

[NOTICE: This Notice of the 8th 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 3, 2024

(Start date of measures for electronic provision: November 27, 2024)

To All Shareholders

1-6-1 Kyobashi, Chuo-ku, Tokyo

Amvis Holdings, Inc.

Representative Director and CEO, Keiichi Shibahara

Notice of the 8th 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 8th Ordinary General Meeting of Shareholders of Amvis Holdings, Inc. (hereinafter referred to as the "Company") is scheduled to be held as described below.

During this General Meeting of Shareholders, the Company will take measures for electronic provision. The Company has posted items subject to measures for electronic provision as "Notice of the 8th Ordinary General Meeting of Shareholders" on the Company's website below.

The Company's website:

(<https://ir.amvis.com/en/ir/stock/meeting.html>)

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 in items subject to measures for electronic provision, 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 19, 2024.

Sincerely yours

Meeting Agenda

1. Date and Time

Friday, December 20, 2024, 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 8th Term

(from October 1, 2023 to September 30, 2024)

(2) Non-Consolidated Financial Statements for the 8th Term

(from October 1, 2023 to September 30, 2024)

Matters to be Resolved

Proposal No. 1 Appropriation of Surplus

Proposal No. 2 Election of Five (5) Directors

Proposal No. 3 Election of One (1) Audit & Supervisory Board Member

[Notice Concerning Infectious Diseases]

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

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.

The operating staff of the General Meeting of Shareholders may 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).
 - If any amendments are made to items subject to measures for electronic provision, the Company will announce such amendments on the Company's relevant 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

4 yen per share of common share of the Company

Total amount: 391,436,576 yen

(3) Effective date of the dividends from surplus

December 23, 2024

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 three (3) 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 | 19 / 19 |
| 2 | Reappointment | Shingo Yamaguchi | Director, General Manager of Administration Division | 19 / 19 |
| 3 | Reappointment | Outside Nobutaka Ushigome | Director | 19 / 19 |
| 4 | Reappointment | Outside Tsuyoshi Yamada | Director | 19 / 19 |
| 5 | Reappointment | Outside Norie Honda | Director | 14 / 15 |

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

7,142,500 shares

Tenure as director

8 years and 2 months

Number of Board of Directors meetings attended

19/19 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

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 Miraisekai 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

444,500 shares

Tenure as director

5 years

Number of Board of
Directors meetings
attended

19/19 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.

3

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 outside director</p> <hr/> <p>5 years and 11 months</p> <p>Number of Board of Directors meetings attended</p> <hr/> <p>19/19 times (100%)</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> |
|---|--|

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.

4

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) |
| Dec. 2023 | Representative Director and CEO, Link-U Technologies Inc. |
| Mar. 2024 | Director, Link-U Group Inc. |
| Mar. 2024 | Business Supervision, Link-U Technologies Inc. |
| Aug. 2024 | Director and CTO, Link-U Technologies Inc. (current position) |

Number of the
Company's shares
held

0 shares

Tenure as outside
director

3 years

Number of Board of
Directors meetings
attended

19/19 times (100%)

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

As a founding member of Link-U Inc., the predecessor to Link-U Group Inc. and a company listed on the Tokyo Stock Exchange's Prime Market, Mr. Tsuyoshi Yamada has acquired through his position as a director a wealth of experience and deep insight into 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.

No.

5

Norie Honda

Reappointment

Outside

Date of birth

September 2, 1963



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

| | |
|-----------|---|
| Apr. 1987 | Joined the Ministry of Labour (currently Ministry of Health, Labour and Welfare) Planning Office, Human Resource Development Division, Human Resource Development Bureau, the Ministry of Health, Labour and Welfare |
| Jul. 2017 | Councillor for General Policy and Evaluation, the Ministry of Health, Labour and Welfare |
| Jul. 2018 | Councillor and Minister's Secretariat for Employment Environment and Equal Employment, Children and Families, the Ministry of Health, Labour and Welfare |
| Aug. 2020 | Councillor for International Labour, the Ministry of Health, Labour and Welfare |
| Jul. 2021 | Councillor and Minister's Secretariat for Social Welfare and War Victims' Relief and Humanitarian Survey, the Ministry of Health, Labour and Welfare |
| Jul. 2023 | Retirement |
| Dec, 2023 | Outside Director of the Company (current position) |

Number of the
Company's shares
held

0 shares

Tenure as outside
director

1 year

Number of Board of
Directors meetings
attended

14/15 times (93%)

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

Ms. Norie Honda played an active role in the labor field at the Ministry of Health, Labour and Welfare and made significant achievements such as formulating policies that serve as the prototype for the current measures against power harassment and has extensive knowledge in all areas of labor, including the legal system. The group aims to develop further and play a part in the functions to be performed by the national government while maintaining management independence. Therefore, the Company believes that it can expect her to utilize her expert knowledge and personal connections in managing and supervising the management of the Group, and has therefore nominated her 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. Shingo Yamaguchi is concurrently serving as a director of Amvis, Inc. and Ashitano Iryo, Inc., which is a subsidiary of the Company.
4. There is no special interest between each candidate and the Company.
5. Mr. Nobutaka Ushigome, Mr. Tsuyoshi Yamada and Ms. Norie Honda are candidates for outside directors.
6. The Company has entered into a liability limitation agreement with Mr. Nobutaka Ushigome and Mr. 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. In addition, if the appointment of Ms. Norie Honda is approved, the Company plans to enter into a similar liability limitation agreement with her.
7. 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 “3. 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.
8. The Company has designated Mr. Nobutaka Ushigome, Mr. Tsuyoshi Yamada and Ms. Norie Honda 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. The Company also plans to designate Ms. Norie Honda as an independent officer and notify the Tokyo Stock Exchange, Inc.
9. Ms. Norie Honda has adopted the surname “Kishimoto” following her marriage but continues to perform her professional duties under her former surname, “Honda.”
10. The tenure of office of Mr. Nobutaka Ushigome as an outside director of the Company will be 5 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 3 years upon the conclusion of this General Meeting of Shareholders.
12. The tenure of office of Ms. Norie Honda as an outside director of the Company will be 1 year upon the conclusion of this General Meeting of Shareholders.

Proposal 3: Election of One (1) Audit & Supervisory Board Members

As Shinkichi Matsuo for Audit & Supervisory Board member will resign upon the conclusion of this General Meeting of Shareholders, the Company proposes the election of one (1) Audit & Supervisory Board members as an alternate.

The term of office of the Audit & Supervisory Board member to be elected will be until the expiration of the term of office of his predecessor, in accordance with the Company's Articles of Incorporation.

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

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

| | | | |
|-----------------------|--------------------|---------|------------------------------------|
| Shinichiro Abe | New appointment | Outside | Date of birth February 17, 1964 |
|-----------------------|--------------------|---------|------------------------------------|



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

| | |
|--|---|
| <p>Number of the Company's shares held</p> <hr/> <p style="text-align: center;">0 shares</p> <p>Tenure as an Audit & Supervisory Board members</p> <hr/> <p style="text-align: center;">-</p> <p>Number of Audit & Supervisory Board Attended</p> <hr/> <p style="text-align: center;">-</p> | <p>Apr. 1994 Registered as a lawyer Joined Tokiwa Sogo Law Office (currently Nishimura & Asahi Law Office)</p> <p>Aug. 2001 worked at Debevoise & Plimpton Law office (New York)</p> <p>Mar. 2002 International Legal Affairs Vice President, Prudential Insurance Company (U.S. headquarter)</p> <p>Sep. 2002 Returned to Tokiwa Sogo Law Office</p> <p>Mar. 2006 Partner, Asahi & Komae Law Office (currently Nishimura & Asahi Law Office)</p> <p>Apr. 2007 Partner, Baker & McKenzie Law Office (Foreign Law Joint Enterprise)</p> <p>Apr. 2009 Distinguished Professor, Chuo University Law School</p> <p>Jan. 2016 Established Kasumigaseki International Law Office</p> <p>Apr. 2016 Visiting Professor, Chuo University Law School (current position)</p> <p>Apr. 2018 Visiting Professor, Graduate School of Law, Kokushikan University (current position)</p> |
|--|---|

Reason for selection as a candidate for outside director

Mr. Shinichiro Abe is one of the leading experts in the field of corporate restructuring and reorganization (including restructuring of medical corporations, etc.) and dispute resolution (especially arbitration) in Japan and abroad as an attorney at law, and is a prominent advisor. Although He is also a visiting professor at Chuo University Law School and Kokushikan University Graduate School of Law, and has a wealth of experience and broad insight in corporate legal affairs from both a practical and academic perspective. The Company believes that he is suitable and has therefore nominated him as a candidate for outside director. Although he has not been involved in management of a company except through his past experience as an outside director or Audit & Supervisory Board member, based on the above reasons the Company judges that he will be able to execute his duties as outside director appropriately. 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.

(Notes)

1. There is no special interest between Mr. Shinichiro Abe and the Company.
2. Mr. Shinichiro Abe is the candidate for outside Audit & Supervisory Board member.
3. The Company has entered into a liability limitation agreement with Mr. Shinichiro Abe to limit his 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.
4. “3. 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 Mr. Shinichiro Abe as independent officers in accordance with the provisions of the Tokyo Stock Exchange, Inc. and plans to notified the Tokyo Stock Exchange, Inc. of such designation.

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

If proposal 2 and proposal 3 are approved as proposed, the skills 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 | ● | ● | | | | |
| | Shingo Yamaguchi | | | ● | ● | ● | |
| | Nobutaka Ushigome | ● | | | | ● | |
| | Tsuyoshi Yamada | ● | | | | | ● |
| | Norie Honda | | | ● | ● | ● | |
| Audit & Supervisory Board Member | Ryoji Arai | | ● | ● | ● | ● | |
| | Takahiro Sugawara | ● | | | | | ● |
| | Shinichiro Abe | ● | | | ● | ● | |

(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, 2023)
(To September 30, 2024)

1. Current Status of the Corporate Group

(1) Business Developments and Results of Operations

At the close of the fiscal year ended September 30, 2024, the Japanese economy appears set to continue its gradual recovery, supported by improvements in employment and income conditions and the effects of various government policies. However, Japan's economy also faces the risk of downward pressure from economic conditions overseas, including increasingly restrictive financial measures observed across the globe and concerns regarding the future of the Chinese economy. In addition, conditions including rising prices, developments in the Middle East, and shifts in financial and capital markets will require close attention moving forward.

In the medical and nursing care industry as well, an increasing number of providers are struggling to manage their businesses due to inflation stemming from price hikes on raw materials, resources, and energy. As a result, business closures and suspensions reached a record high in 2023, and the industry continued to face challenging conditions during 2024.

In this environment, the Group continued to refine its operations despite price hikes, and the Group has provided palliative care for patients in the terminal stages, including terminal cancer patients, through the following measures.

(a) Acceleration of the development of Ishinkan, which mainly accepts patients in terminal stage of cancer
Ishinkan functions as a platform of home healthcare equipped with a nursing system specializing in terminal care. The majority of patients are in the terminal stage of cancer, and as a result of palliative care until the end of their lives, the ratio of patients who pass away at Ishinkan without being transferred to hospitals has reached a very high level. At the same time, the Group actively accepts non-cancer patients and young people (under 40 years old and not covered by care insurance) with post-accident or congenital anomalies who require high levels of medical care, aiming to become a safety backstop for home healthcare.

(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 13 facilities in Tokyo, Chiba, Kanagawa and Saitama prefectures during the current fiscal year.

As a result, the Group opened 28 new facilities and expanded 1 existing facility, and many people used the Ishinkan. The number of Ishinkan reached 104 with capacity of 5,248 beds as of the end of September 2024.

(c) Appropriate and timely actions to inflation

Based on inflation of wood, energy resources, and goods used at the facilities, the Group raised patient payments. This enables the Group to continue to provide necessary care and reduce the impact on business performance to a certain extent, maintaining profitability.

As a result, the Group's operating results for the current fiscal year were as follows: net sales of 42,475 million yen (+ 32.8% from the previous fiscal year), EBITDA (operating profit + depreciation + amortization of goodwill + share-based compensation expenses) of 12,480 million yen (9,834 million yen in the previous fiscal year), operating profit of 10,612 million yen (+ 23.0% from the previous fiscal year), ordinary profit of 10,551 million yen (+ 23.5%), and profit attributable to owners of parent of 7,438 million yen (+ 17.9%).

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, 2024 was 15,940 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 funds through borrowings of 10,240 million yen for the purpose of capital investment.

(4) 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 materiality 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
- (b) Achieving operations in harmony with nature
- (c) Building a workplace that invigorates all workers
- (d) Earning further trust from society and local communities

The Group's initiatives have received certain third-party evaluations, including an MSCI ESG Rating of A, which is regarded as a global benchmark for ESG investment that comprehensively assesses a company's ESG risk and risk management capabilities. The Group intends to maintain and improve its high third-party evaluation by strengthening ESG-related initiatives and disclosure in line with its materiality.

The status of the Group's sustainability initiatives is disclosed on its website.

<Sustainability>

<https://www.amvis.com/en/sustainability/>

(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 wide range of area including Western Japan, in parallel in the Metropolitan 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 targets announced in 2022.

(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. In July 2024, the Group announced plans to convert a hospital-affiliated nursing care health facility into an Ishinkan facility that it will launch and operate moving forward. The Group supports the management of hospitals by utilizing its know-how, such as regional marketing, clarification of hospital and facility functions, cost management, organizational development, and multi-professional cooperation. By doing so, the Group believes that it can help to revitalize regional healthcare as a whole, including home healthcare, as well as driving a turnaround. The Group intends to diversify its business portfolio by actively supporting hospitals, utilizing its know-how.

(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.

The Group has set a target equity ratio of 30%. As of September 30, 2024, the Group maintained a robust financial base, with the ratio of 46.3% surpassing the target. In addition to the equity ratio, the Group also refers to the net debt/EBITDA ratio.

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

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

| Category | 5th Term Ended September 30, 2021 | 6th Term Ended September 30, 2022 | 7th Term Ended September 30, 2023 | 8th Term (Current) Ended September 30, 2024 |
|---|--|--|--|---|
| Net sales (million yen) | 15,334 | 23,072 | 31,985 | 42,475 |
| Ordinary profit (million yen) | 3,779 | 6,060 | 8,541 | 10,551 |
| Profit attributable to owners of parent (million yen) | 2,627 | 4,279 | 6,310 | 7,438 |
| Earnings per share (yen) | 28.08 | 44.03 | 64.44 | 75.86 |
| Total assets (million yen) | 31,922 | 41,767 | 55,559 | 71,799 |
| Net assets (million yen) | 16,341 | 20,458 | 26,523 | 33,212 |
| Net assets per share (yen) | 168.26 | 209.12 | 270.56 | 339.39 |

(Notes)

1. Although the Company implemented a 2-for-1 stock split of common shares on January 1, 2022 and performed an additional 2-for-1 stock split of common shares on October 1, 2022, earnings per share and net assets per share have been calculated as if the stock splits had been implemented at the beginning of the 5th term.
2. 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 and thereafter are presented after the application of the accounting standard.
3. 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 | 5th Term Ended September 30, 2021 | 6th Term Ended September 30, 2022 | 7th Term Ended September 30, 2024 | 8th Term (Current) Ended September 30, 2024 |
|---------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|---|
| Operating revenue (million yen) | 1,884 | 3,145 | 5,269 | 9,403 |
| Ordinary profit (million yen) | 446 | 1,081 | 2,232 | 5,173 |
| Profit (million yen) | 479 | 1,069 | 2,199 | 5,125 |
| Earnings per share (yen) | 5.12 | 11.00 | 22.47 | 52.27 |
| Total assets (million yen) | 21,610 | 26,489 | 33,179 | 49,324 |
| Net assets (million yen) | 12,303 | 13,210 | 15,164 | 19,540 |
| Net assets per share (yen) | 126.68 | 135.03 | 154.69 | 199.68 |

(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.

(6) 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 |

(7) Main Business Activities (as of September 30, 2024)

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, 2024)

Headquarters: 1-6-1 Kyobashi, Chuo-ku, Tokyo, Japan

List of Facilities (Ishinkan)

| Location | Facility name |
|-----------|---|
| Hokkaido | Higashi Sapporo, Kotoni |
| Aomori | Hachinohe, Aomori, Hirosaki |
| Iwate | Morioka I, II, Morioka III, Kitakami |
| Miyagi | Sendai Nagamachi, Sendai Yaotome |
| Akita | Akita |
| Yamagata | Yamagata, Yamagata II |
| Fukushima | Fukushima |
| Tokyo | Narimasu, Kyodo, Hongo, Mizue, Heiwadai, Sengawa, Omori, Hachioji |
| Kanagawa | Yokohama Tsuzuki, Yokohama Tateba, Higashi Totsuka, Shin-Yokohama, Kami-Ooka, Shonandai, Odawara, Kanazawabunko, Honatsugi, Yamato, Kikuna, Yokohama Nakayama, Fujisawa, Sagamihara, Ebina, Hiyoshi |
| Chiba | Nagareyama Otakanomori, Soga, Kashiwa, Minami Nagareyama, Inage, Chiba ekimae, Nishi Funabashi |
| Saitama | Minami Urawa, Urawa Misono, Kita Urawa, Musashi Urawa, Kawagoe, Koshigaya, Ageo, Higashi Omiya, Kasukabe, Tsurugashima, Kuki Minamikoshigaya, Kumagaya, Kotesashi |
| Ibaraki | Mito, Tsukuba, Tsukuba II |
| Tochigi | Utsunomiya, Utsunomiya II |
| Nagano | Nagano |
| Niigata | Niigata, Niigata II, Joetsu, Niigata III |
| Ishikawa | Kanazawa |
| Toyama | Takaoka |
| Aichi | Ama, Honjin, Yagoto Minamiyama, Anjo, Ozone, Toyota, Ichinomiya, Chikusa |
| Shizuoka | Hamamatsu, Shizuoka, Fuji, Numazu, Shizuoka II, Fujieda |
| Mie | Nabari I, Nabari II, Yokkaichi II |
| Gifu | Gifu, Tajimi, Ogaki |
| Shiga | Minamikusatsu |
| Okayama | Okayama, Kurashiki |
| Total | 104 facilities |

(9) Status of Employees (as of September 30, 2024)

(a) Employees of the corporate group

| Number of employees | Change from the end of the previous consolidated fiscal year | | |
|---------------------|--|---------------------------|---------------------------|
| 4,816 | (774) | Increased by 1,842 people | (Increased by 275 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 | | |
|---------------------|---|------------------------|-------------------------|
| 124 | (10) | Increased by 26 people | (Increased by 2 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, 2024)

| Lender | Amount borrowed |
|-------------------------------------|-------------------|
| MUFG Bank, Ltd. | 5,574 million yen |
| Mizuho Bank, Ltd. | 3,425 million yen |
| Sumitomo Mitsui Banking Corporation | 2,995 million yen |
| Resona Bank, Limited. | 2,380 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, 2024)

| | |
|--|---|
| (1) Total Number of Shares Authorized to be Issued | 320,000,000 shares |
| (2) Total Number of Shares Issued | 98,112,000 shares (Including 252, 856 shares of treasury shares) |
| (3) Number of Shareholders | 9,308 |

(4) Major Shareholders

| Shareholder name | Number of shares held (shares) | Shareholding ratio (%) |
|---|--------------------------------|------------------------|
| IDEA Capital | 51,662,000 | 52.79 |
| Keiichi Shibahara | 7,142,500 | 7.30 |
| The Master Trust Bank of Japan, Ltd. (Trust Account) | 5,470,600 | 5.59 |
| Custody Bank of Japan, Ltd. (Trust Account) | 5,102,200 | 5.21 |
| NORTHERN TRUST CO. (AVFC) RE IEDU UCITS CLIENTS NON LENDING 15 PCT TREATY ACCOUNT | 3,479,974 | 3.56 |
| CEPLUX- THE INDEPENDENT UCITS PLATFORM 2 | 1,900,000 | 1.94 |
| BBH(LUX) FOR AB SICAV I - INTERNATIONAL HEALTH CARE PORTFOLIO | 1,033,000 | 1.06 |
| BBH CO FOR GRANDEUR PEAK INTERNATIONAL STALWARTS FUND | 922,383 | 0.94 |
| HSBC BANK PLC A/C CLIENTS, AIFMD 1 | 622,125 | 0.64 |
| Daido Life Insurance Company | 594,700 | 0.61 |

(Note) The calculation of the shareholding ratio excludes treasury shares.

(5) Status of shares delivered to the Company's corporate officers (including those who were corporate officers) as compensation for the execution of their duties during the fiscal year under review

| | Number of shares | Number of grantees |
|---|------------------|--------------------|
| Directors (excluding outside directors) | 5,000 shares | 2 persons |

(Note) The details of the Company's stock-based compensation are described in 3. (4) Compensation for Directors and Audit & Supervisory Board Members.

3. Matters Concerning Corporate Officers

(1) Names and Other Information of Directors and Audit & Supervisory Board Members (as of September 30, 2024)

| Position | Name | Responsibilities and important concurrent positions |
|--|-------------------|---|
| Representative Director and CEO | Keiichi Shibahara | Representative Director, Amvis, Inc. Representative Director, Ashitano Iryo, 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. |
| Director | Norie Honda | |
| 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)

1. Mr. Nobutaka Ushigome, Mr. Tsuyoshi Yamada and Ms. Norie Honda are outside directors.
2. Mr. Ryoji Arai, Mr. Shinkichi Matsuo and Mr. Takahiro Sugawara are outside Audit & Supervisory Board members.
3. The Company has designated Mr. Nobutaka Ushigome, Mr. Tsuyoshi Yamada and Ms. Norie Honda, directors, as independent officers in accordance with the provisions of the Tokyo Stock Exchange and has notified the Tokyo Stock Exchange of such designation.
4. The Company has designated Mr. Ryoji Arai, Mr. Shinkichi Matsuo and Mr. 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.
5. 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.
6. Due to the expiration of his term of office, Director and CFO Tetsuya Nakagawa stepped down from these positions with the Company following the conclusion of the 7th Ordinary General Meeting of Shareholders held on December 22, 2023.

(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 and Audit & Supervisory Board Members

The Company's Board of Directors, at its meeting held on January 22, 2024, approved a decision-making policy regarding the content of compensation, etc., for each individual director. The Board of Directors has determined that the method of determining the details of remuneration, etc. and the details of remuneration, etc. determined for each individual director for the current fiscal year are consistent with the decision policy resolved by the Board of Directors and are therefore consistent with such decision policy. The following is a summary of the details of the policy for determining the content of compensation, etc., for individual directors for the fiscal year under review.

(a) Policy for determining the amount of remuneration, etc. of individual Directors or the method for calculating the amount of remuneration, etc.

The Company's basic policy is to set the remuneration system for directors in such a way that it fully functions as an incentive to sustainably increase corporate value, and to set the remuneration of individual directors at an appropriate level based on the responsibilities of their respective positions.

In order to further clarify the Company's responsibility to sustainably increase corporate value and to increase incentives to improve business performance, in addition to the basic remuneration as fixed remuneration, the Company's remuneration system is composed of performance-linked remuneration, etc. and non-monetary remuneration, etc. in order to link it to shareholder returns.

In light of their duties, outside directors, who are responsible for the supervisory function, are paid only base remuneration in order to avoid any hindrance to the supervisory function by the introduction of performance-linked remuneration, etc.

(b) Policy regarding the determination of the following items among the individual remuneration of directors

(i) Amount or calculation of compensation, etc. (other than performance-linked compensation, etc. and non-monetary compensation, etc.) by individual Policy on Methods

Basic remuneration is determined by a resolution of the Board of Directors after deliberation by the Nomination and Remuneration Committee, an advisory body, within the total amount resolved at the General Meeting of Shareholders, based on the amount determined for each item according to position, responsibility, and other factors.

(ii) Policy for determining the details and amount or calculation method of performance-linked compensation, etc.

Performance-linked remuneration, etc. shall be based on EBITDA, which is more emphasized as one of the management indices, and shall be calculated by the following formula based on the points corresponding to each director's performance in the previous fiscal year, and the amount divided by 12 shall be paid monthly in addition to base remuneration. However, for newly appointed directors, the points shall be based on the expected performance for the current fiscal year. In addition, "Group ESG initiatives" will also be subject to evaluation in order to provide an incentive for sustainability initiatives aimed at maximizing corporate value over the medium to long term as well as short-term performance. EBITDA for the last fiscal year was 9,834 million yen.

Performance-linked compensation = EBITDA × 0.01% × points for each director

(iii) Policy for determining the content, amount or number of non-monetary compensation or calculation method

As non-monetary compensation, etc., restricted stock compensation will be established, and the method of determining the quantity, etc. of such compensation will be as follows.

With respect to the restricted stock compensation, each director shall receive delivery of shares of the Company's common stock with transfer restrictions until his/her retirement in accordance with the overall

evaluation results based on his/her base compensation. The method of delivery of the Company's common shares is to be selected by the eligible director from either the method of delivering the Company's common shares with a restriction on transfer until retirement in exchange for the monetary remuneration claim paid to directors, or the method of delivering the Company's common shares with a restriction on transfer until retirement without charge.

Specifically, the numbers of shares to be granted to Directors shall be determined by dividing the base amount of restricted stock compensation calculated based on the amount of base compensation by the amount determined by Board of Directors within the range not particularly favorable to Directors based on the closing price of the Company's common stock on the Tokyo Stock Exchange on the business day immediately preceding the date of each Board resolution (if no transactions are effected on that date, the closing price on the immediately preceding business day), which is not exceeding 50,000 shares per year. Adjustments may be made in case of special circumstances.

However, the Grant Shares are subject to a restriction on transfer until the time of retirement, and the restriction on transfer will be lifted upon retirement or resignation from the position of officer or employee, etc. (Note 1).

In addition, if an officer or employee resigns or retires from their position due to death or other reasons deemed justifiable by the Board of Directors by the date on which the financial statements for the relevant fiscal year are reported to the Ordinary General Meeting of Shareholders, the Company will pay the director a monetary amount equal to the number of shares obtained by multiplying the "tenure coefficient" (Note 2) determined in accordance with the term of office during the relevant fiscal year by the number of shares delivered to the director, multiplied by the closing price of the Company's shares on the Tokyo Stock Exchange on the date of retirement. Alternatively, the Company may deliver the number of shares obtained by multiplying the "tenure coefficient" (Note 2) by the number of shares delivered to the director.

(Note 1) Directors, Executive Officers, Corporate Auditors and employees, person, advisor, counselor, or any other similar position of the Company or its subsidiaries

(Note 2) The tenure coefficient shall be determined based on the period to the date of retirement.

(iv) Percentage (composition ratio) of (i), (ii) and (iii) above

While aiming for a 50:10:40 ratio of base compensation, performance-linked compensation, and restricted stock compensation in the amount of compensation, etc., for each individual, the Company will determine an appropriate ratio to increase incentives to improve performance by comprehensively taking into consideration factors such as position and responsibility, performance, and the degree of achievement of targets.

(c) Policy for determining the timing or conditions for granting remuneration to Directors

With respect to the process for determining the remuneration of directors, a resolution is adopted at the Board of Directors' meeting in December during the fiscal year in question. For base remuneration, a fixed amount is paid monthly. Performance-linked remuneration is calculated based on the details reported at the ordinary general meeting of shareholders and paid as monthly remuneration. As for the restricted stock compensation, it is calculated based on the details reported at the annual general meeting of shareholders and paid after the annual general meeting of shareholders.

(d) Matters relating to delegation to directors or other third parties of the determination of the content of individual director's remuneration, etc.

(i) Name of the person to be delegated or his/her position/responsibility in the company
Representative Director and CEO Keiichi Shibahara

(ii) Details of authority to be delegated

1. Determination of the amount in (b)(i) by individual
2. Determination of the points for each director in (b)(ii)
3. Determination of the overall evaluation of each director in (b)(iii)

(iii) Details of measures for the proper exercise of authority, if any.

The Nomination and Compensation Committee, an advisory body consisting of Representative Director and outside directors, deliberates on the level of compensation and submits its findings as a report to the Board of Directors. The Board of Directors decides to delegate the authority to the Representative Director subject to the respect the said report, then Representative Director decides the amount taking into consideration the content of the report. The reason for delegating this authority to the Representative Director is that the Company has determined that the Representative Director are in a position to have a bird's eye view of the Company's overall performance, etc., and are therefore suitable for determining the

details of individual compensation for each director.

(e) Method of determining the details of remuneration, etc. (excluding the matters in (c))
Not applicable.

(f) Other important matters relating to the determination of the content of remuneration, etc. by individual
Not applicable.

(5) Remuneration, etc. of Directors and Corporate Auditors for the fiscal year under review

| classification | Total amount of Compensation, etc. (Millions of yen) | Total amount of compensation by type (Millions of yen) | | | Number of officers covered (persons) |
|---|---|---|---------------------------------------|---------------------------------|---|
| | | monetary reward | | Non-monetary compensation, etc. | |
| | | basic remuneration | Performance-linked compensation, etc. | | |
| board member (of which outside directors) | 66 (19) | 51 (19) | 4 (-) | 9 (-) | 6 (3) |
| auditor (Of which, outside auditors) | 14 (14) | 14 (14) | - (-) | - (-) | 3 (3) |
| total amount (Of which, outside directors) | 80 (33) | 65 (33) | 4 (-) | 9 (-) | 9 (6) |

(Note) The provisions by resolutions, etc. of the general meeting of shareholders are as follows

- At the Ordinary General Meeting of Shareholders held on December 22, 2023, it was resolved that the total amount of remuneration, etc. for directors shall not exceed 250 million yen per year (including 50 million yen for outside directors). As of the close of the said General Meeting of Shareholders, the number of directors was 5 (including 3 outside directors). Separately from monetary compensation, a resolution was passed at the same General Meeting of Shareholders to grant restricted stock grants to directors (excluding outside directors), with an annual limit of 50,000 shares and a total annual amount of ¥150 million or less.
- At the Extraordinary General Meeting of Shareholders held on February 15, 2019, a resolution was passed that the total amount of remuneration, etc. for corporate auditors shall not exceed 30 million yen per year. The number of corporate auditors as of the conclusion of said General Meeting of Shareholders is three (3) (including three (3) outside corporate auditors).
- The above table includes one director who retired at the conclusion of the 7th Annual General Meeting of Shareholders held on December 22, 2023.

(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 | 19/19 times (100%) | - | 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 | 19/19 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. |
| Director | Norie Honda | 14/15 times (93%) | | Through her experience dealing with labor affairs while serving at Japan's Ministry of Health, Labour and Welfare, Ms. Norie Honda acquired extensive knowledge concerning all aspects of labor, including relevant legal frameworks. Additionally, Ms. Honda has made various statements on overall management from the perspective of business management and business strategy. |
| Audit & Supervisory Board Member | Ryoji Arai | 19/19 times (100%) | 12/12 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 | 19/19 times (100%) | 12/12 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 | 19/19 times (100%) | 12/12 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. |

4. Status of Accounting Auditor

(1) Name of Accounting Auditor

PricewaterhouseCoopers Japan LLC

(Note)

PricewaterhouseCoopers Aarata LLC merged with PricewaterhouseCoopers Kyoto Audit Corporation on December 1, 2023, and changed its name to PricewaterhouseCoopers Japan 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 | 41 million yen |
| Total amount of money and other financial benefits to be paid by the Company and its subsidiaries | 41 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

Not applicable.

(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.

5. 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 19 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 12 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 4 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, 2024)

(Unit: million yen)

| Account | Amount | Account | Amount |
|---|--------|--|--------|
| (Assets) | | (Liabilities) | |
| Current Assets | 18,451 | Current Liabilities | 13,805 |
| Cash and Deposits | 8,868 | Accounts Payable | 122 |
| Accounts Receivable | 8,452 | Short-Term Borrowings | 3,333 |
| Inventories | 23 | Current Portion of Long-Term Borrowings | 4,150 |
| Other | 1,168 | Lease Obligations | 176 |
| Allowance for Doubtful Accounts | (62) | Accounts Payable - Other and Accrued Expenses | 2,709 |
| Non-Current Assets | 53,348 | Income Taxes Payable | 1,884 |
| Property, Plant and Equipment | 48,743 | Provision for Bonuses | 1,022 |
| Buildings | 35,009 | Other | 406 |
| Machinery, Equipment and Vehicles, Net | 3 | Non-Current Liabilities | 24,781 |
| Tools, Furniture and Fixtures, Net | 43 | Long-Term Borrowings | 16,896 |
| Leased Assets, Net | 6,976 | Lease Obligations | 7,193 |
| Land | 2,382 | Asset Retirement Obligations | 548 |
| Construction in Progress | 4,328 | Net Defined Benefit Liability | 29 |
| Intangible Assets | 73 | Other | 113 |
| Other | 73 | Total Liabilities | 38,586 |
| Investments and Other Assets | 4,531 | (Net Assets) | |
| Leasehold and Guarantee Deposits | 3,220 | Shareholders' Equity | 33,212 |
| Deferred Tax Assets | 759 | Share Capital | 65 |
| Other | 550 | Capital Surplus | 11,701 |
| | | Retained Earnings | 21,918 |
| | | Treasury Shares | (472) |
| | | Accumulated Other Comprehensive Income | (0) |
| | | Remeasurements of Defined Benefit Plans | (0) |
| | | Total Net Assets | 33,212 |
| Total Assets | 71,799 | Total Liabilities and Net Assets | 71,799 |

Consolidated Statements of Income

(From October 1, 2023
To September 30, 2024)

(Unit: million yen)

| Account | Amount | |
|---|--------|--------|
| Net Sales | | 42,475 |
| Cost of Sales | | 25,415 |
| Gross Profit | | 17,059 |
| Selling, General and Administrative Expenses | | 6,447 |
| Operating Profit | | 10,612 |
| Non-Operating Income | | |
| Subsidy Income | 239 | |
| Gain on Bad Debts Recovered | 1 | |
| Gain on Sale of Non-Current Assets | 0 | |
| Compensation income | 37 | |
| Miscellaneous Income | 45 | 324 |
| Non-Operating Expenses | | |
| Interest Expenses | 359 | |
| Amortization of Share Issuance Cost | 6 | |
| Miscellaneous Loss | 19 | 385 |
| Ordinary Profit | | 10,551 |
| Profit before Income Taxes | | 10,551 |
| Income Taxes | 3,281 | |
| Income Taxes-Deferred | (168) | 3,112 |
| Profit | | 7,438 |
| Profit Attributable to Non-Controlling Interests | | - |
| Profit Attributable to Owners of Parent | | 7,438 |

Consolidated Statements of Changes in Net Assets

(From October 1, 2023
To September 30, 2024)

(Unit: million yen)

| | Shareholder's Equity | | | | |
|--|----------------------|-----------------|-------------------|-----------------|----------------------------|
| | Share Capital | Capital Surplus | Retained Earnings | Treasury Shares | Total Shareholders' Equity |
| Balance at the beginning of current period | 57 | 11,693 | 14,774 | (1) | 26,523 |
| Changes during the period | | | | | |
| Dividends from surplus | | | (294) | | (294) |
| Issuance of new shares | 7 | 7 | | | 15 |
| Profit attributable to owners of parent | | | 7,438 | | 7,438 |
| Acquisition of treasury shares | | | | (470) | (470) |
| Net changes of items other than shareholders' equity | | | | | |
| Total changes during the period | 7 | 7 | 7,144 | (470) | 6,688 |
| Balance at the end of current period | 65 | 11,701 | 21,918 | (472) | 33,212 |

| | 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) | 26,523 |
| Changes during the period | | | |
| Dividends from surplus | | | (294) |
| Issuance of new shares | | | 15 |
| Profit attributable to owners of parent | | | 7,438 |
| Acquisition of treasury shares | | | (470) |
| Net changes of items other than shareholders' equity | 0 | 0 | 0 |
| Total changes during the period | 0 | 0 | 6,689 |
| Balance at the end of current period | (0) | (0) | 33,212 |

Notes Regarding Consolidated Financial Statements

Notes Regarding Significant Basis for the Preparation of Consolidated Financial Statements

1. Matters concerning the scope of consolidation

Number of consolidated subsidiaries and names of consolidated subsidiaries

Number of consolidated subsidiaries 2 companies

Name of consolidated subsidiaries Amvis, Inc.

Ashitano Iryo, Inc.

2. Application of the equity method

Not applicable.

3. Matters concerning accounting policies

(1) Depreciation method for important depreciable assets

(a) Property, plant and equipment (excluding leased assets)

The declining-balance method is used. However, the straight-line method is used for buildings (excluding facilities attached to buildings) acquired on or after September 1, 2013, and for facilities attached to buildings and structures acquired on or after April 1, 2016.

The main useful lives are as follows:

Buildings and structures 2 to 47 years

Machinery, equipment and vehicles 2 to 5 years

Tools, furniture and fixtures 2 to 17 years

(b) Intangible assets (excluding leased assets)

The straight-line method is used.

The main useful lives are as follows:

Software (for internal use) 5 years (usable period within the Company
and its subsidiaries)

Other 6 to 15 years

(c) Leased assets

Leased assets related to finance lease transactions that do not transfer ownership

The straight-line method is used, where the lease period is deemed as the useful life and the residual value is set at zero.

(2) Accounting standards for significant allowances and provisions

(a) Allowance for doubtful accounts

To prepare for credit losses on receivables, an allowance for doubtful accounts is provided for the estimated uncollectible amount of receivables based on the historical write-off ratio for general receivables and on an individual assessment of the collectability of specific doubtful receivables.

(b) Provision for bonuses

To provide for the payment of bonuses to employees, the Group records the estimated amount of bonus payments to employees and the amount of legal welfare expenses attributable to the current consolidated fiscal year borne by the Group.

(3) Accounting for significant deferred assets

Share issuance cost

Amortized using the straight-line method over an effective period of up to three years.

(4) Method of accounting for retirement benefits

Method of attributing the estimated amount of retirement benefits to the period

In calculating the retirement benefit obligation, the Group uses the benefit calculation method for attributing the estimated amount of retirement benefits to the period up to the end of the current consolidated fiscal year.

The Company uses the simplified method, in which the amount to be paid at the end of the term for retirement benefits is regarded as the retirement benefit obligation.

Method of amortizing actuarial gains and losses

Actuarial gains and losses are amortized using the straight-line method over a certain period (four years) from the consolidated fiscal year following the consolidated fiscal year in which they arise, which is within the average remaining years of service of eligible employees when the actuarial gains and losses arise in a consolidated fiscal year.

Unrecognized actuarial gains and losses are recorded within the remeasurements of defined benefit plans under the accumulated other comprehensive income in the net assets section after adjustment for tax effects.

(5) Revenue and expense recognition standards

The Group operates in a single business segment, the Ishinkan business, which provides home nursing care, home care, and other services to patients with high medical dependency.

These services are performance obligations to be satisfied over a certain period based on contracts with customers, and the Group is entitled to receive from customers the amount of consideration that directly corresponds to the value to the customer of the portion of the obligations that have been satisfied to date. Therefore, in accordance with Paragraph 19 of the "Implementation Guidance on Accounting Standard for Revenue Recognition" (The Accounting Standards Board of Japan (hereinafter referred to as the "ASBJ") Guidance No. 30, March 26, 2021), the Group recognizes revenue mainly in the amount it is entitled to receive, such as the amount of medical service fees under medical insurance and care fees under care insurance.

As considerations for transactions are received within two months after satisfying performance obligations, significant financing components are not included.

Also, transaction prices are based on contract prices with customers, and there is no variable consideration or discounting.

(6) Other important matters for the preparation of consolidated financial statements

Accounting treatment of consumption taxes

Non-deductible consumption taxes are recorded in selling, general and administrative expenses as incurred, except for the portion related to property, plant and equipment (PP&E). Non-deductible consumption taxes related to PP&E are included as part of the PP&E value and depreciated over the useful life of the PP&E.

Impairment loss on fixed assets

For business assets, each facility is grouped as the smallest unit that generates independent cash flows, and the Company determines whether an indicator of impairment of fixed assets exists, recognizes and measures an impairment loss. There is no applicable information for idle assets.

Notes Regarding Accounting Estimates

Not applicable.

Notes Regarding Consolidated Balance Sheets

1. Pledged assets and secured liabilities

(1) Assets pledged as collateral

| | |
|-------------------------------|---------------------------|
| Buildings and structures, net | 29,004 million yen |
| Land | 1,707 million yen |
| Total | <u>30,711 million yen</u> |

(2) Secured liabilities

| | |
|---|--------------------|
| Long-term borrowings (Including current portion) | 19,028 million yen |
|---|--------------------|

2. Accumulated depreciation of property, plant and equipment

| | |
|-----------------------------------|--------------------------|
| Buildings and structures | 3,699 million yen |
| Machinery, equipment and vehicles | 1 million yen |
| Tools, furniture and fixtures | 236 million yen |
| Leased assets | 897 million yen |
| Total | <u>4,834 million yen</u> |

Notes Regarding Consolidated Statements of Income

Revenue from contracts with customers

Net sales are not separately presented for revenue from contracts with customers and other revenues. The amount of revenue from contracts with customers are described in "Notes Regarding Consolidated Financial Statements (Notes Regarding Revenue Recognition)."

Notes Regarding Consolidated Statements of Changes in Net Assets

1. Matters concerning the type and total number of shares issued and the type and number of shares of treasury shares

| Type of shares | Number of shares at the beginning of current fiscal year | Increase in number of shares | Decrease in number of shares | Number of shares at the end of current fiscal year |
|------------------------|--|------------------------------|------------------------------|--|
| Shares issued | | | | |
| Common shares (shares) | 98,033,400 | 78,600 | — | 98,112,000 |
| Treasury shares | | | | |
| Common shares (shares) | 956 | 251,900 | — | 252,856 |

(Note 1) The increase of common shares issued is due to the following reasons.

| | |
|---|---------------|
| Increase due to issuance of new shares upon exercise of stock acquisition rights: | 73,600 shares |
| Increase due to issuance of restricted shares: | 5,000 shares |

(Note 2) The increase of common shares of treasury shares is due to the following reason.

| | |
|---|----------------|
| Increase due to purchase of odd-lot shares: | 100 shares |
| Increase due to purchase of restricted shares: | 1,800 shares |
| Increase due to acquisition of treasury shares based on a resolution of the Board of Directors: | 250,000 shares |

2. Matters related to dividends

(1) Dividends paid

| Resolution | Type of shares | Total dividends (million yen) | Dividends per share (yen) | Reference date | Effective date |
|---|----------------|-------------------------------|---------------------------|--------------------|-------------------|
| Ordinary General Meeting of Shareholders on December 22, 2023 | Common shares | 294 | 3.00 | September 30, 2023 | December 25, 2023 |

(2) Dividends for which the record date belongs to the current consolidated fiscal year but the effective date comes after the current consolidated fiscal year

| To be resolved | Class of shares | Source of dividends | Total dividends (million yen) | Dividends per share (yen) | Reference date | Effective date |
|---|-----------------|---------------------|-------------------------------|---------------------------|--------------------|-------------------|
| Ordinary General Meeting of Shareholders on December 20, 2024 | Common shares | Retained earnings | 391 | 4.00 | September 30, 2024 | December 23, 2024 |

3. Type and number of shares to be issued upon exercise of stock acquisition rights (excluding those for which the first day of the exercise period has not yet arrived) as of the end of the current consolidated fiscal year

Common shares 14,400 shares

Notes Regarding Financial Instruments

1. Matters concerning the status of financial instruments

(1) Policy on financial instruments

The Group procures necessary funds through bank loans based on capital investment plans mainly for conducting the Ishinkan business. Surplus funds are managed by limiting short-term investments to deposits, and so on, and long-term investments to highly secure financial assets. Investment decisions are based on safety (certainty of payment of principal and interest), liquidity (restrictions on or ease of redemption) and profitability (interest, dividends and other income). It is the Group's policy not to engage in credit transactions or derivative transactions.

(2) Description of financial instruments and their risks

The user portion of accounts receivable as operating receivables is exposed to the credit risk of the user. Leasehold and guarantee deposits are mainly pledged in connection with lease contracts related to the Ishinkan business, and are exposed to the credit risk of client companies.

Payables, such as accounts payable, accounts payable – other and accrued expenses, are generally due within one month. Borrowings and lease obligations related to finance leases are mainly for the purpose of establishing facilities, and their redemption dates are up to 31 years after the consolidated settlement date. Some of the borrowings are exposed to the risk of interest rate fluctuations.

(3) Risk management system for financial instruments

(a) Management of credit risk (risk related to non-performance of contract by counterparties, etc.)

The Group strives to reduce risks associated with operating receivables, leasehold and guarantee deposits by managing due dates and balances for each customer.

The maximum amount of credit risk as of the consolidated settlement date of the current financial year is represented by the balance sheets value of the financial assets exposed to credit risk.

(b) Management of liquidity risk related to fund procurement (risk of being unable to make payments on due dates)

The Group manages liquidity risk by having the Finance Department prepare and update cash flow plans in a timely manner based on reports from each department, and by maintaining liquidity on hand.

(4) Supplementary explanation of matters concerning the fair value of financial instruments

Since variable factors are incorporated in the calculation of fair values of financial instruments, such values may fluctuate due to the adoption of different assumptions and other factors.

2. Matters concerning the fair value of financial instruments

Carrying value on the consolidated balance sheets, fair value and the difference between the two are as follows.

| | Carrying value (million yen) | Fair value (million yen) | Difference (million yen) |
|---|---------------------------------|-----------------------------|-----------------------------|
| (1) Leasehold and guarantee deposits | 3,220 | 3,154 | (66) |
| Total assets | 3,220 | 3,154 | (66) |
| (1) Long-term borrowings (*2) | 21,047 | 21,052 | 5 |
| (2) Lease obligations (*2) | 7,369 | 7,649 | 280 |
| Total liabilities | 28,417 | 28,702 | 285 |

(*1) Since cash and deposits, accounts receivable, accounts payable, accounts payable - other and accrued expenses, short-term borrowings and income taxes payable are cash or settled in the short term, their fair value approximates their carrying value and therefore notes regarding their fair value are omitted.

(*2) Current portion of long-term borrowings and lease obligations are included in the above figures.

(Note 1) Scheduled redemption amounts of monetary receivables after the consolidated settlement date

| | Within 1 year (million yen) | Over 1 to 5 years (million yen) | Over 5 to 10 years (million yen) | Over 10 years (million yen) |
|-------------------------------------|--------------------------------|---------------------------------------|--|--------------------------------|
| Cash and deposits | 8,868 | — | — | — |
| Accounts receivable | 8,452 | — | — | — |
| Leasehold and guarantee deposits | 16 | 2 | — | 3,201 |
| Total | 17,337 | 2 | — | 3,201 |

(Note 2) Scheduled repayment amounts of short-term borrowings, long-term borrowings and lease obligations after the consolidated settlement date

| | Within 1 year (million yen) | Over 1 to 2 years (million yen) | Over 2 to 3 years (million yen) | Over 3 to 4 years (million yen) | Over 4 to 5 years (million yen) | Over 5 years (million yen) |
|--------------------------|--------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|-------------------------------|
| Short-term borrowings | 3,333 | — | — | — | — | — |
| Long-term borrowings | 4,150 | 3,811 | 3,800 | 3,496 | 2,930 | 2,857 |
| Lease obligations | 176 | 181 | 187 | 193 | 191 | 6,437 |
| Total | 7,660 | 3,993 | 3,987 | 3,689 | 3,122 | 9,295 |

3. Fair value information by level within the fair value hierarchy

The fair value of financial instruments is classified into the following three levels according to the observability and materiality of inputs used to measure fair value.

Level 1 fair value: Fair value measured using observable inputs, i.e., quoted prices in active markets for assets or liabilities that are the subject of the measurement.

Level 2 fair value: Fair value measured using observable inputs other than Level 1 inputs.

Level 3 fair value: Fair value measured using unobservable inputs.

If multiple inputs are used that are significant to the fair value measurement, the fair value measurement is categorized in its entirety at the lowest level input that is significant to the entire measurement.

(1) Financial assets and liabilities measured at fair value in the consolidated balance sheets
Not applicable.

(2) Financial assets and liabilities other than those measured at fair value in the consolidated balance sheets

| Category | Fair value (million yen) | | | |
|--|--------------------------|--------|--------|--------|
| | Level1 | Level2 | Level3 | Total |
| Leasehold and guarantee deposits | — | 3,154 | — | 3,154 |
| Total assets | — | 3,154 | — | 3,154 |
| Long-term borrowings (including current portion) | — | 21,052 | — | 21,052 |
| Lease obligations (including current portion) | — | 7,649 | — | 7,649 |
| Total liabilities | — | 28,702 | — | 28,702 |

(Note) A description of the valuation techniques and inputs used in the fair value measurements

Leasehold and guarantee deposits

The fair value is calculated based on the present value of future cash flows discounted by an appropriate index such as the yield of government bonds and is classified as Level 2 fair value.

The “carrying value” and “fair value” include the portion of the leasehold and guarantee deposits that is not expected to be collected in the future (unamortized balance of asset retirement obligations).

Long-term borrowings (including current portion) and lease obligations (including current portion)

The fair value is calculated based on the present value of the total principal and interest discounted at the interest rate that would be applied if similar borrowings or lease transactions were newly entered into and is classified as Level 2 fair value.

Notes Regarding Revenue Recognition

1. Information that disaggregates revenue arising from contracts with customers

The Group operates in a single business segment, the Ishinkan business, which provides home nursing care, home care, and other services to patients with high medical dependency. The revenue of the Ishinkan business is three-tier structure consists of medical service fees and care fees received through the provision of these services and other revenues such as rent, management fees, food expenses and others received from patients, which are mostly composed of insurance fee such as medical service fees and care fees.

As a result, there are no factors that have a significant effect on the nature, amount, timing, or uncertainty of revenue and cash flows.

Revenue from contracts with customers (42,436 million yen in the current fiscal year) are included in net sales of the Group.

2. Useful information in understanding revenue from contracts with customers

Useful information in understanding revenue from contracts with customers is omitted because the same information is presented in “Notes (Notes Regarding Significant Basis for the Preparation of Consolidated Financial Statements), 3. Matters concerning accounting policies, (5) Revenue and expense recognition standards.”

3. Information about the relationship between the satisfaction of performance obligations under contracts with customers and cash flows from such contracts, and the amount and timing of revenue expected to be recognized from contracts with customers that existed at the end of the current consolidated fiscal year and are expected to be recognized in the following consolidated fiscal year or later

(1) Balance of contract assets and contract liabilities

| | Beginning of current fiscal year | End of current fiscal year |
|---|----------------------------------|----------------------------|
| Receivables from contracts with customers | 6,484 million yen | 8,452 million yen |
| Contract assets | — million yen | — million yen |
| Contract liabilities | 8 million yen | 15 million yen |

(Note) The Group recognizes contract liabilities for advances received from customers, which are reclassified to revenue when the performance obligations under contracts are satisfied. Contract liabilities are primarily consideration received from customers prior to the satisfaction of performance obligations related to service provision transactions, such as home nursing care and home care services, and are included in “Other” under current liabilities in the consolidated balance sheets. The amount of revenue recognized in the current consolidated fiscal year from performance obligations satisfied in prior periods was not significant.

(2) Transaction price allocated to remaining performance obligations

The services provided by the Group are mainly based on contracts that bill based on the amount of medical service fees and care fees calculated based on the home nursing care and home care services provided, and there are no significant transactions with customers where the initially expected terms of the contracts with customers exceed one year. Therefore, the total amount allocated to the remaining performance obligations and the period over which revenue is expected to be recognized are omitted. There are no significant amounts of consideration from contracts with customers that are not included in the transaction price.

Notes Regarding Per Share Information

| | Fiscal year ended September 30, 2024 |
|----------------------|---|
| Net assets per share | 339.39 yen |
| Earnings per share | 75.86 yen |

Notes Regarding Significant Subsequent Events

Not applicable.

Non-Consolidated Balance Sheets

(As of September 30, 2024)

(Unit: million yen)

| Account | Amount | Account | Amount |
|--|--------|--|--------|
| (Assets) | | (Liabilities) | |
| Current Assets | 4,630 | Current Liabilities | 12,317 |
| Cash and Deposits | 2,890 | Short-Term Borrowings | 3,333 |
| Accounts Receivable from Subsidiaries and Affiliates - Other | 492 | Current Portion of Long-Term Borrowings | 4,150 |
| Short-term Loans to Subsidiaries and Affiliates | 1,000 | Short-term borrowings from subsidiaries and associates | 4,300 |
| Other | 246 | Accounts Payable - Other and Accrued Expenses | 351 |
| Non-Current Assets | 44,694 | Income Taxes Payable | 88 |
| Property, Plant and Equipment | 41,619 | Deposits Received | 41 |
| Buildings and Structures, Net | 34,884 | Provision for Bonuses | 20 |
| Machinery, Equipment and Vehicles, Net | 3 | Other | 30 |
| Tools, Furniture and Fixtures, Net | 10 | Non-Current Liabilities | 17,466 |
| Leased Assets | 9 | Long-Term Borrowings | 16,896 |
| Land | 2,382 | Provision for Retirement Benefits | 0 |
| Construction in Progress | 4,328 | Asset Retirement Obligations | 543 |
| Intangible Assets | 70 | Other | 25 |
| Software | 4 | Total Liabilities | 29,783 |
| Other | 66 | (Net Assets) | |
| Investments and Other Assets | 3,004 | Shareholders' Equity | 19,540 |
| Shares of Subsidiaries and Affiliates | 180 | Share Capital | 65 |
| Deferred Tax Assets | 54 | Capital Surplus | 11,701 |
| Leasehold and Guarantee Deposits | 2,675 | Legal Capital Surplus | 5,858 |
| Other | 94 | Other Capital Surplus | 5,843 |
| | | Retained Earnings | 8,246 |
| | | Other Retained Earnings | 8,246 |
| | | Retained Earnings Brought Forward | 8,246 |
| | | Treasury Shares | (472) |
| | | Total Net Assets | 19,540 |
| Total Assets | 49,324 | Total Liabilities and Net Assets | 49,324 |

Non-Consolidated Statements of Income

(From October 1, 2023
To September 30, 2024)

(Unit: million yen)

| Account | Amount | |
|---|--------|-------|
| Operating Revenue | | 9,403 |
| Operating Costs | | 2,611 |
| Operating Gross Profit | | 6,791 |
| Selling, General and Administrative Expenses | | 1,654 |
| Operating Profit | | 5,137 |
| Non-Operating Income | | |
| Interest Income | 4 | |
| Subsidy Income | 125 | |
| Miscellaneous Income | 7 | |
| Compensation income | 37 | 176 |
| Non-Operating Expenses | | |
| Interest Expenses | 118 | |
| Amortization of Share Issuance Cost | 6 | |
| Miscellaneous Loss | 15 | 140 |
| Ordinary Profit | | 5,173 |
| Profit before Income Taxes | | 5,173 |
| Income Taxes | 88 | |
| Income Taxes-Deferred | (40) | 48 |
| Profit | | 5,125 |

Non-Consolidated Statements of Changes in Net Assets

(From October 1, 2023
To September 30, 2024)

(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 | 57 | 5,850 | 5,843 | 11,693 | 3,415 | (1) | 15,164 | 15,164 |
| Changes during the period | | | | | | | | |
| Dividends from surplus | | | | | (294) | | (294) | (294) |
| Issuance of new shares | 7 | 7 | | 7 | | | 15 | 15 |
| Profit | | | | | 5,125 | | 5,125 | 5,125 |
| Acquisition of treasury shares | | | | | | (470) | (470) | (470) |
| Total changes during the period | 7 | 7 | | 7 | 4,831 | (470) | 4,375 | 4,375 |
| Balance at the end of current period | 65 | 5,858 | 5,843 | 11,701 | 8,246 | (472) | 19,540 | 19,540 |

Notes Regarding Non-Consolidated Financial Statements

Notes Regarding Matters Concerning Significant Accounting Policies

1. Valuation standards and methods for assets

Valuation standards and methods for marketable securities

Subsidiary shares Cost method based on the moving average method

2. Depreciation method for fixed assets

(a) Property, plant and equipment

The declining-balance method is used. However, the straight-line method is used for buildings and structures acquired on or after October 3, 2016.

The main useful lives are as follows:

| | |
|-----------------------------------|---------------|
| Buildings and structures | 2 to 47 years |
| Machinery, equipment and vehicles | 2 to 5 years |
| Tools, furniture and fixtures | 2 to 8 years |

(b) Intangible assets

The straight-line method is used.

The main useful life is as follows:

| | |
|-----------------------------|--|
| Software (for internal use) | 5 years (usable period within the Company) |
| Other | 6 to 15 years |

3. Accounting standards for provisions

Provision for bonuses

To provide for the payment of bonuses to employees, the Company records the estimated amount of bonus payments to employees and the amount of legal welfare expenses attributable to the current fiscal year borne by the Company.

Provision for retirement benefits

To provide for the payment of retirement benefits to employees, the Company has used the simplified method to calculate the provision for retirement benefits and retirement benefit expenses, which uses the amount required to be paid at the end of the term for retirement benefits as the retirement benefit obligation.

4. Revenue and expense recognition standards

As a holding company, the Company's revenues consist primarily of management guidance fees, real estate rents, and dividends received from consolidated subsidiaries. For management guidance fees, since the performance obligation is satisfied by providing management services, the Company recognizes revenue at that point in time over a fixed period in an amount stipulated in the contract. Real estate rents are recognized as revenues when the rent is incurred based on the lease contract. In addition, dividend income is recognized as revenue as of the effective date of the dividend.

5. Method of accounting for deferred assets

Share issuance cost

Amortized using the straight-line method over the period of effect up to three years.

6. Other important matters forming the basis for the preparation of financial statements

Accounting treatment of consumption taxes

Non-deductible consumption taxes are recorded in selling, general and administrative expenses as incurred, except for the portion related to property, plant and equipment (PP&E). Non-deductible consumption taxes related to PP&E are included as part of the PP&E value and depreciated over the useful life of the PP&E.

Impairment loss on fixed assets

For business assets, the entire company is grouped as the smallest unit that generates independent cash flows, and the Company determines whether an indicator of impairment of fixed assets exists, recognizes, and measures an impairment loss. There is no applicable information for idle assets.

Notes Regarding Accounting Estimates

Not applicable.

Notes Regarding Non-Consolidated Balance Sheets

1. Pledged assets and secured liabilities

(1) Assets pledged as collateral

| | |
|-------------------------------|---------------------------|
| Buildings and structures, net | 29,004 million yen |
| Land | 1,707 million yen |
| Total | <u>30,711 million yen</u> |

(2) Secured liabilities

Long-term borrowings

(Including current portion) 19,028 million yen

2. Accumulated depreciation of property, plant and equipment

| | |
|-----------------------------------|--------------------------|
| Buildings and structures | 3,630 million yen |
| Machinery, equipment and vehicles | 1 million yen |
| Tools, furniture and fixtures | 19 million yen |
| Other | 1 million yen |
| Total | <u>3,653 million yen</u> |

Notes Regarding Non-Consolidated Statements of Income

Transactions with subsidiaries and affiliates

| | |
|--|-------------------|
| Operating transactions (income) | 9,400 million yen |
| Operating transactions (expenditure) | 82 million yen |
| Transactions other than operating transactions (income) | 4 million yen |
| Transactions other than operating transactions (expenditure) | 7 million yen |

Notes Regarding Non-Consolidated Statements of Changes in Net Assets

Type and number of treasury shares as of the end of the current fiscal year

Common shares 252,856 shares

Notes Regarding Tax Effect Accounting

Breakdown of deferred tax assets and deferred tax liabilities

Deferred tax assets

| | |
|---------------------------------|------------------------|
| Accrued Enterprise tax | 9 million yen |
| Provision for bonuses | 6 million yen |
| Asset retirement obligations | 188 million yen |
| Deferred consumption tax | 1 million yen |
| Other | 34 million yen |
| Subtotal of deferred tax assets | <u>240 million yen</u> |
| Valuation allowance | <u>(0) million yen</u> |
| Total deferred tax assets | <u>239 million yen</u> |

Deferred tax liabilities

| | |
|---|--------------------------|
| Removal costs corresponding to asset retirement obligations | (171) million yen |
| Effect of changes in accounting Policies | (13) million yen |
| Total deferred tax liabilities | <u>(185) million yen</u> |
| Net deferred tax assets | <u>54 million yen</u> |

Notes Regarding Transactions with Related Parties

Subsidiary

(Unit: million yen)

| Type | Name of company | Percentage of voting rights held | Relationship with related parties | Description of transactions | Transaction amount (Note 6) | Account name | Ending balance (Note 6) | | |
|----------------------------|-----------------|----------------------------------|---|---|-----------------------------|--|-------------------------|--|---|
| Subsidiary | Amvis, Inc. | 100.0% | Management guidance | Management guidance fees (Note 1) | 1,532 | Accounts receivable from subsidiaries and affiliates - other | 484 | | |
| | | | | Real estate rents (Note 2) | 2,868 | | | | |
| | | | Rent of real estate | Payment of personnel expenses for seconded employees (Note 3) | 147 | | | | |
| | | | Acceptance of seconded employees | Receipt of personnel expenses for seconded employees (Note 3) | 21 | | | | |
| | | | Secondment of employees | Interest paid (Note 5) | 7 | | | | |
| | | | Receipt of dividends | Borrowing of funds (Note 5) | 4,300 | | | Short-term borrowings from subsidiaries and associates | 4,300 |
| | | | Receipt of guarantees about borrowings from banks | | | | | | |
| | | | Interlocking directorate | Dividends received | 5,000 | | | — | — |
| | | | | Guaranteed borrowings from banks (Note 4) | 13,706 | | | | |
| | | | Subsidiary | Ashitano Iryo, Inc. | 100.0% | | | Support of funds Interlocking directorate | Receipt of personnel expenses for seconded employees (Note 3) |
| Interest received (Note 5) | 4 | | | | | | | | |

| | | | | | | | |
|--|--|--|--|------------------------------------|-------|--|-------|
| | | | | Loan of funds (Note 5) | 1,000 | Short-term loans receivable from subsidiaries and affiliates | 1,000 |
| | | | | Collection of funds (Note 5) | 125 | | |

Terms and conditions of transactions and their decisions

(Note 1) Management guidance fees are determined based on the contracts.

(Note 2) Real estate rents are determined based on the contracts.

(Note 3) Payment and receipt of personnel expenses for seconded employees are determined based on the contracts.

(Note 4) The Company has received guarantees about borrowings from banks. The Company has not paid any guarantee fees.

(Note 5) The interest rate for the loan of funds is determined reasonably in consideration of the market interest rate.

(Note 6) Consumption tax is not included in the transaction amount. Consumption tax is included in the ending balance.

Notes Regarding Revenue Recognition

Useful information in understanding revenue from contracts with customers is omitted because the same information is presented in “Notes (Notes Regarding Matters Concerning Significant Accounting Policies, 4. Revenue and expense recognition standards.”

Notes Regarding Per Share Information

| | Fiscal year ended September 30, 2024 |
|----------------------|---|
| Net assets per share | 199.68 yen |
| Earnings per share | 52.27 yen |

Notes Regarding Significant Subsequent Events

Not applicable.

Independent Auditor's Report
(English Translation*)

November 15, 2024

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, 2023 to September 30, 2024.

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 15, 2024

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 8th fiscal year from October 1, 2023 to September 30, 2024.

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 8th fiscal year from October 1, 2023 to September 30, 2024, 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" 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 18, 2024

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) |