

[NOTICE: This Notice of the 6th Ordinary General Meeting of Shareholders is a translation of the Japanese original for reference purposes only, and in the event of any discrepancy, the Japanese original shall prevail.]

(Securities Code: 7071)
December 7, 2022

To All Shareholders

2-7-2 Yaesu, Chuo-ku, Tokyo
Amvis Holdings, Inc.
Representative Director and CEO, Keiichi Shibahara

Notice of the 6th Ordinary General Meeting of Shareholders

We would like to express our sincere gratitude for your continued support.

We are pleased to inform you that the 6th Ordinary General Meeting of Shareholders of Amvis Holdings, Inc. (hereinafter referred to as the "Company") is scheduled to be held as described below.

If you are not attending the meeting in person, you may exercise your voting rights in writing or via the Internet. Please review the Reference Documents for the General Meeting of Shareholders shown below, indicate your approval or disapproval either by returning the enclosed form for exercise of voting rights or via electromagnetic means by accessing the website, which is in Japanese only (<https://evote.tr.mufg.jp/>). Votes must be received by 6:00 p.m. (JST) on Thursday, December 22, 2022.

Sincerely yours

Meeting Agenda

1. Date and Time

Friday, December 23, 2022, 11:00 a.m. (JST)
(Reception desk will open at 10:30 a.m. (JST))

2. Venue

Hall 22G, TKP Tokyo Station Otemachi Conference Center
22F KDDI Otemachi Building, 1-8-1 Otemachi, Chiyoda-ku, Tokyo

3. Objectives of Meeting

Matters to be Reported

- (1) The Business Report, the Consolidated Financial Statements, and the Reports on the Audit of Consolidated Financial Statements by the Accounting Auditor and Audit & Supervisory Board for the 6th Term
(from October 1, 2021 to September 30, 2022)
- (2) Non-Consolidated Financial Statements for the 5th Term
(from October 1, 2021 to September 30, 2022)

Matters to be Resolved

- | | |
|----------------|---|
| Proposal No. 1 | Appropriation of Surplus |
| Proposal No. 2 | Election of Five (5) Directors |
| Proposal No. 3 | Election of Three (3) Audit & Supervisory Board Members |
| Proposal No. 4 | Partial Amendment to the Articles of Incorporation |
| Proposal No. 5 | Capital Reduction |

[Notice Concerning COVID-19]

In order to prevent the spread of COVID-19, Amvis Holdings, Inc. and its consolidated subsidiaries (hereinafter referred to as the "Group") will hold the General Meeting of Shareholders with appropriate measures.

Please exercise your voting rights in advance in writing or via the Internet as much as possible, and refrain from coming on the day of the meeting.

This General Meeting will be held in a wider space with fewer seats. For this reason, please note that you may not be allowed to enter even if you arrive on the day of the meeting.

We will take your temperature near the entrance of the venue, and if you are found to have a fever or poor physical condition, we will ask you to refrain from entering the venue.

If you are not wearing a mask, you may not be allowed to enter.

The operating staff of the General Meeting of Shareholders will also be wearing masks. Thank you for your understanding and cooperation.

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- If you plan to attend the meeting, please submit the enclosed voting rights exercise form at the reception desk. Please note that even if you bring the voting rights exercise form with you, people other than shareholders who are entitled to exercise their voting rights, such as proxies or people accompanying shareholders who are not shareholders, will not be admitted to the meeting (however, people accompanying shareholders with disabilities, guide dogs, hearing dogs, service dogs, etc. will be admitted).
 - "Notes Regarding Consolidated Financial Statements" and "Notes Regarding Non-Consolidated Financial Statements" are not included in the provided documents attached to this Notice of the General Meeting of Shareholders because they are posted on the Company's website on the Internet (<https://www.amvis.com/en/>) in accordance with laws and regulations and Article 14 of the Articles of Incorporation. "Notes Regarding Consolidated Financial Statements" and "Notes Regarding Non-Consolidated Financial Statements" are parts of the documents audited by the accounting auditor and the Audit & Supervisory Board members in preparing the audit report.
 - This Notice of the General Meeting of Shareholders is also available on the Company's website (<https://www.amvis.com/en/>).
 - If any amendments are made to the Reference Documents for the General Meeting of Shareholders, the Business Report, Non-Consolidated Financial Statements or Consolidated Financial Statements, the Company will announce such amendments on the Company's website.
 - If major changes occur in the operation of the General Meeting of Shareholders due to future circumstances, the Company will announce them on the Company's website (<https://www.amvis.com/en/>).

Reference Documents for the General Meeting of Shareholders

Agenda and Reference Items

Proposal 1: Appropriation of Surplus

The Company considers the distribution of profits to shareholders to be a priority management issue. The Company's basic policy is to distribute profits to shareholders through the stable payment of dividends paid once a year, taking into account a variety of factors. These include the market environment, regulatory changes, and financial soundness. The Company also considers the need to secure internal reserves to expand the Ishinkan business as well as related businesses and to strengthen its management base.

After careful consideration based on the above basic policy, the Company proposes to pay the year-end dividend for the current fiscal year as follows.

Over the medium to long term, the Company will focus on total shareholder return and plans to provide a stable yield, regardless of changes in growth stage.

Matters concerning year-end dividends

(1) Type of dividend property

Cash

(2) Matters concerning the allocation of dividend property to shareholders and the total amount

6 yen per share of common share of the Company

Total amount: 293,502,864 yen

(3) Effective date of the dividends from surplus

December 26, 2022

Proposal 2: Election of Five (5) Directors

As the terms of office of all five (5) directors will expire upon the conclusion of this General Meeting of Shareholders, the Company proposes the election of five (5) directors.

If this proposal is approved as originally proposed, the number of outside directors will be two (2) out of the five (5) directors of the Company.

The candidates for directors are as follows.

No.	Name		Current position and responsibilities	Number of Board of Directors meetings attended
1	Reappointment	Keiichi Shibahara	Representative Director and CEO	17 / 17
2	Reappointment	Tetsuya Nakagawa	Director and CFO, General Manager of Accounting and Finance Division	17 / 17
3	Reappointment	Shingo Yamaguchi	Director, General Manager of Administration Division	17 / 17
4	Reappointment	Outside Nobutaka Ushigome	Director	15 / 17
5	Reappointment	Outside Tsuyoshi Yamada	Director	13 / 13

(Notes)

Mr. Tsuyoshi Yamada was newly elected as a director at the 5th Ordinary General Meeting of Shareholders held on December 24, 2021. As a result, the number of Board of Directors meetings above differs from that of the other candidates.

No.

1

Keiichi Shibahara

Reappointment

Date of birth

October 9, 1964



Brief Biography, Position, Area(s) of Responsibility, and Significant Concurrent Position(s)

Aug. 2013 Established Social Welfare Corporation Kanshano Kokoro, President
 Sep. 2013 Succeeded to Medical Corporation Fukujikai, President
 Sep. 2013 Established Amvis, Inc., Representative Director (current position)
 Jun. 2015 Established Ishin, Inc., Representative Director
 Oct. 2016 Established the Company, Representative Director and CEO (current position)
 Mar. 2020 Established Ashitano iryo, Inc., Representative Director (current position)

Number of the Company's shares held

16,862,000 shares

Tenure as director

6 years and 2 months

Number of Board of Directors meetings attended

17/17 times (100%)

Reason for selection as a candidate for outside director and expected role

Mr. Keiichi Shibahara is the founder of the Company and has served as its representative director and CEO since its establishment, overseeing the management of the Group and driving the growth of the Group. He has extensive knowledge of the Ishinkan business, the Group's mainstay business, and plays an appropriate role in making decisions on important management matters and executing business operations. The Company believes that it can expect him to utilize his experience in managing and supervising the management of the Group, and has therefore nominated him as a candidate for director.

No.

2

Tetsuya Nakagawa

Reappointment

Date of birth

January 28, 1989



Brief Biography, Position, Area(s) of Responsibility, and Significant Concurrent Position(s)

Apr. 2012	Joined PricewaterhouseCoopers Aarata (currently PricewaterhouseCoopers Aarata LLC)
Jul. 2014	Joined PricewaterhouseCoopers Co. (currently PwC Advisory LLC)
Apr. 2015	Joined Morgan Stanley Japan Holdings
Aug. 2018	Seconded to Morgan Stanley New York
Mar. 2020	Joined the Company, Executive Officer and CFO, General Manager of Accounting and Finance Division
Jul. 2020	Director of Ashitano Iryo, Inc. (current position)
Dec. 2020	Director and CFO, General Manager of Accounting and Finance Division of the Company (current position)
Dec. 2021	Director of Amvis, Inc. (current position)

Number of the Company's shares held

840,000 shares

Tenure as director

2 years

Number of Board of Directors meetings attended

17/17 times (100%)

Reason for selection as a candidate for outside director and expected role

In addition to knowledge of finance and accounting, Mr. Tetsuya Nakagawa has a wealth of experience, including overseas business experience, as well as outstanding insight from a financial perspective and management standpoint. He has contributed to the strengthening of the Group's business management as a director and CFO of the Company. Based on this track record, the Company believes that it can expect him to continue to utilize his experience in managing and supervising the management of the Group, and has therefore nominated him as a candidate for director.

No.

3

Shingo Yamaguchi

Reappointment

Date of birth

December 7, 1972



Brief Biography, Position, Area(s) of Responsibility, and Significant Concurrent Position(s)

Jan. 2005	Joined ITJ Law Office
Dec. 2006	Joined CSK Securities Services Corporation (currently SCSK Corporation)
Dec. 2013	Joined General Co.
Jun. 2016	General Manager of Compliance Department of Miraisekkei Corporation
Apr. 2018	Joined the Company, General Manager of Business Support Department
Nov. 2019	Executive Officer of the Company
Dec. 2019	Director, General Manager of Administration Division of the Company (current position)
Jul. 2020	Director of Ashitano Iryo, Inc. (current position)
Dec. 2021	Director of Amvis, Inc. (current position)

Number of the Company's shares held

160,000 shares

Tenure as director

3 years

Number of Board of Directors meetings attended

17/17 times (100%)

Reason for selection as a candidate for outside director and expected role

Mr. Shingo Yamaguchi has many years of experience in corporate legal affairs and has contributed to the development and operation of compliance and risk management systems through his work experience in the Administration Division. As a director of the Company, he has contributed to the enhancement of the corporate value of the Group by actively providing opinions and making proposals. Based on this track record, the Company believes that it can expect him to continue to utilize his experience in managing and supervising the management of the Group, and has therefore nominated him as a candidate for director.

No.

4

Nobutaka Ushigome

Reappointment

Outside

Date of birth

September 4, 1964



Brief Biography, Position, Area(s) of Responsibility, and Significant Concurrent Position(s)

<p>Number of the Company's shares held</p> <hr/> <p>0 shares</p> <p>Tenure as an outside director</p> <hr/> <p>3 years and 11 months</p> <p>Number of Board of Directors meetings attended</p> <hr/> <p>15/17 times (88%)</p>	<p>Jul. 1989 Joined the Ministry of Home Affairs (currently the Ministry of Internal Affairs and Communications)</p> <p>Jul. 1995 Professor, Local Autonomy College</p> <p>Apr. 1996 General Manager of Sales Development Division, TYK Corporation</p> <p>Jun. 1997 Director and General Manager, Sales Development Division, TYK Corporation</p> <p>Oct. 1998 Director and Deputy General Manager of Sales Division, TYK Corporation</p> <p>Jun. 2001 Managing Director and General Manager of Sales Division, TYK Corporation</p> <p>Jun. 2004 Senior Managing Director and General Manager of Sales Division, TYK Corporation</p> <p>Jun. 2005 Chairperson and Representative Director of TYK America, Inc. (current position)</p> <p>Jun. 2005 President and Representative Director of Akechi Ceramics Co., Ltd. (current position)</p> <p>Jun. 2005 President and Representative Director of U-Ceramic Co., Ltd. (current position)</p> <p>Jun. 2005 President and Representative Director of Mizuno Ceramics Co., Ltd. (current position)</p> <p>Jun. 2005 President and Representative Director of Houei Kogyo Co., Ltd. (current position)</p> <p>Jun. 2005 President and Representative Director of TYK Corporation (current position)</p> <p>Jan. 2019 Director (Outside) of the Company (current position)</p> <p>Jun. 2022 Director (Outside) of Chubu Steel Plate Co., Ltd. (current position)</p>
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Reason for selection as a candidate for outside director and expected role

As representative director of TYK Corporation, a company listed on the Standard market of the Tokyo Stock Exchange, Mr. Nobutaka Ushigome has a wealth of experience and deep insight in all aspects of corporate management, and has actively provided opinions and recommendations on the management of the Group at Board of Directors meetings and other occasions. Based on this track record, the Company believes that it can expect him to continue to utilize his experience in supervising the management of the Company, and has therefore nominated him as a candidate for outside director.

No.

5

Tsuyoshi Yamada

Reappointment

Outside

Date of birth

July 6, 1988



Brief Biography, Position, Area(s) of Responsibility, and Significant Concurrent Position(s)

Dec. 2013 Director and General Manager of Technology Development Department, Link-U Inc.
 Oct. 2017 Director, CTO and General Manager of Technology Development Dept, Link-U Inc.
 Apr. 2018 Director, CTO and General Manager of the 1st Business Division, Link-U Inc.
 Jan. 2021 Director, CTO, General Manager of the Domestic Business Division and General Manager of the Business Promotion Department, Link-U Inc.
 Dec. 2021 Director (Outside) of the Company (current position)
 Feb. 2022 Director, CTO, General Manager of the 1st Business Division and General Manager of the Technical Research Office, Link-U Inc. (current position)

Number of the Company's shares held

0 shares

Tenure as an outside director

1 year

Number of Board of Directors meetings attended

13/13 times (100%)

Reason for selection as a candidate for outside director and expected role

Mr. Tsuyoshi Yamada is one of the founders of Link-U Inc., a company listed on the Prime market of the Tokyo Stock Exchange, and as a director and CTO, he has a wealth of experience and deep insight in all aspects of corporate management, as well as experience in the management of IT companies. Therefore, the Company believes that it can expect him to utilize his experience in managing and supervising the management of the Group, and has therefore nominated him as a candidate for outside director

(Notes)

1. Mr. Keiichi Shibahara is concurrently serving as representative director of Amvis, Inc. and Ashitano Iryo, Inc., which are subsidiaries of the Company.
2. Mr. Keiichi Shibahara is the Parent Company, etc. stipulated in Article 2, Paragraph 4-2 of the Companies Act.
3. Mr. Tetsuya Nakagawa is concurrently serving as a director of Amvis, Inc. and Ashitano Iryo, Inc., which is a subsidiary of the Company.
4. Mr. Shingo Yamaguchi is concurrently serving as a director of Amvis, Inc. and Ashitano Iryo, Inc., which is a subsidiary of the Company.
5. There is no special interest between each candidate and the Company.
6. Messrs. Nobutaka Ushigome and Tsuyoshi Yamada are candidates for outside directors.
7. The Company has entered into a liability limitation agreement with Messrs. Nobutaka Ushigome and Tsuyoshi Yamada to limit their liability for damages as provided for in Article 423, Paragraph 1 of the Companies Act, and the maximum amount of liability for damages under such agreement is the minimum liability amount provided for in laws and regulations. If their reappointments are approved, the Company plans to continue the above liability limitation agreement with them.
8. The Company has entered into a liability insurance contract for directors and Audit & Supervisory Board members with an insurance company as provided for in Article 430-3, Paragraph 1 of the Companies Act of Japan, and an outline of the contents of such insurance contract is provided in “4. Matters Concerning Corporate Officers (3) Outline of Liability Insurance Policy for Officers” of the business report. In the event that each candidate is elected and assumes office as a director, he will become an insured person under the relevant insurance policy. In addition, the insurance contract is scheduled to be renewed with the same contents at the next renewal.
9. The Company has designated Messrs. Nobutaka Ushigome and Tsuyoshi Yamada as independent officers in accordance with the provisions of the Tokyo Stock Exchange, Inc. and has notified the Tokyo Stock Exchange, Inc. of such designation.
10. The tenure of office of Mr. Nobutaka Ushigome as an outside director of the Company will be 3 years and 11 months upon the conclusion of this General Meeting of Shareholders.
11. The tenure of office of Mr. Tsuyoshi Yamada as an outside director of the Company will be 1 year upon the conclusion of this General Meeting of Shareholders.
12. The Company has implemented a 2-for-1 stock split on October 1, 2022. The number of shares of the Company held by the candidates for directors is the number of shares after the stock split.

Proposal 3: Election of Three (3) Audit & Supervisory Board Members

As the terms of office of all three (3) Audit & Supervisory Board members will expire upon the conclusion of this General Meeting of Shareholders, the Company proposes the election of three (3) Audit & Supervisory Board members.

The Audit & Supervisory Board has consented to the submission of this proposal.

The candidates for Audit & Supervisory Board members are as follows.

No.	Name		Current position and responsibilities	Number of Audit & Supervisory Board attended
1	Reappointment	Outside	Ryoji Arai Audit & Supervisory Board member	13 / 13
2	Reappointment	Outside	Shinkichi Matsuo Audit & Supervisory Board member	13 / 13
3	Reappointment	Outside	Takahiro Sugawara Audit & Supervisory Board member	13 / 13

No.

1

Ryoji Arai

Reappointment

Outside

Date of birth

April 20, 1954



Brief Biography, Position, Area(s) of Responsibility, and Significant Concurrent Position(s)

Apr. 1979 Joined The Norinchukin Bank
 Jun. 2000 Seconded to Kyodo Leasing Co., Ltd. (currently JA Mitsui Leasing, Ltd.) General Manager of Finance Division
 Jun. 2002 Returned to The Norinchukin Bank General Manager, Asset Audit Division, Operational Audit Division
 Jun. 2005 General Manager of Operating Planning and Management Division, The Norinchukin Bank
 Apr. 2008 Transferred to Nochu Information System Co., Ltd. Executive Officer and General Manager of Compliance Management Division
 Apr. 2010 Executive Officer and General Manager of General Affairs Division, Nochu Information System Co., Ltd.
 Mar. 2013 Full-time Audit & Supervisory Board Member, Ant Capital Partners Co., Ltd.
 Sep. 2016 Joined i-concept Inc.
 Jan. 2017 Joined AGS Consulting Co., Ltd., IPO Business Division
 Feb. 2019 Full-time Audit & Supervisory Board Member (Outside) of the Company (current position)

Number of the Company's shares held

19,200 shares

Tenure as an Audit & Supervisory Board members

3 years and 10 months

Number of Board of Directors meetings Attended

17/17 times (100%)

Number of Audit & Supervisory Board Attended

13/13 times (100%)

Reason for selection as a candidate for outside Audit & Supervisory Board member and expected role

Mr. Ryoji Arai has been in the financial industry for a long time and has a wealth of experience and a wide range of insight in the finance field, and the Company believes that he is suitable to serve as an outside Audit & Supervisory Board member of the Company. He holds 88 stock acquisition rights (140,800 shares) of the Company, but other than that, he has no personal, capital, or business relationships or other interests with the Company or its subsidiaries or with directors of the Company or its subsidiaries.

No.

2

Shinkichi Matsuo

Reappointment

Outside

Date of birth

January 9, 1969



Brief Biography, Position, Area(s) of Responsibility, and Significant Concurrent Position(s)

Apr. 1991 Joined Mitsubishi Electric Corporation
 Apr. 1993 Joined Yokohama City Government
 Oct. 1995 Joined Showa Ota & Co.
 (currently Ernst & Young ShinNihon LLC)
 Jul. 2010 Partner, Ernst & Young ShinNihon LLC
 Jul. 2018 Established NextLeap Co., Ltd.
 Representative Director (current position)
 Oct. 2018 Part-time Audit & Supervisory Board Member (Outside) of the
 Company (current position)
 Jun. 2019 Seikagaku Corporation
 Part-time Audit & Supervisory Board Member (Outside) (current
 position)
 Aug. 2019 Takara Printing Co., Ltd. (currently TAKARA & COMPANY
 LTD.)
 Part-time Audit & Supervisory Board Member (Outside) (current
 position)

Number of the
Company's shares
held

0 shares

Tenure as an Audit &
Supervisory Board
members

4 years and 2
months

Number of Board of
Directors meetings
Attended

17/17 times (100%)

Number of Audit &
Supervisory Board
Attended

13/13 times (100%)

Reason for selection as a candidate for outside Audit & Supervisory Board member and expected role

Mr. Shinkichi Matsuo is a certified public accountant and a certified tax accountant and has a wealth of experience and a wide range of insight of finance and accounting. The Company believes that he is suitable to serve as an outside Audit & Supervisory Board member. He has no personal, capital, or business relationships or other interests with the Company or its subsidiaries or with directors of the Company or its subsidiaries.

No.

3

Takahiro Sugawara

Reappointment

Outside

Date of birth

December 23, 1979



Brief Biography, Position, Area(s) of Responsibility, and Significant Concurrent Position(s)

Apr. 2004 Representative Director of the former Eltes Co., Ltd.
 Apr. 2012 Established Eltes Co., Ltd. Representative Director (current position)
 Aug. 2017 Director, Eltes Security Intelligence Co., Ltd. (currently AIK Co., Ltd.) (current position)
 May. 2018 Representative Director, Eltes Capital Co., Ltd. (current position)
 Jun. 2020 Outside Director, gooddays holdings, Inc. (current position)
 Dec. 2020 Representative Director, JAPANDX Co., Ltd. (current position)
 Dec. 2020 Part-time Audit & Supervisory Board Member of the Company (current position)

Number of the Company's shares held

0 shares

Tenure as an Audit & Supervisory Board members

2 years

Number of Board of Directors meetings Attended

17/17 times (100%)

Number of Audit & Supervisory Board Attended

13/13 times (100%)

Reason for selection as a candidate for outside Audit & Supervisory Board member and expected role

As representative director of Eltes Co., Ltd., a company listed on the Growth market of the Tokyo Stock Exchange, Mr. Takahiro Sugawara has a wealth of experience and deep insight in all aspects of corporate management. The Company has nominated him as a candidate for outside Audit & Supervisory Board member because the Company expects that his experience will be utilized to strengthen the governance structure of the Group in the future and that he will also contribute to ensuring the soundness of the Group's management.

(Notes)

1. There is no special interest between each candidate and the Company.
2. Messrs. Ryoji Arai, Shinkichi Matsuo and Takahiro Sugawara are candidates for outside Audit & Supervisory Board members.
3. The Company has entered into a liability limitation agreement with Messrs. Ryoji Arai, Shinkichi Matsuo and Takahiro Sugawara to limit their liability for damages as provided for in Article 423, Paragraph 1 of the Companies Act, and the maximum amount of liability for damages under such agreement is the minimum liability amount provided for in laws and regulations. If their reappointments are approved, the Company plans to continue the above liability limitation agreement with them⁴. The Company has entered into a liability insurance contract for directors and Audit & Supervisory Board members with an insurance company as provided for in Article 430-3, Paragraph 1 of the Companies Act of Japan, and an outline of the contents of such insurance contract is provided in “4. Matters Concerning Corporate Officers (3) Outline of Liability Insurance Policy for Officers” of the business report. In the event that each candidate is elected and assumes office as an Audit & Supervisory Board member, he will become an insured person under the relevant insurance policy. In addition, the insurance contract is scheduled to be renewed with the same contents at the next renewal.
5. The Company has designated Messrs. Ryoji Arai, Shinkichi Matsuo and Takahiro Sugawara as independent officers in accordance with the provisions of the Tokyo Stock Exchange, Inc. and has notified the Tokyo Stock Exchange, Inc. of such designation.
6. The tenure of office of Mr. Ryoji Arai as an outside Audit & Supervisory Board member of the Company will be 3 years and 10 months upon the conclusion of this General Meeting of Shareholders.
7. The tenure of office of Mr. Shinkichi Matsuo as an outside Audit & Supervisory Board member of the Company will be 4 years and 2 months upon the conclusion of this General Meeting of Shareholders.
8. The tenure of office of Mr. Takahiro Sugawara as an outside Audit & Supervisory Board member of the Company will be 2 years upon the conclusion of this General Meeting of Shareholders.
9. The Company has implemented a 2-for-1 stock split on October 1, 2022. The number of shares of the Company held by the candidates for Audit & Supervisory Board members is the number of shares after the stock split.

	<p><u>Articles of Incorporation after amendment, Article 14 (Internet Disclosure and Deemed Provision of Reference Documents, etc. for General Meetings of Shareholders) of the Articles of Incorporation before amendment shall remain in force with respect to general meetings of shareholders whose date is before the end of February 2023.</u></p> <p>2. <u>This Supplementary Provision shall be deleted after March 1, 2023 or after three months have elapsed from the date of the general meeting of shareholders set forth in the preceding paragraph, whichever is later.</u></p>
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Proposal 5: Capital Reduction

In order to reduce the burden of accumulated earnings taxes by qualifying as a small- and medium sized corporation under the Corporation Tax Law and to secure options for medium- to long-term shareholder returns, the Company plans to reduce the amount of its share capital in accordance with Article 447, Paragraph 1 of the Companies Act.

The share capital will be reduced without any compensation and there will be no change in the total number of shares outstanding and in the amount of net assets and the amount of share capital only decrease. There will be no impact on the number of shares held by its shareholders or the amount of net assets per share.

1. Amount of the capital reduction

The amount of share capital will be reduced by 5,816,337,900 yen from the current level of 5,866,337,900 yen and the entire amount of the reduction will be transferred to other capital surplus. The amount of share capital after the reduction will be 50,000,000 yen.

The amount of share capital and amount of share capital after the reduction may change due to the exercise of stock acquisition rights issued by the Company by the effective date of the capital reduction and other factors.

2. Effective date of capital reduction

January 31, 2023 (scheduled)

Skills matrix for the directors and the Audit & Supervisory Board members

If proposal 2 and proposal 3 are approved as proposed, the skill matrix of the directors and Audit & Supervisory Board members will be as follows.

	Name	Management strategy	Finance and accounting	Human resources and labor affairs	Legal and compliance affairs	Sustainability and ESG	IT
Director	Keiichi Shibahara	●					
	Tetsuya Nakagawa		●	●			
	Shingo Yamaguchi			●	●	●	
	Nobutaka Ushigome	●				●	
	Tsuyoshi Yamada	●					●
Audit & Supervisory Board Member	Ryoji Arai		●	●	●	●	
	Shinkichi Matsuo	●	●				
	Takahiro Sugawara	●					●

(Note)

The above list represents the areas in which each individual has more specialized knowledge based on their experience, etc., and does not represent all the knowledge they possess.

(Attached documents)

Business Report
(From October 1, 2021)
(To September 30, 2022)

1. Current Status of the Corporate Group

(1) Business Developments and Results of Operations

During the fiscal year ended September 30, 2022, the Japanese economy remained unstable due to the emergence of COVID-19 variants and the rapid spread of infection, despite expectations of economic recovery because of the easing of restrictions on economic activities following the rollout of vaccinations. In addition, business environment was challenging as a result of price hikes on resources and raw materials caused by supply chain disruptions stemming from prolonged tensions in Ukraine and the ongoing depreciation of the yen.

In the nursing care industry, more and more nursing care providers struggled to manage their businesses due to the increased burden caused by strengthening infection control measures and energy price hikes. As a result, the number of bankruptcies among nursing care providers, which was low in 2021 due to COVID-19-related support measures and the positive revision of care fees, increased to the same level as before 2021 during the period from January to June 2022. Regarding COVID-19, although the spread of the seventh wave of infections during the summer peaked, the situation continues to be unpredictable. In this environment, despite COVID-19, the Group views this as a year in which the Group further solidified its position as a pioneer in the hospice business, through the following measures.

(a) Establishment of a robust nursing system and a headquarters-focused management system

The Group operates Ishinkan under a robust nursing system capable of providing a wide range of care for patients with cancer or neurological intractable diseases, and despite COVID-19, it was able to demonstrate Ishinkan's core value of "accepting patients with high medical dependency." In addition, the percentage of patients who pass away in the facility rather than being transferred to hospitals has remained extremely high, and Ishinkan is increasingly being seen as a platform for regional healthcare. Furthermore, instead of assigning heads of facilities, staff at headquarters, primarily nurses, centrally manage all aspects of facilities, including operations, compliance and recruiting. This has enabled the Group to create an environment in which front-line staff can focus on providing service. By strengthening and enhancing the headquarters functions, the Group is developing a system to help accelerate facility openings.

(b) Acceleration of the dominance formation in the Tokyo metro area

In promoting the opening and operation of Ishinkan, the Group's policy is to start with Eastern Japan, where various medical resources, such as the number of long-term care beds per elderly population, are scarce and the urgency is high.

At the same time, the Tokyo metro area is facing the problem of a rapid increase in the number of patients with high medical dependency who need to secure appropriate medical treatment facilities, along with an increase in the elderly population. In order to respond to this problem as quickly as possible, the Group accelerated the development of its dominance formation in the Tokyo metro area, opening 10 facilities in Tokyo, Chiba, Kanagawa and Saitama prefectures during the current fiscal year, and has a policy of aggressive development in the next fiscal year and beyond.

As a result, the Group opened 16 new facilities, exceeding the initial plan, and many people used the Ishinkan. The number of Ishinkan reached 58 with capacity of 2,802 beds as of the end of September 2022.

As a result, the Group's operating results for the current fiscal year were as follows: net sales of 23,072 million yen (+ 50.5% from the previous fiscal year), operating profit of 6,132 million yen (+ 62.0%), ordinary profit of 6,060 million yen (+ 60.4%), and profit attributable to owners of parent of 4,279 million yen (+ 62.9%).

Segment information is omitted because the Group operates in a single business segment, the Ishinkan Business.

(2) Status of Capital Investment

The total amount of capital expenditures for the fiscal year ended September 30, 2022 was 6,057 million yen (based on the principal accounts received excluding construction in progress, including intangible assets, but excluding capitalized amounts of leased assets and removal costs corresponding to asset retirement obligations). This was mainly due to the purchase of buildings and land in conjunction with the opening of new facilities.

(3) Status of Fund Procurement

The Company raised 56 million yen through the exercise of stock acquisition rights by the Company's officers, employees and employees of subsidiaries. The Company also raised funds through borrowings of 4,953 million yen for the purpose of capital investment.

(4) Changes in the Status of Assets and Profit/Loss

(a) Status of assets and profit/loss of the corporate group

Category	3rd Term Ended September 30, 2019	4th Term Ended September 30, 2020	5th Term Ended September 30, 2021	6th Term (Current) Ended September 30, 2022
Net sales (million yen)	5,369	9,174	15,334	23,072
Ordinary profit (million yen)	864	1,779	3,779	6,060
Profit attributable to owners of parent (million yen)	602	1,239	2,627	4,279
Earnings per share (yen)	7.53	13.83	28.08	44.03
Total assets (million yen)	6,997	16,519	31,922	41,767
Net assets (million yen)	1,070	5,255	16,341	20,458
Net assets per share (yen)	13.38	58.34	168.26	209.12

(Notes)

1. Although the Company implemented a 200-for-1 stock split of common share on July 31, 2019, a 2-for-1 stock split of common share on April 1, 2020, a 2-for-1 stock split of common share on January 1, 2022 and a 2-for-1 stock split of common share on October 1, 2022, earnings per share and net assets per share are calculated as if the stock splits had been implemented at the beginning of the 3rd term.
2. Previously, the Company treated non-deductible consumption taxes on property, plant and equipment (PP&E) as expenses at the time of acquisition of the PP&E. However, from the 5th term, the Company has changed to a method of including them as part of the PP&E value. In addition, the 4th term has been presented after retrospective application.
3. The "Accounting Standard for Revenue Recognition" (The Accounting Standards Board of Japan Statement No. 29, March 31, 2020) and others have been applied from the beginning of the 6th term, and the figures for the 6th term are presented after the application of the accounting standard.
4. Earnings per share and net assets per share are rounded to the third decimal place.

(b) Status of assets and profit and loss of the Company

Category	3rd Term Ended September 30, 2019	4th Term Ended September 30, 2020	5th Term Ended September 30, 2021	6th Term (Current) Ended September 30, 2022
Operating revenue (million yen)	562	1,120	1,884	3,145
Ordinary profit (million yen)	23	323	446	1,081
Profit (million yen)	17	270	479	1,069
Earnings per share (yen)	0.22	3.02	5.12	11.00
Total assets (million yen)	2,035	9,400	21,610	26,489
Net assets (million yen)	151	3,365	12,303	13,210
Net assets per share (yen)	1.90	37.36	126.68	135.03

(Notes)

1. Please refer to the first note of (a) Status of assets and profit/loss of the corporate group.
2. Please refer to the second note of (a) Status of assets and profit/loss of the corporate group.
3. Please refer to the third note of (a) Status of assets and profit/loss of the corporate group.
4. Please refer to the fourth note of (a) Status of assets and profit/loss of the corporate group.

(5) Status of Important Subsidiaries

Name of company	Share capital	Investment ratio of the Company	Main business
Amvis, Inc.	10 million yen	100 %	In-home services, home nursing care, home care, and ancillary businesses
Ashitano Iryo, Inc.	90 million yen	100 %	Research, advice and consulting services on the management of medical institutions and care facilities

(6) Issues to be Addressed

The Group's vision is to "become the world's most exciting medical and healthcare company," and its mission is to "create a vibrant, happy society through medical and health care with an ambitious vision." As a platform holder that strengthens and revitalizes medical care in areas where the care is scarce and other "regional" areas, and as a pioneer, the Group aims to achieve stable and sustainable growth and long-term profits through its competitive advantage and pioneer advantage in selecting various strategies to maintain and strengthen the virtuous cycle. To this end, the Company will further enhance its existing Ishinkan business, improve operational efficiency, and focus on recruiting and training human resources, among other proactive measures.

The Group believes that the issues to be addressed in order to achieve these goals are as follows.

(A) Implementation of Sustainability Management

The Group has identified the following material items as important priorities in terms of its corporate activities and their impact on its stakeholders. The Group strives to contribute continuously to society and enhance its corporate value by addressing these issues. These efforts are led by the ESG Promotion Committee.

(a) Realizing a society without regional disparities in healthcare

Ishinkan is a new-concept facility, where local physicians and others gather, based on the concepts of "outsourcing physician functions" and "sharing hospital beds." Ishinkan is also a remarkably low-cost model due to the reduction of various hospital functions. Ishinkan responds flexibly to the unique medical needs of each region, including depopulated rural areas. When opening a new facility, the Group carefully interviews local medical workers and caregivers to understand the problems in each region and works to resolve them.

In addition, because the Group outsources the physician function, establishing Ishinkan does not disperse the deployment of physicians. This is an important factor for the local medical infrastructure. By opening and operating Ishinkan, the Group intends to help correct the disparity in medical care between regions and shorten the length of hospital stays, making Ishinkan an indispensable platform for regional healthcare.

(b) Achieving operations in harmony with nature

As part of the Group's resource conservation activities, it promotes paperless operations and use cloud-based systems for accounting and electronic contracts. The Group is also working to comply with the Electronic Bookkeeping Law.

The Group keeps working to reduce food waste. For example, the Group has introduced a cook-chill system for meals served at our facilities, which makes it easier to prepare meals in just the amounts needed.

To address climate change, the Group is working toward carbon neutrality. The Group is making its CO2 emissions visual as part of its aim to achieve zero emissions by 2050. To reduce CO2 emissions, the Group switches off lights frequently and manages air conditioning in each area.

(c) Building a workplace that invigorates all workers

To maximize the strength of the organization, the Group respects individuals with diverse backgrounds. For example, the Group directly employs people with disabilities. In addition, the Group aims to maximize women's abilities by increasing the percentage of female members of the Management Meeting to 50%. The percentage of women among employees already accounts for approximately 85%, and they play an active role. Through these initiatives, the Group provides equal opportunities for compensation, education, and promotion without regard to gender, nationality, disability, or other factors.

The Group provides a workplace that serves as a reserve for potential nurses by providing an environment where nurses of all ages can work according to their life stage, and making nurses play active roles outside of Ishinkan facilities such as the nursing and care department at the headquarters, the regional liaison department, the compliance department, and the recruitment department.

Furthermore, as part of its efforts to create a comfortable workplace the Group fosters a work-life balance by utilizing remote working and flextime systems, develops the follow-up systems such as surveys and interviews to listen to its employees and implements initiatives for skill development such as subsidizing tuition and exam fees to help employees acquire necessary certifications.

(d) Earning further trust from society and local communities

To maintain the trust of society and local communities, the Group works to enhance its corporate ethics and ensures compliance with laws and regulations. Specifically, the Nomination and Compensation Committee and the Special Committee have been established separately from the Board of Directors, the Audit & Supervisory Board, and the Management Meeting. The Nomination and Compensation Committee is an advisory body to the Board of Directors to enhance corporate governance by strengthening the fairness, transparency, and objectivity of procedures related to the nomination and compensation of directors. The Special Committee is a body to ensure the fairness and reasonableness regarding the appropriateness of the terms and conditions of transactions occurring with the controlling shareholders, and to protect the interests of the minority shareholders. In terms of compliance, the Group conducts training to ensure compliance with legal standards and training to improve the quality of work, as well as insider-related training provided upon joining the Group. In addition, the Group strives to create an organization where employees feel free to discuss problems and concerns by establishing a hotline system. Also, the Group has established the "basic policy against antisocial forces" to eliminate any relationship with antisocial forces, and is acting company-wide in accordance with this policy.

(B) Expansion of the Ishinkan business

The Group will continue to aggressively develop the Ishinkan business and aim to earn and maintain greater trust in the regions where it operates. Under its medium- to long-term plan, "Amvis 2025," the Group plans to further expand the scale of the Ishinkan business by opening new facilities in parallel in the Tokyo metro area, where demand is high, and in regional cities, where barriers to entry are high. As a result, the Group plans to expand the scale of the business at a level that exceeds the medium- to long-term targets set in "Amvis 2023."

(C) Basic policy and review of business portfolio

The Group currently consists of a single business segment, the Ishinkan business, and the Group's performance is strongly influenced by this market environment. While seeking to generate synergies with the Ishinkan business, the Group is working to diversify its business portfolio at Ashitano Iryo, Inc., a consolidated subsidiary that offers consulting and other services related to the management of medical institutions and care facilities, and is focusing on measures to avoid being overly affected by the specific environment.

(D) Ensuring financial soundness

In order for the Group to continue to operate and develop the Ishinkan business on a sustainable basis, it is essential to maintain financial soundness. Therefore, the Group will work to strengthen its financial base by steadily building up retained earnings, generating cash flow, and managing interest-bearing debt.

(7) Main Business Activities (as of September 30, 2022)

The core business of the Group is the hospice business. The Group provides various services, such as home nursing care service, home care service, in-home care support service and in-home care service for people with disabilities in nursing home Ishinkan facilities, and operates facilities to conduct the hospice business, which is called the Ishinkan business. It is currently the mainstay business of the Group.

(8) Main Business Facilities (as of September 30, 2022)

Headquarters: 2-7-2 Yaesu, Chuo-ku, Tokyo, Japan

List of Facilities (Ishinkan)

Location	Facility name
Aomori	Hachinohe, Aomori, Hirosaki
Iwate	Morioka I, II, Morioka III, Kitakami
Miyagi	Sendai Nagamachi
Akita	Akita
Yamagata	Yamagata, Yamagata II
Fukushima	Fukushima
Tokyo	Narimasu, Kyodo, Hongo, Mizue, Heiwadai
Kanagawa	Yokohama Tsuzuki, Yokohama Tateba, Higashi Totsuka, Shin-Yokohama, Kami-Ooka
	Shonandai, Odawara, Honatsugi, Kanazawabunko, Yamato, Kikuna
Chiba	Nagareyama Otakanomori, Soga, Kashiwa, Minami Nagareyama, Inage
Saitama	Minami Urawa, Urawa Misono, Kita Urawa, Musashi Urawa, Kawagoe, Koshigaya, Ageo, Higashi Omiya
Ibaraki	Mito, Tsukuba
Tochigi	Utsunomiya, Utsunomiya II
Nagano	Nagano
Niigata	Niigata, Niigata II, Joetsu, Niigata III
Aichi	Ama, Honjin
Shizuoka	Hamamatsu, Shizuoka
Mie	Nabari I, Nabari II, Yokkaichi, Yokkaichi II
Gifu	Gifu
Total	58 facilities

(9) Status of Employees (as of September 30, 2022)

(a) Employees of the corporate group

Number of employees	Change from the end of the previous consolidated fiscal year	
2,184 (416)	Increased by 738 people	(Increased by 115 people)

(Note)

The number of employees excludes those seconded from the Group to outside the Group and includes those seconded from outside the Group to the Group. The number of temporary employees (including part-timers and temporary employees, but excluding temporary employees dispatched from human resources companies) is the average number of people per year (converted to eight hours per day) and is shown in parentheses.

(b) Employees of the Company

Number of employees	Change from the end of the previous fiscal year	
67 (14)	Increased by 27 people	(Increased by 8 people)

(Note)

The number of employees excludes employees seconded from the Company to outside parties and includes employees seconded from outside parties to the Company. The number of temporary employees (including part-timers and temporary employees, but excluding temporary employees dispatched from personnel agencies) is the average number of people per year (converted to eight hours per day) and is shown in parentheses.

(10) Status of Major Lenders (as of September 30, 2022)

Lender	Amount borrowed
MUFG Bank, Ltd.	3,503 million yen
Mizuho Bank, Ltd.	2,611 million yen
Sumitomo Mitsui Banking Corporation	2,024 million yen
Resona Bank, Limited.	1,128 million yen

(11) Other Important Matters Concerning the Current Status of the Corporate Group
Not applicable.

2. Status of Shares of the Company (as of September 30, 2022)

(1) Total Number of Shares Authorized to be Issued 160,000,000 shares

(Note) Pursuant to Article 184, Paragraph 2 of the Companies Act, Article 6 of the Company's Articles of Incorporation was amended on October 1, 2022, and the total number of shares authorized increased by 160,000,000 shares to 320,000,000 shares.

(2) Total Number of Shares Issued 48,917,600 shares
(Including 456 shares of treasury shares)

(Note) The Company has implemented a 2-for-1 stock split on October 1, 2022. Therefore, the total number of shares issued is 97,835,200 shares.

(3) Number of Shareholders 3,845

(4) Major Shareholders

Shareholder name	Number of shares held (shares)	Shareholding ratio (%)
IDEA Capital	26,831,000	54.85
Keiichi Shibahara	8,431,000	17.24
SSBTC CLIENT OMNIBUS ACCOUNT	3,622,800	7.41
Custody Bank of Japan, Ltd. (Trust Account)	2,037,500	4.17
The Master Trust Bank of Japan, Ltd. (Trust Account)	640,100	1.31
MSCO CUSTOMER SECURITIES	431,700	0.88
Tetsuya Nakagawa	420,000	0.86
Sumitomo Life Insurance Company	309,800	0.63
BNP PARIBAS SECURITIES SERVICES SYDNEY / JASDEC / AUSTRALIAN RESIDENTS	196,900	0.40
STATE STREET BANK AND TRUST COMPANY 505223	189,500	0.39

(Notes)

1. The calculation of the shareholding ratio excludes treasury shares.
2. Although Capital Research and Management Company reported that it held 3,787,400 shares as of February 28, 2022 in a large shareholding report (change report) made available for public inspection on March 7, 2022, the Company is unable to confirm the number of shares actually held as of the end of the current fiscal year. Therefore, Capital Research and Management Company is not included in the above major shareholders.

(5) Other Important Matters Concerning Shares of the Company
Not applicable.

3. Status of Stock Acquisition Rights of the Company

(1) Status of Stock Acquisition Rights Held by Officers and Employees of the Company as of September 30, 2022

1. Overview of details of stock acquisition rights

Name (Date of resolution to grant)	Number of stock acquisition rights	Type and number of shares subject to stock acquisition rights	Issuance price of stock acquisition rights	Exercise price (Per share)	Exercise period
Series 4 Stock Acquisition Rights (Resolved on July 3, 2018)	5 units	Common shares: 8,000 shares	0 yen	6 yen	From July 25, 2021 to June 30, 2028
Series 5 Stock Acquisition Rights (Resolved on June 17, 2019)	167 units	Common shares: 267,200 shares	0 yen	79 yen	From July 1, 2022 to May 31, 2029

(Notes)

1. The number of shares and exercise price (per share) of stock acquisition rights above are the figures after the 200-for-1 stock split of common share implemented on July 31, 2019, the 2-for-1 stock split of common share implemented on April 1, 2020, the 2-for-1 stock split of common share implemented on January 1, 2022 and the 2-for-1 stock split of common share implemented on October 1, 2022.
2. The terms and conditions for the exercise of the series 4 and series 5 stock acquisition rights are as follows.

Officers

- (a) A person who has received an allotment of stock acquisition rights (hereinafter referred to as a “holder of stock acquisition rights”) must be a director, Audit & Supervisory Board member, employee or person in an equivalent position at the Company or its subsidiary at the time of exercising the rights. However, this shall not apply in cases where the Board of Directors specifically approves.
- (b) Holders of stock acquisition rights may exercise their rights within the exercise period only if the Company’s shares are listed on a financial instruments exchange on or after the date of allotment.
- (c) Holders of stock acquisition rights may exercise all or part of the rights allocated to them in accordance with the following classifications. However, when exercising a part of the rights, the rights shall be exercised in units of an integral multiple of the allotted rights.
 - (1) Until the day on which one year has elapsed since the end of the month in which the Company’s shares were listed on a financial instruments exchange, one half of the rights allotted may be exercised.
 - (2) On and after the date on which one year has elapsed from the end of the month in which the Company’s shares are listed on a financial instruments exchange, all of the rights allotted may be exercised.
- (d) In the event of the death of the holder of the stock acquisition rights, the heir may exercise the rights only within ten (10) months from the end of the month in which the Company becomes aware of the fact of death (provided, however, that such period shall be up to the last day of the exercise period).

Employee

- (a) Holders of stock acquisition rights must hold the position of director, Audit & Supervisory Board member, employee or equivalent of the Company or its subsidiaries at the time of exercising their rights. However, this shall not apply in cases where the Board of Directors specifically approves.
- (b) Holders of stock acquisition rights may exercise their rights within the exercise period only if the Company’s shares are listed on a financial instruments exchange on or after the date of allotment.
- (c) In the event of the death of the holder of stock acquisition rights, the heir may exercise the stock acquisition rights.
- (d) Individual stock acquisition rights may not be exercised in part.

2. Shareholdings of the Company's officers as of the end of the current fiscal year

Category	Name	Number of stock acquisition rights	Number of holders
Audit & Supervisory Board member	Series 5 Stock Acquisition Rights	88 units	1 person

(2) Status of Stock Acquisition Rights Issued during the Current Fiscal Year
Not applicable.

(3) Other Important Matters Concerning Stock Acquisition Rights
Not applicable.

4. Matters Concerning Corporate Officers

(1) Names and Other Information of Directors and Audit & Supervisory Board Members (as of September 30, 2022)

Position	Name	Responsibilities and important concurrent positions
Representative Director and CEO	Keiichi Shibahara	Representative Director, Amvis, Inc. Representative Director, Ashitano Iryo, Inc.
Director and CFO	Tetsuya Nakagawa	General Manager, Accounting and Finance Division Director, Ashitano Iryo, Inc. Director, Amvis, Inc.
Director	Shingo Yamaguchi	General Manager, Administration Division Director, Ashitano Iryo, Inc. Director, Amvis, Inc.
Director	Nobutaka Ushigome	President and Representative Director, TYK Corporation Chairperson and Representative Director, TYK America, Inc. President and Representative Director, Akechi Ceramics Co., Ltd. President and Representative Director, U-Ceramic Co., Ltd. President and Representative Director, Mizuno Ceramics Co., Ltd. President and Representative Director, Houei Kogyo Co., Ltd. Outside Director, Chubu Steel Plate Co., Ltd.
Director	Tsuyoshi Yamada	Director, CTO, General Manager of the 1st Business Division and General Manager of the Technical Research Office, Link-U Inc.
Full-time Audit & Supervisory Board Member	Ryoji Arai	
Audit & Supervisory Board Member	Shinkichi Matsuo	Representative Director, NextLeap Co., Ltd. Outside Audit & Supervisory Board Member, Seikagaku Corporation Outside Audit & Supervisory Board Member, TAKARA & COMPANY LTD.
Audit & Supervisory Board Member	Takahiro Sugawara	Representative Director, Eltes Co., Ltd. Director, AIK Co., Ltd. Representative Director, Eltes Capital Co., Ltd. Outside Director, gooddays holdings, Inc. Representative Director, JAPANDX Co., Ltd.

(Notes)

- Messrs. Nobutaka Ushigome Tsuyoshi Yamada are outside directors.
- Messrs. Ryoji Arai, Shinkichi Matsuo and Takahiro Sugawara are outside Audit & Supervisory Board members.
- The Company has designated Messrs. Nobutaka Ushigome and Tsuyoshi Yamada, directors, as independent officers in accordance with the provisions of the Tokyo Stock Exchange and has notified the Tokyo Stock Exchange of such designation.
- The Company has designated Messrs. Ryoji Arai, Shinkichi Matsuo and Takahiro Sugawara, Audit & Supervisory Board members, as independent officers in accordance with the provisions of the Tokyo Stock Exchange and has notified the Tokyo Stock Exchange of such designation.
- Mr. Shinkichi Matsuo, an Audit & Supervisory Board member, is a certified public accountant and a certified tax accountant and has considerable knowledge of finance and accounting.

(2) Outline of Liability Limitation Agreement

Pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, the Company and its directors (excluding those who are executive directors) and Audit & Supervisory Board members have entered into an agreement to limit their liability for damages as provided in Article 423, Paragraph 1 of the same act. The maximum amount of liability for damages under the agreement is the minimum liability amount stipulated in laws and regulations. Such limitation of liability is permitted only when the relevant director or Audit & Supervisory Board member performs his or her duties in good faith and without gross negligence in the performance of the duties that gave rise to the liability.

(3) Outline of Liability Insurance Policy for Officers

The Company has entered into a liability insurance contract with an insurance company for directors and Audit & Supervisory Board members as stipulated in Article 430-3, Paragraph 1 of the Companies Act. The insurance is designed to cover legal damages, litigation expenses and other losses incurred by the insured. The insured under the liability insurance contract are the Company's directors, Audit & Supervisory Board members, and executive officers, as well as directors and executive officers of subsidiaries, and the insured does not bear any insurance premiums.

In addition, there are certain exemptions from liability under the insurance contract, such as cases of breach of trust, criminal acts, fraudulent acts, and acts committed with the knowledge that they violate laws and regulations.

(4) Compensation for Directors and Audit & Supervisory Board Members

Policy regarding determination of details of compensation for directors

At a Board of Directors meeting held on February 22, 2021, the Company resolved the decision policy concerning the details of compensation for each individual director. The Board of Directors has determined that the individual compensation of directors for the current fiscal year are consistent with the decision policy resolved at the Board of Directors meeting, as the method of determining the details of compensation and the details of compensation determined are consistent with the decision policy.

The following is a summary of the decision policy concerning the details of compensation for each individual director.

(A) Policy regarding determination of the amount of compensation for each individual director and the method of calculation

The compensation system for directors is designed to function sufficiently as an incentive for the sustainable enhancement of corporate value, and the basic policy for determining the compensation of individual directors is to set an appropriate level based on the responsibilities of each position.

Compensation for executive directors is limited to basic compensation as fixed compensation, and outside directors, who are responsible for supervisory functions, are paid only basic compensation in consideration of their duties. In the future, in order to further clarify the Company's commitment to the sustainable enhancement of corporate value, the Company is considering that the compensation for executive directors should consist of performance-linked compensation and stock-based compensation, so that the compensation system is linked to shareholder interests.

(B) Policy regarding determination of the following matters among the individual compensation of directors

(a) Policy on the amount and calculation method of compensation by individual

Basic compensation is determined by a resolution of the Board of Directors after consulting with the Nomination and Compensation Committee, an advisory body, and receiving a report within the total amount resolved at the General Meeting of Shareholders, based on the amount determined by position and by grade and title of director.

(b) Policy regarding determination of the details and amount or calculation method of performance-linked compensation and non-monetary compensation

The Company has not adopted performance-linked compensation or non-monetary compensation.

(c) Composition of compensation

Compensation for directors consists solely of basic compensation.

(C) Policy regarding determination of time or conditions for granting compensation to directors

Basic compensation is paid monthly as fixed monetary compensation during the term of office, and is determined promptly after the Ordinary General Meeting of Shareholders, taking into account the responsibilities of each position.

(D) Matters regarding the delegation of the determination of the details of individual compensation of directors to directors and other third parties

The amount of individual compensation for each director is delegated to Mr. Keiichi Shibahara, representative director and CEO, on the condition that the report of the Nomination and Compensation Committee is respected. The Nomination and Compensation Committee then deliberates on the level of compensation, and the representative director makes decisions on compensation after considering the content of the report. The reason for delegating these authorities is that the representative director is the most suitable person to evaluate the responsibilities of each director while having a bird's-eye view of the Company's overall performance.

(5) Amount of Compensation Paid to Directors and Audit & Supervisory Board Members for the Current Fiscal Year

Category	Number of people	Total amount of compensation
Directors	5	58 million yen
(Outside directors included in above)	(2)	(7) million yen
Audit & Supervisory Board members	3	14 million yen
(Outside Audit & Supervisory Board members included in above)	(3)	(14) million yen

(Notes) Provisions by resolution of the General Meeting of Shareholders, etc. are as follows.

At the Ordinary General Meeting of Shareholders held on December 28, 2017, it was resolved that the total amount of compensation for directors shall not exceed 100 million yen per year. The number of directors at the conclusion of the General Meeting of Shareholders was three (3).

At the Extraordinary General Meeting of Shareholders held on February 15, 2019, it was resolved that the total amount of compensation for Audit & Supervisory Board members shall not exceed 30 million yen per year. The number of Audit & Supervisory Board members at the conclusion of the General Meeting of Shareholders was three (3) (including three (3) outside Audit & Supervisory Board members).

(6) Matters Related to Outside Officers

(a) Significant concurrent positions held with other companies and relationship between the Company and other companies

- Mr. Nobutaka Ushigome, director, is president and representative director of TYK Corporation, Akechi Ceramics Co., Ltd., U-Ceramic Co., Ltd., Mizuno Ceramics Co., Ltd. and Houei Kogyo Co., Ltd., chairperson and representative director of TYK America, Inc., and an outside director of Chubu Steel Plate Co., Ltd.

The Company does not have any commercial relationships with these companies.

- Mr. Tsuyoshi Yamada, director, is CTO, general manager of the 1st business division and general manager of the technical research office at Link-U Inc.

The Company does not have any commercial relationships with the company.

- Mr. Shinkichi Matsuo, Audit & Supervisory Board member, is representative director of NextLeap Co., Ltd., an outside Audit & Supervisory Board member of Seikagaku Corporation and TAKARA & COMPANY LTD. The Company has no commercial relationship with NextLeap Co. or Seikagaku Corporation, but the Company and the corporate group consisting of TAKARA & COMPANY LTD. and its subsidiaries have transactions related to the production of printed materials.

- Mr. Takahiro Sugawara, Audit & Supervisory Board member, is representative director of Eltes Co., Ltd., Eltes Capital Co., Ltd., JAPANDX Co., Ltd., a director of AIK Co., Ltd., and an outside director of gooddays holdings, Inc.

The Company does not have any commercial relationships with these companies.

(b) Major Activities during the Current Fiscal Year

Category	Name	Board of Directors attendance record	Audit & Supervisory Board attendance record	Main activities
Director	Nobutaka Ushigome	15/17 times (88%)	-	Mr. Nobutaka Ushigome has a wealth of experience and broad knowledge as a corporate manager of a company listed on the Standard market of the Tokyo Stock Exchange, and has made various statements on overall management from the perspective of business management and business strategy.
Director	Tsuyoshi Yamada	13/13 times (100%)	-	Mr. Tsuyoshi Yamada has a wealth of experience and deep insight in all aspects of corporate management as well as experience in management of IT companies as a director, CTO and one of the founders of a company listed on the Prime market of the Tokyo Stock Exchange, and has made various statements on overall management from the perspective of business management and business strategy.
Audit & Supervisory Board Member	Ryoji Arai	17/17 times (100%)	13/13 times (100%)	Mr. Ryoji Arai has a wealth of experience and knowledge in the financial industry, and has made statements to ensure the appropriateness and adequacy of decision-making from a professional perspective.
Audit & Supervisory Board Member	Shinkichi Matsuo	17/17 times (100%)	13/13 times (100%)	Mr. Shinkichi Matsuo has a wealth of experience and knowledge in finance and accounting as a certified public accountant, and has made statements to ensure the appropriateness and propriety of decision-making from a professional perspective.
Audit & Supervisory Board Member	Takahiro Sugawara	17/17 times (100%)	13/13 times (100%)	As founder of a company listed on the Growth market of the Tokyo Stock Exchange and a business executive of an IT company, Mr. Takahiro Sugawara has a wealth of experience and a wide range of knowledge. He makes statements to ensure the appropriateness and adequacy of decision-making from the perspective of business management and business strategy.

(Notes) As Mr. Tsuyoshi Yamada was newly elected as a director at the 5th Ordinary General Meeting of Shareholders held on December 24, 2021, the number of Board of Directors meetings held after his appointment is shown.

5. Status of Accounting Auditor

(1) Name of Accounting Auditor

PricewaterhouseCoopers Aarata LLC

(2) Outline of Liability Limitation Agreement

Article 42 of the Company's Articles of Incorporation provides that the Company and the accounting auditor may enter into an agreement to limit liability for damages as provided for in Article 423, Paragraph 1 of the Companies Act in accordance with the provisions of Article 427, Paragraph 1 of the same Act, but no agreement to limit liability has been entered into.

(3) Amount of Compensation Paid to the Accounting Auditor for the Current Fiscal Year

	Amount
Compensation as accounting auditor for the current fiscal year	33 million yen
Total amount of money and other financial benefits to be paid by the Company and its subsidiaries	33 million yen

(Notes)

1. In the audit contract between the Company and the accounting auditor, the amount of compensation for audits based on the Companies Act and the amount of compensation for audits based on the Financial Instruments and Exchange Act are not clearly separated, and cannot be separated practically, so the amount of compensation for the current fiscal year includes the sum of these amounts.
2. The Audit & Supervisory Board of the Company has confirmed the status of the audit plan and actual results for the past fiscal year through the regular exchange of opinions and information with the audit corporation, and has reviewed the appropriateness of the estimate of the amount of compensation presented by the accounting auditor, and as a result, the Audit & Supervisory Board has given its consent in accordance with Article 399, Paragraph 1 of the Companies Act.

(4) Details of Non-Audit Services

The Company did not pay compensation to the accounting auditor for services other than those stipulated in Article 2, Paragraph 1 of the Certified Public Accountants Act (non-audit services).

(5) Policy on Dismissal or Non-Reappointment of Accounting Auditors

If the Audit & Supervisory Board determines that there is a hindrance to the execution of duties by the accounting auditor or otherwise that it is necessary to do so, the Audit & Supervisory Board shall decide on a proposal for the dismissal or non-reappointment of the accounting auditor, and the Board of Directors shall submit such proposal to the General Meeting of Shareholders based on such decision.

If the Audit & Supervisory Board finds that the accounting auditor falls under any of the items stipulated in Article 340, Paragraph 1 of the Companies Act, the Audit & Supervisory Board will dismiss the accounting auditor with the unanimous consent of the Audit & Supervisory Board members. In this case, the Audit & Supervisory Board member selected by the Audit & Supervisory Board shall report the dismissal of the accounting auditor and the reasons for the dismissal at the first general meeting of shareholders to be convened after the dismissal.

6. Company Structure and Policies

(1) Systems to Ensure that the Execution of Duties by Directors Complies with Laws and Regulations and the Articles of Incorporation, and Other Systems to Ensure the Appropriateness of Business Operations, and an Overview of the Operation Status of Such Systems

1. System development

The Group has the following systems in place.

- (A) Systems to ensure that the execution of duties by directors and employees complies with laws and regulations and the Articles of Incorporation
- (a) The Company shall establish a code of conduct for employees and ensure that all employees are familiar with corporate ethics and legal compliance.
 - (b) Internal rules shall be maintained in a timely manner, taking into account the latest revisions to laws and regulations.
 - (c) The Company shall establish the Compliance Department as a department to supervise and guide the legal compliance system of the entire Group, and shall conduct research and studies on laws and regulations related to the Company's business and ensure thorough compliance.
 - (d) The Company shall establish an Internal Audit Office under the direct control of the president, which shall check all business processes from an independent standpoint, and shall appropriately cooperate with audit corporations and Audit & Supervisory Board members in the course of audits.
 - (e) In order to detect violations of laws and regulations at an early stage, the Company shall set up a contact point for reporting in accordance with the rules for the internal reporting system operation.
 - (f) Since relationships with antisocial forces lead to violations of laws and regulations, the Company shall block any and all relationships with such forces in accordance with the rules for measures against antisocial forces.
- (B) Systems for the storage and management of information related to the execution of duties by directors
- (a) Important records related to the execution of duties by directors, such as minutes of the Board of Directors meetings, approval documents, accounting books, etc., shall be stored and managed for a specified period in documents or electromagnetic media in accordance with laws and regulations and the rules for document management.
 - (b) Directors and Audit & Supervisory Board members shall have access to these documents at all times.
- (C) Rules and other systems for managing the risk of loss
- (a) In addition to efforts to enhance corporate value, the Company shall foresee all risks (compliance issues, quality issues, information security issues, etc.) that may threaten the sustainable development of the Company, assess them appropriately, prioritize them, and establish a risk management system.
 - (b) A risk management system shall be established by the general manager of the Administration Division, the Risk Management Committee, the Task Force and the Board of Directors in accordance with the rules for risk management, the rules for legal compliance management, the rules for information system management, the rules for managerial crisis management.
- (D) Systems to ensure the efficient execution of duties by directors
- (a) Regular Board of Directors meetings shall be held once a month, and extraordinary Board of Directors meetings shall be held for flexible decision-making.
 - (b) The Management Meeting shall be established under the Board of Directors to discuss matters to be discussed at Board of Directors meetings in advance and to improve decision-making efficiency.
 - (c) To expedite decision-making on business operations by delegating authority in accordance with the rules for administrative authority.
- (E) Systems to ensure the appropriateness of operations of the corporate group consisting of the Company and its subsidiaries
- (a) The Company shall share its management philosophy with the entire Group, enhance its corporate value, and ensure the appropriateness of its operations.
 - (b) Subsidiaries shall periodically report to headquarters on matters to be reported and approved as stipulated in the rules for group company management.
 - (c) Members of the Internal Audit Office of the Company shall visit the subsidiaries and report the audit results to the representative director.

- (F) Systems for employees to assist Audit & Supervisory Board members in their duties when requested to do so by Audit & Supervisory Board members
Employees who assist the duties of the Audit & Supervisory Board members shall be secured as necessary, and such employees shall not be subject to the direction and orders of directors.
- (G) System for directors and employees to report to Audit & Supervisory Board members and other systems for reporting to Audit & Supervisory Board members
Directors and general managers, etc. shall report and provide information on the status of execution of their duties, etc., in response to requests from each Audit & Supervisory Board member. Reports and provision of information shall be made on a regular basis, such as every quarter, or at any other time as requested by the Audit & Supervisory Board members.
- (H) Other systems to ensure that audits by Audit & Supervisory Board members are conducted effectively
- (a) The representative director and members of the Internal Audit Office shall exchange opinions with the Audit & Supervisory Board members on a regular basis.
 - (b) Audit & Supervisory Board members shall attend all important meetings, including Board of Directors meetings and the Management Meetings, and obtain necessary information.
 - (c) The Audit & Supervisory Board shall receive reports on audit results from the audit corporation on a regular basis to enhance the effectiveness of the audit.
- (I) Systems to ensure the reliability of financial reporting
In order to ensure the reliability of financial reporting, the Group shall establish various regulations based on the Financial Instruments and Exchange Act, and shall effectively and efficiently establish, operate, and evaluate internal controls over financial reporting. The development and operation of internal control is also carried out at each business site, and the Internal Audit Office is mainly responsible for evaluation.
2. Status of operation of the system to ensure the appropriateness of business
- (a) The Board of Directors held 17 meetings. In addition, internal rules and regulations are reviewed and updated as necessary, and their contents are made known to all employees so that they can be checked at any time.
 - (b) The Audit & Supervisory Board held 13 meetings, all of which consisted of outside Audit & Supervisory Board members.
The Audit & Supervisory Board members conduct audits based on the audit plan established by Audit & Supervisory Board and exchange opinions with directors and the Internal Audit Office.
 - (c) The Internal Audit Office conducts audits of each division of the Company in accordance with the internal audit plan and reports the results to the representative director.
- (2) Policy Regarding Determination of Dividends from Surplus
The Company considers the distribution of profits to shareholders to be a priority management issue. The Company's basic policy is to distribute profits to shareholders through the stable payment of dividends paid once a year, taking into account a variety of factors. These include the market environment, regulatory changes, and financial soundness. The Company also considers the need to secure internal reserves to expand the Ishinkan business as well as related businesses and to strengthen its management base.
The Company stipulates in its Articles of Incorporation that the matters stipulated in each item of Article 459, Paragraph 1 of the Companies Act may be determined by a resolution of the Board of Directors, unless otherwise provided for in laws and regulations, but in principle, year-end dividends shall be determined by a resolution of the General Meeting of Shareholders. The Company's Articles of Incorporation stipulate that the record date for year-end dividends is the last day of each fiscal year and the record date for interim dividends is March 31 of each year, and that the Company may pay dividends from surplus on other record dates.
Based on these policies, the Company plans to pay a year-end dividend of 6 yen per share for the current fiscal year.

(Note)

Amounts and numbers of shares shown in this business report are truncated to the nearest unit unless otherwise noted.

Consolidated Balance Sheets

(As of September 30, 2022)

(Unit: million yen)

Account	Amount	Account	Amount
(Assets)		(Liabilities)	
Current Assets	16,614	Current Liabilities	7,063
Cash and Deposits	11,342	Accounts Payable	66
Accounts Receivable	4,786	Short-Term Borrowings	1,753
Inventories	11	Current Portion of Long-Term Borrowings	1,645
Other	512	Lease Obligations	101
Allowance for Doubtful Accounts	(37)	Accounts Payable - Other and Accrued Expenses	1,400
Non-Current Assets	25,131	Income Taxes Payable	1,272
Property, Plant and Equipment	22,612	Provision for Bonuses	550
Buildings and Structures, Net	14,322	Other	271
Machinery, Equipment and Vehicles, Net	7	Non-Current Liabilities	14,245
Tools, Furniture and Fixtures, Net	78	Long-Term Borrowings	9,312
Leased Assets, Net	4,519	Lease Obligations	4,622
Land	1,404	Asset Retirement Obligations	255
Construction in Progress	2,279	Net Defined Benefit Liability	10
Intangible Assets	43	Other	44
Other	43	Total Liabilities	21,308
Investments and Other Assets	2,475	(Net Assets)	
Leasehold and Guarantee Deposits	1,623	Shareholders' Equity	20,459
Deferred Tax Assets	406	Share Capital	5,866
Other	444	Capital Surplus	5,836
Deferred Assets	21	Retained Earnings	8,757
Share Issuance Cost	21	Treasury Shares	(1)
		Accumulated Other Comprehensive Income	(0)
		Remeasurements of Defined Benefit Plans	(0)
		Total Net Assets	20,458
Total Assets	41,767	Total Liabilities and Net Assets	41,767

Consolidated Statements of Income

(From October 1, 2021
To September 30, 2022)

(Unit: million yen)

Account	Amount	
Net Sales		23,072
Cost of Sales		13,385
Gross Profit		9,686
Selling, General and Administrative Expenses		3,554
Operating Profit		6,132
Non-Operating Income		
Subsidy Income	122	
Gain on Bad Debts Recovered	1	
Penalty Income	11	
Miscellaneous Income	26	161
Non-Operating Expenses		
Interest Expenses	210	
Amortization of Share Issuance Cost	20	
Miscellaneous Loss	2	233
Ordinary Profit		6,060
Profit before Income Taxes		6,060
Income Taxes	1,895	
Income Taxes-Deferred	(114)	1,780
Profit		4,279
Profit Attributable to Non-Controlling Interests		—
Profit Attributable to Owners of Parent		4,279

Consolidated Statements of Changes in Net Assets

(From October 1, 2021
To September 30, 2022)

(Unit: million yen)

	Shareholder's Equity				
	Share Capital	Capital Surplus	Retained Earnings	Treasury Shares	Total Shareholders' Equity
Balance at the beginning of current period	5,838	5,808	4,696	(1)	16,341
Changes during the period					
Dividends from surplus			(218)		(218)
Issuance of new shares	28	28			56
Profit attributable to owners of parent			4,279		4,279
Net changes of items other than shareholders' equity					
Total changes during the period	28	28	4,060	—	4,117
Balance at the end of current period	5,866	5,836	8,757	(1)	20,459

	Accumulated Other Comprehensive Income		Total Net Assets
	Remeasurements of Defined Benefit Plans	Total Accumulated Other Comprehensive Income	
Balance at the beginning of current period	(0)	(0)	16,341
Changes during the period			
Dividends from surplus			(218)
Issuance of new shares			56
Profit attributable to owners of parent			4,279
Net changes of items other than shareholders' equity	0	0	0
Total changes during the period	0	0	4,117
Balance at the end of current period	(0)	(0)	20,458

Non-Consolidated Balance Sheets

(As of September 30, 2022)

(Unit: million yen)

Account	Amount	Account	Amount
(Assets)		(Liabilities)	
Current Assets	7,036	Current Liabilities	3,715
Cash and Deposits	6,430	Short-Term Borrowings	1,753
Short-Term Loans		Current Portion of	
Receivable from	95	Long-Term Borrowings	1,645
Subsidiaries and Affiliates			
Accounts Receivable		Accounts Payable - Other	
from Subsidiaries	232	and Accrued Expenses	96
and Affiliates - Other			
Other	279	Accounts Payable	
		from Subsidiaries	122
Non-Current Assets	19,431	and Affiliates - Other	
Property, Plant and		Income Taxes Payable	38
Equipment	17,905	Deposits Received	14
Buildings and Structures,		Provision for Bonuses	12
Net	14,209	Other	31
Machinery, Equipment		Non-Current Liabilities	9,563
and Vehicles, Net	0	Long-Term Borrowings	9,312
Tools, Furniture		Asset Retirement	
and Fixtures, Net	11	Obligations	250
Land	1,404	Provision for	
Construction		Retirement Benefits	0
in Progress	2,279		
Intangible Assets	38	Total Liabilities	13,279
Other	38	(Net Assets)	
Investments and		Shareholders' Equity	13,210
Other Assets	1,487	Share Capital	5,866
Shares of Subsidiaries		Capital Surplus	5,836
and Affiliates	180	Legal Capital Surplus	5,826
Leasehold and		Other Capital Surplus	10
Guarantee Deposits	1,216	Retained Earnings	1,509
Deferred Tax Assets	21	Other Retained Earnings	1,509
Other	69	Retained Earnings	
Deferred Assets	21	Brought Forward	1,509
Share Issuance Cost	21	Treasury Shares	(1)
		Total Net Assets	13,210
Total Assets	26,489	Total Liabilities	
		and Net Assets	26,489

Non-Consolidated Statements of Income

(From October 1, 2021
To September 30, 2022)

(Unit: million yen)

Account	Amount	
Operating Revenue		3,145
Operating Costs		1,013
Operating Gross Profit		2,132
Selling, General and Administrative Expenses		992
Operating Profit		1,140
Non-Operating Income		
Interest Income	0	
Penalty Income	11	
Miscellaneous Income	1	13
Non-Operating Expenses		
Interest Expenses	51	
Amortization of Share Issuance Cost	20	72
Ordinary Profit		1,081
Profit before Income Taxes		1,081
Income Taxes	12	
Income Taxes-Deferred	(0)	11
Profit		1,069

Non-Consolidated Statements of Changes in Net Assets

(From October 1, 2021
To September 30, 2022)

(Unit: million yen)

	Shareholders' Equity							Total Net Assets
	Share Capital	Capital Surplus			Retained Earnings	Treasury Shares	Total Shareholders' Equity	
		Legal Capital Surplus	Other Capital Surplus	Total Capital Surplus	Other Retained Earnings			
					Retained Earnings Brought Forward			
Balance at the beginning of current period	5,838	5,798	10	5,808	658	(1)	12,303	12,303
Changes during the period								
Dividends from surplus					(218)		(218)	(218)
Issuance of new shares	28	28		28			56	56
Profit					1,069		1,069	1,069
Total changes during the period	28	28	—	28	850	—	907	907
Balance at the end of current period	5,866	5,826	10	5,836	1,509	(1)	13,210	13,210

Independent Auditor's Report
(English Translation*)

November 18, 2022

To the Board of Directors of Amvis Holdings, Inc.

PricewaterhouseCoopers Aarata LLC
Tokyo office

Masaki Nitta, CPA
Designated limited liability Partner
Engagement Partner

Masanori Yagi, CPA
Designated limited liability Partner
Engagement Partner

Opinion

We have audited, pursuant to Article 444 (4) of the Companies Act of Japan, the accompanying consolidated financial statements, which comprise the consolidated balance sheets, consolidated statements of income, consolidated statements of changes in net assets and notes regarding consolidated financial statements of Amvis Holdings, Inc. for the fiscal year from October 1, 2021 to September 30, 2022.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Amvis Holdings and its subsidiaries (the Group) and its financial performance for the period covered by the consolidated financial statements in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The other information comprises the business report and the accompanying supplementary schedules. Management is responsible for the preparation and disclosure of the other information. In addition, those charged with governance are responsible for overseeing the Company's reporting process of the other information.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management, Audit & Supervisory Board Members and the Audit & Supervisory Board for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal

control as management determines is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern and disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan.

Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the purpose of the consolidated financial statement audit is not to express an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate whether the presentation and disclosures of the consolidated financial statements are in accordance with accounting principles generally accepted in Japan, the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with Audit & Supervisory Board Members and the Audit & Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Audit & Supervisory Board Members and the Audit & Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Interest required to be disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

** Notes to the Readers of Independent Auditor's Report*

This is an English translation of the Independent Auditor's Report as required by the Companies Act of Japan for the conveniences of the reader.

Independent Auditor's Report
(English Translation*)

November 18, 2022

To the Board of Directors of Amvis Holdings, Inc.

PricewaterhouseCoopers Aarata LLC
Tokyo office

Masaki Nitta, CPA
Designated limited liability Partner
Engagement Partner

Masanori Yagi, CPA
Designated limited liability Partner
Engagement Partner

Opinion

We have audited, pursuant to Article 436 (2) (i) of the Companies Act of Japan, the accompanying financial statements, which comprise the non-consolidated balance sheets, non-consolidated statements of income, non-consolidated statements of changes in net assets and notes regarding non-consolidated financial statements, and the supplementary schedules of Amvis Holdings, Inc. (hereinafter referred to as the "Company") for the 6th fiscal year from October 1, 2021 to September 30, 2022.

In our opinion, the financial statements and the supplementary schedules referred to above present fairly, in all material respects, the financial position and its financial performance for the period covered by the financial statements and the supplementary schedules in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements and the Supplementary Schedules* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements and the supplementary schedules in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The other information comprises the business report and the accompanying supplementary schedules. Management is responsible for the preparation and disclosure of the other information. In addition, those charged with governance are responsible for overseeing the Company's reporting process of the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management, Audit & Supervisory Board Members and the Audit & Supervisory Board for the Financial Statements and the Supplementary Schedules

Management is responsible for the preparation and fair presentation of the financial statements and the supplementary schedules in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of the financial

statements and the supplementary schedules that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the supplementary schedules, management is responsible for assessing the Company's ability to continue as a going concern and disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan.

Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements and the Supplementary Schedules

Our objectives are to obtain reasonable assurance about whether the financial statements and the supplementary schedules as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements and the supplementary schedules.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements and the supplementary schedules, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the purpose of the financial statement audit is not to express an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements and the supplementary schedules or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate whether the presentation and disclosures of the financial statements and the supplementary schedules are in accordance with accounting principles generally accepted in Japan, the overall presentation, structure and content of the financial statements and the supplementary schedules, including the disclosures, and whether the financial statements and the supplementary schedules represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with Audit & Supervisory Board Members and the Audit & Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Audit & Supervisory Board Members and the Audit & Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Interest required to be disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

** Notes to the Readers of Independent Auditor's Report*

This is an English translation of the Independent Auditor's Report as required by the Companies Act of Japan for the conveniences of the reader.

Audit Report (English Translation)

The Audit & Supervisory Board has prepared this audit report, following deliberations, based on the audit reports prepared by each Audit & Supervisory Board Member regarding the execution of directors' duties for the 6th fiscal year from October 1, 2021 to September 30, 2022, and hereby reports as follows:

1. Auditing Methods Adopted by the Audit & Supervisory Board Members and the Audit & Supervisory Board and the Details
 - (1) The Audit & Supervisory Board determined audit policies, allocation of duties and the like, and received reports from each Audit & Supervisory Board Member on the status of the implementation of audits and results, as well as reports from the directors, other relevant personnel and the accounting auditor regarding the status of execution of their duties and sought explanations as necessary.
 - (2) Each Audit & Supervisory Board Member, adhering to the audit standards of Audit & Supervisory Board Members' audit standards established by the Audit & Supervisory Board, as well as the audit policies, the allocation of duties and the like, strove to develop the audit environment and collect information through mutual communications with the directors, the Internal Audit Office and other relevant employees while utilizing phones, internet and the like, and conducted audits by the following methods:
 - (a) Each Audit & Supervisory Board Member attended Board of Directors meetings and other important meetings, received reports from the directors, employees and other relevant personnel on the status of the execution of their duties, sought explanations as necessary, inspected material internal decision-making documents and the like, and examined the status of operations and assets at the headquarters and the principal business offices. Regarding subsidiaries, each Audit & Supervisory Board Member communicated and exchanged information with directors and other relevant personnel of the subsidiaries, and received reports on their business from them as necessary.
 - (b) Each Audit & Supervisory Board Member received reports regularly from directors, employees and other relevant personnel, sought explanations as necessary, and expressed opinions regarding the status of establishment and operations of a system developed based on the resolution of the Board of Directors and its contents concerning the development of a system (internal control system) to ensure that execution of directors' duties conforms to laws and the Articles of Incorporation and other systems needed to ensure appropriateness of operations of the Company and its consolidated subsidiaries, pursuant to Article 100, Paragraphs 1 and 3 of the Ordinance for Enforcement of the Companies Act.
 - (c) Each Audit & Supervisory Board Member monitored and verified whether the accounting auditor maintained independence and conducted appropriate audits, and received reports from the accounting auditor on the status of execution of their duties, and sought explanations as necessary. Each Audit & Supervisory Board Member also received notification from the accounting auditor that the "system to ensure appropriate execution of duties" (matters set forth in each item of Article 131 of the Regulation for Corporate Accounting) has been prepared in accordance with the "Quality Management Standard for Audits" (Business Accounting Council, October 28, 2005) and sought explanations as necessary. Regarding key audit matters, each Audit & Supervisory Board Member discussed with the accounting auditor, received reports of the audit status from the accounting auditor and sought explanations as necessary.

Based on the methods above, the Audit & Supervisory Board Members have reviewed the business report and the accompanying supplementary schedules, the non-consolidated financial statements (non-consolidated balance sheets, non-consolidated statements of income, non-consolidated statements of changes in net assets and notes regarding non-consolidated financial statements) and the accompanying supplementary schedules as well as the consolidated financial statements (consolidated balance sheets, consolidated statements of income, consolidated statements of changes in net assets and notes regarding consolidated financial statements) related to the current fiscal year.

2. Audit Results

(1) Audit Results on the Business Report and Others

- (a) In our opinion, the business report and the accompanying supplementary schedules correctly present the status of the Company in accordance with applicable laws and regulations as well as the Articles of Incorporation of the Company.
- (b) We have found no evidence of misconduct or material acts in violation of the applicable laws and regulations, nor of any violation regarding the Articles of Incorporation of the Company, concerning the execution of directors' duties.
- (c) In our opinion, details of the resolution of the Board of Directors regarding the internal control system are appropriate. Furthermore, we have found no matters to remark upon regarding details of the internal control system described in the business report as well as the execution of directors' duties.

(2) Results of Audit of the Non-consolidated Financial Statements and the Accompanying Supplementary Schedules

In our opinion, the methods and results of the audit conducted by PricewaterhouseCoopers Aarata LLC, the accounting auditor, are appropriate.

(3) Results of Audit of the Consolidated Financial Statements

In our opinion, the methods and results of the audit conducted by PricewaterhouseCoopers Aarata LLC, the accounting auditor, are appropriate.

November 20, 2022

The Audit & Supervisory Board of Amvis Holdings, Inc.

Outside Audit & Supervisory Board Member (Full-time)	Ryoji Arai	(Seal)
Outside Audit & Supervisory Board Member	Shinkichi Matsuo	(Seal)
Outside Audit & Supervisory Board Member	Takahiro Sugawara	(Seal)