate governance by regularly exchanging views with the Representative Director and, as Chairperson of the Nomination and Remuneration Advisory Committee, actively leads the Committee's work and plays an important role in ensuring the objectivity and transparency of the nomination and remuneration processes.
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 Director, deliberating on the appropriateness of investment and loan cases as a member of the Investment and Credit Committee, and serving as a member 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.

Title	Name	Main activities and overview of duties to be performed regarding expected roles for Outside Director
Director	Naoko Kawahara	Participated in all 10 meetings of the Board of Directors held since her appointment on June 26, 2024. 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 Director, and so on, and by doing this she plays an important role in strengthening the corporate governance of the Company.
Director (Audit and Supervisory Committee Member)	Masahiko Nakamura	Participated in all 12 meetings of the Board of Directors and all 12 meetings of the Audit and Supervisory Committee during the fiscal year under review. He has made appropriate and necessary statements based on his specialist position as an attorney and experience as an outside corporate auditor at other companies. He 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 Director, 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.
Director (Audit and Supervisory Committee Member)	Daizo Asari	Participated in all 12 meetings of the Board of Directors and all 12 meetings of the Audit and Supervisory Committee during the fiscal year under review. He has made appropriate and necessary statements based on his specialist position as a Certified Public Tax Accountant 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 Director, and serves as a member of the Nomination and Remuneration Advisory Committee, filling 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)	Yutaka Karigome	Participated in all 12 meetings of the Board of Directors and all 12 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 participates in regular opinion-exchange meetings with the Representative Director, participates in the Investment and Credit 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. In addition to the amount of Accounting Auditor's fees, etc. for the fiscal year in review, there is an amount of 1 million yen paid during the fiscal year in review as additional remuneration for the previous fiscal year.

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 of a proposal to dismiss or not to reappoint the Accounting Auditor for submission to the General Meeting of Shareholders, 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 the proposal not to reappoint the Accounting Auditor.

- (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, 2025)

(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	44,336	42,871	Current liabilities	14,334	14,175
Cash and deposits	11,014	12,669	Notes and accounts payable - trade	4,358	4,254
Notes and accounts receivable - trade	13,830	13,283	Short-term borrowings	3,500	3,500
Inventories	17,961	15,154	Current portion of long-term borrowings	120	416
Other current assets	1,529	1,763	Accounts payable - other	947	1,178
Fixed assets	30,786	30,638	Income taxes payable	1,703	1,750
Property, plant and equipment	13,285	13,434	Provision for bonuses	1,946	1,794
Buildings and structures	6,995	7,086	Provision for bonuses for directors	79	80
Machinery, equipment and vehicles	959	879	Other current liabilities	1,678	1,200
Land	3,795	3,514	Long-term liabilities	874	1,231
Leased assets	348	589	Long-term borrowings	—	120
Construction in progress	7	303	Lease liabilities	213	453
Other fixed assets	1,180	1,062	Long-term accounts payable - other	172	172
Intangible assets	1,910	2,292	Provision for director's stock based compensation	164	163
Other intangible assets	1,910	2,292	Other long-term liabilities	323	321
Investments and other assets	15,590	14,910	Total liabilities	15,208	15,406
Investment securities	7,374	7,601	Net assets		
Long-term loans receivable	2,691	2,719	Shareholders' equity	58,675	57,516
Long-term prepaid expenses	2,222	2,132	Share capital	2,115	2,115
Deferred tax assets	2,977	2,733	Capital surplus	8,888	8,866
Retirement benefit asset	405	69	Retained earnings	53,455	47,291
Other investments and other assets	1,672	1,208	Treasury stock	(5,784)	(756)
Allowance for doubtful accounts	(1,753)	(1,555)	Accumulated other comprehensive income	1,239	585
			Net unrealized holding gains or losses on securities	(32)	(34)
			Foreign currency translation adjustment	788	348
			Remeasurements of defined benefit plans	483	271
Total assets	75,123	73,509	Total net assets	59,914	58,102
			Total liabilities and net assets	75,123	73,509

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

Consolidated Statement of Income (From April 1, 2024 to March 31, 2025)

(Millions of yen)

Description	Fiscal year under review		(Reference) Previous fiscal year	
Net sales		56,610		51,384
Cost of sales		22,419		20,397
Gross profit		34,191		30,986
Selling, general and administrative expenses		21,864		20,094
Operating profit		12,326		10,892
Non-operating income				
Interest income	196		156	
Dividend income	57		52	
Foreign exchange gains	0		61	
Gain on sale of businesses	—		42	
Gain on sale of scraps	32		—	
Other	48	336	77	390
Non-operating expenses				
Interest expenses	36		26	
Loss on valuation of investment securities	135		503	
Provision of allowance for doubtful accounts	7		12	
Commission expenses	96		86	
Other	51	327	73	701
Ordinary profit		12,335		10,581
Extraordinary income				
Gain on sale of fixed assets	14		7	
Gain on sale of investment securities	37	52	6	13
Extraordinary losses				
Loss on sale of fixed assets	3		—	
Loss on retirement of fixed assets	359	362	19	19
Net income before income taxes		12,024		10,575
Income taxes - current	3,022		3,082	
Income taxes - deferred	(315)	2,707	(22)	3,060
Net income		9,317		7,515
Net income attributable to owners of the parent		9,317		7,515

(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, 2025)

(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	43,697	42,560	Current liabilities	14,301	14,212
Cash and deposits	10,353	12,245	Accounts payable - trade	4,389	4,319
Notes receivable - trade	1,310	1,210	Short-term borrowings	3,500	3,500
Accounts receivable - trade	12,519	12,073	Current portion of long-term borrowings	120	416
Merchandise	7,451	6,376	Accounts payable - other	803	769
Finished goods	5,224	4,221	Accrued expenses	760	766
Work in process	3,373	2,632	Provision for bonuses for directors	79	80
Raw materials	1,725	1,671	Income taxes payable	1,703	1,750
Supplies	275	390	Consumption taxes payable	494	–
Prepaid expenses	849	830	Provision for bonuses	1,946	1,794
Other current assets	612	908	Deposits received	224	231
Fixed assets	30,500	30,799	Other current liabilities	280	583
Property, plant and equipment	11,087	11,459	Long-term liabilities	1,152	1,526
Buildings	4,833	5,122	Long-term borrowings	–	120
Structures	122	132	Lease liabilities	213	453
Machinery and equipment	816	754	Long-term accounts payable - other	172	172
Tools, furniture and fixtures	1,089	972	Provision for retirement benefits	290	321
Land	3,795	3,514	Provision for director's stock based compensation	164	163
Leased assets	348	589	Other long-term liabilities	311	295
Construction in progress	0	300	Total liabilities	15,454	15,738
Other fixed assets	81	74	Net assets		
Intangible assets	1,901	2,278	Shareholders' equity	58,775	57,656
Telephone subscription right	9	9	Share capital	2,115	2,115
Software	1,557	1,776	Capital surplus	8,889	8,867
Software in progress	–	10	Legal capital surplus	2,133	2,133
Other intangible assets	334	481	Other capital surplus	6,755	6,733
Investments and other assets	17,511	17,062	Gain on disposal of treasury stock	6,755	6,733
Investment securities	7,365	7,591	Retained earnings	53,554	47,430
Shares of subsidiaries and associates	2,525	2,525	Legal retained earnings	528	528
Long-term loans receivable	2,691	2,719	Other retained earnings	53,025	46,901
Long-term prepaid expenses	1,980	1,919	Reserve for tax purpose reduction entry of fixed assets	38	39
Deferred tax assets	3,045	2,665	Reserve for open innovation promotion tax system	38	38
Leasehold and guarantee deposits	713	718	General reserve	6,000	6,000
Other investments and other assets	943	477	Retained earnings brought forward	46,948	40,824
Allowance for doubtful accounts	(1,753)	(1,555)	Treasury stock	(5,784)	(756)
			Valuation and translation adjustments	(32)	(34)
			Net unrealized holding gains or losses on securities	(32)	(34)
			Total net assets	58,743	57,621
Total assets	74,197	73,360	Total liabilities and net assets	74,197	73,360

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

Non-consolidated Statement of Income (From April 1, 2024 to March 31, 2025)

(Millions of yen)

Description	Fiscal year under review		(Reference) Previous fiscal year	
Net sales		56,610		51,384
Cost of sales		22,831		20,697
Gross profit		33,779		30,687
Selling, general and administrative expenses		21,544		19,810
Operating profit		12,234		10,876
Non-operating income				
Interest income	178		145	
Dividend income	57		52	
Foreign exchange gains	1		61	
Gain on sale of scraps	32		—	
Gain on sale of businesses	—		42	
Other	48	318	76	378
Non-operating expenses				
Interest expenses	35		26	
Loss on valuation of investment securities	135		503	
Provision of allowance for doubtful accounts	7		12	
Commission expenses	96		86	
Other	51	327	73	701
Ordinary profit		12,226		10,553
Extraordinary income				
Gain on sale of fixed assets	14		7	
Gain on sale of investment securities	37	51	6	13
Extraordinary losses				
Loss on sale of fixed assets	3		—	
Loss on retirement of fixed assets	359	362	19	19
Net income before income taxes		11,915		10,548
Income taxes - current	3,018		3,079	
Income taxes - deferred	(380)	2,637	166	3,246
Net income		9,278		7,302

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

Independent Auditor's Report

(English Translation)

May 23, 2025

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

Ernst & Young ShinNihon LLC
Tokyo office
Hisafumi Nomoto, 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, 2024 to March 31, 2025.

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, 2025 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, 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.

Independent Auditor's Report

(English Translation)

May 23, 2025

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

Ernst & Young ShinNihon LLC
Tokyo office
Hisafumi Nomoto, 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 45th fiscal year from April 1, 2024 to March 31, 2025.

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, 2025 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, 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 Report

Audit and Supervisory Committee audited the execution of duties by the directors for the 45th fiscal year from April 1, 2024 to March 31, 2025. 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, 2025

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

Masahiko Nakamura

Audit and Supervisory Committee Member and Outside Director

Daizo Asari

Audit and Supervisory Committee Member and Outside Director

Yutaka Karigome