

Last update: March 14, 2023

Company name: Amvis Holdings, Inc.

Securities Code: 7071

Representative: Keiichi Shibahara, Representative Director and CEO

Inquiries: Tetsuya Nakagawa, Director and CFO

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

The corporate governance of Amvis Holdings, Inc. (the "Company") is described below.

### I. Basic Views on Corporate Governance, Capital Structure, Corporate Profile and Other Basic Information

#### 1. Basic Views

In line with the vision to "become the world's most exciting medical and healthcare company," based on the mission to "create a vibrant, happy society through medical and health care with an ambitious vision," the Company and its consolidated subsidiaries (the "Group") aims to contribute to its sustainable growth and development and the happiness of society as a whole through honest and fair business activities. The Group also places value on the interests and trust of all its stakeholders, including shareholders, investors, service users, medical institutions, government agencies, local communities and residents, employees, and business partners. In order to achieve this, the Group believes that it is necessary to emphasize the rights of its shareholders and to live up to society's trust, and it considers establishing and strengthening corporate governance to be its most important management issue.

#### [Reasons for not Implementing Each Principle of the Corporate Governance Code]

##### [Subject Code]

The contents are based on the Corporate Governance Code revised in June 2021.

##### [Supplementary Principle 2-4-1]

###### (1) Views of ensuring diversity

In order to maximize the power of the organization, the Group respects and accepts individuals with diverse backgrounds. It is committed to create an organization and develop human resources that enable diverse individuals to maximize their abilities, and to provide equal opportunities for compensation, education, and promotion regardless of gender, nationality, or disability.

###### (2) Voluntary and Measurable Goals for Ensuring Diversity

The Group's policy is to actively recruit and promote capable people regardless of gender, nationality, etc., and to provide equal evaluations and opportunities to all employees, so it has not set any numerical targets.

###### (3) Status of ensuring diversity

At present, the Group has a lot of track records of appointing female and mid-career hires to management positions. On the other hand, due to the fact that the Group's business domain is limited to Japan, there is no track record of appointing overseas nationals to management positions at this time. The ratio of female in management positions is disclosed in the full-year financial highlights, and the Group will consider disclosing other actual figures.

###### (4) Human resource development policies, internal environmental improvement policies, and their status

In order to achieve diversity and inclusion, the Group is committed to providing a comfortable workplace for individuals of all backgrounds.

##### [Supplementary Principle 3-1-3]

As the Company is engaged in the hospice business, it does not make any disclosures based on TCFD because we currently expect climate change issues to have immaterial impact on its business. However, the Company regards that addressing climate change issues is important for developing the economy and for maintaining and improving the standard of living in Japan. Therefore, the Company is taking various initiatives such as strict energy-saving and promotion of paperless operations by digitizing documents, and reduction of food waste.

##### [Supplementary Principle 4-1-3]

The Company considers the succession of the CEO and other officers to be an important issue in the long term, and although it has not formulated a succession plan at this time, it will make a comprehensive judgment and appoint a successor based on the criteria that the successor is a suitable person who can fulfill his/her duties and responsibilities, taking into consideration his/her personality, knowledge, achievements, and abilities.

##### [Principle 5-2]

The Company formulates and announces its medium-term management plan based on its management policy and in consideration of the business environment and management issues. The plan is explained in an easy-to-understand manner to shareholders and investors at financial results briefings and the General Meeting of Shareholders and other events. In formulating the plan, the Company sets profit targets and monitor the status of their achievement, but at this time it has not yet set numerical targets for capital efficiency.

### [Disclosure Based on the Principles of the Corporate Governance Code]

#### [Principle1-4]

In principle, the Company does not engage in cross-shareholdings. The Board of Directors will make a comprehensive decision on whether it is necessary to engage in cross-shareholding only when it is judged to contribute to the enhancement of the Company's corporate value over the medium to long term.

#### [Principle 1-7]

The Company has established the rules for the related-party transactions management, which stipulate that any new transaction with a related party must be approved in advance by the Board of Directors after fully considering the rationality (business necessity) of the transaction and the appropriateness of its terms and conditions, based on the opinions of independent officers and Audit & Supervisory Board members. The Company monitors such transactions. Furthermore, for transactions that are still ongoing as of the end of each fiscal year, the reasonableness and appropriateness of such transactions shall be reported to the Board of Directors.

#### [Principle 2-6]

The Company does not have a corporate pension fund system.

#### [Principle 3-1]

(1) The management philosophy, management strategies, and medium-term management plan are disclosed on the Company's website and in the financial highlights.

(2) The basic views and basic policy of corporate governance are disclosed on the Company's website, in this report and in the Annual Securities Report.

(3) The policies and procedures for determining the compensation of senior management and directors by the Board of Directors are disclosed in this report and in the Annual Securities Report.

(4) The nomination of candidates for directors and Audit & Supervisory Board members of the Company shall be decided by the Board of Directors after deliberation by the Nomination and Compensation Committee, and shall be conducted through fair and highly transparent procedures. In nominating candidates, the Company selects those who are considered to contribute to the enhancement of the Company's corporate value from various perspectives, such as possessing the basic qualities, competencies, experience, and achievements required of directors and Audit & Supervisory Board members, and having excellent personal insight. With respect to the dismissal of the directors and Audit & Supervisory Board members, the Company will decide on a proposal for their dismissal or non-reappointment and submit the proposal to the General Meeting of Shareholders as necessary, such as when there is an obstacle to the execution of their duties.

(5) When nominating candidates for directors and Audit & Supervisory Board members, the reasons for each individual appointment and nomination are stated in the notice of the General Meeting of Shareholders (reference documents), and the notice of the General Meeting of Shareholders is disclosed on the website.

#### [Supplementary Principle 3-1-3]

##### (1) Initiatives on sustainability

Details of our sustainability philosophy, policies, and initiatives are disclosed on our website.

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

##### (2) Investment in human capital and intellectual capital

In addition to human resource development through education and training, the Company is actively working to create an environment where employees can fully demonstrate their abilities, and to support various work styles such as remote working and flextime systems. Due to the nature of its business, it does not invest much in intellectual capital such as patents, but it does so to the extent necessary for its business.

##### (3) Disclosure based on TCFD

As the Company is engaged in the hospice business, it does not make any disclosures based on TCFD because we currently expect climate change issues to have immaterial impact on its business. However, the Company regards that addressing climate change issues is important for developing the economy and for maintaining and improving the standard of living in Japan. Therefore, the Company is taking various initiatives such as strict energy-saving and promotion of paperless operations by digitizing documents, and reduction of food waste.

[Supplementary Principle 4-1-1]

By appointing outside directors who do not engage in business execution to the Board of Directors, the Company aims to separate business execution from supervision, and by having Audit & Supervisory Board members attend the meetings, the Company enhances the supervisory function of overall management and ensures fairness and transparency in management.

The Board of Directors shall make decisions on important business operations in accordance with laws and regulations, the rules of the Board of Directors, the rules for authority, and the rules for approval. In addition, for the purpose of making prompt and decisive decisions on business operations and decisions other than those to be made by the Board of Directors, the authority shall be transferred to the Management Meeting or the representative director and other members of the management team in accordance with the above-mentioned rules, and the Board of Directors shall supervise the status of business operations by receiving reports from each director in a timely manner.

[Principle 4-9]

In selecting candidates for outside directors, the Company places importance on their high level of expertise and knowledge and experience in various businesses, etc., which enable them to advise and supervise the Company's management from a neutral and objective perspective, in addition to the requirements for independence stipulated in the Companies Act and required by the Tokyo Stock Exchange. The requirements for a candidate are that the candidate be an officer of a listed company in an industry different from that of the Company or have equivalent knowledge and experience.

[Supplementary Principle 4-10-1]

The Nomination and Compensation Committee, as an advisory body to the Board of Directors, deliberates on matters related to the selection, dismissal, and compensation of directors, and reports to the Board of Directors. It deliberates on compensation and other matters, in accordance with the rules for compensation of officers, but may recommend changes to such rules and submit a report to the Board of Directors in accordance with such recommendations. The Nomination and Compensation Committee consists of two outside directors (members: Nobutaka Ushigome and Tsuyoshi Yamada) and one inside director (chairperson: Keiichi Shibahara), who are appointed by resolution of the Board of Directors, and one outside Audit & Supervisory Board member (Ryoji Arai) attends for monitoring purposes.

[Supplementary Principle 4-11-1]

The Company believes that the Board of Directors must be composed of personnel with diverse knowledge and experience and advanced abilities in order to supervise business execution and make important decisions, and it appoints directors in consideration of the balance and diversity of knowledge, experience and abilities.

The directors consist of five members, including two independent outside directors who are officers of listed companies in industries different from that of the Company. In addition, the three Audit & Supervisory Board members consist of three independent outside Audit & Supervisory Board members with expertise.

These members utilize their respective knowledge, experience, and abilities to make multifaceted decisions and supervise the execution of business.

The expertise, etc. (skill matrix) of directors and Audit & Supervisory Board members is disclosed in the Annual Securities Report and the notice of the General Meeting of Shareholders (reference documents).

[Supplementary Principle 4-11-2]

The Company requires outside officers to ensure that they have the time and effort to properly carry out their responsibilities as officers of the Company, and appoints only those candidates who are deemed capable of fulfilling their responsibilities. The status of concurrent positions held by outside officers is disclosed in the Annual Securities Report and other documents.

[Supplementary Principle 4-11-3]

The Company has introduced a system whereby all directors analyze and evaluate the composition and operation of the Board of Directors every year, and a summary of the analysis and evaluation of the effectiveness of the Board of Directors is as follows.

• Composition of the Board of Directors

The number of directors (five directors) is appropriate for active discussions and prompt decision-making, and the Board of Directors is composed of directors who have experience and knowledge of various businesses, a high level of expertise and insight, and a neutral and objective viewpoint.

• Operation of the Board of Directors

The attendance rate of directors (including outside directors) at the Board of Directors meetings is approximately 100%, and decisions are made through appropriate discussions. In addition, appropriate decision-making and supervision are carried out by invigorating discussions at the Board of Directors meetings through questions and opinions of outside directors, and by presenting opinions from various perspectives from outside directors.

• Materials and information provided

The Company provides directors with necessary and sufficient materials and information to consider the contents of proposals.

[Supplementary Principle 4-14-2]

The Company provides the following support to directors and Audit & Supervisory Board members to enable them to fulfill their roles and responsibilities.

• The Company provides necessary and important information, such as economic conditions, industry trends, and insurance systems, in a timely and appropriate manner.

• The Company provides opportunities to participate in seminars held by the Japan Audit & Supervisory Board Members Association, financial institutions, etc., as appropriate, and encourages them to acquire necessary knowledge, self-development, and study.

• At the time of appointment, explanations are given by the officer in charge or the department in charge regarding necessary knowledge and information such as the Company's corporate philosophy, medium-term management plan and financial conditions.

[Principle 5-1]

In order to realize constructive dialogue with shareholders and investors, the Finance Department is in charge of IR, and senior management meets with shareholders and investors as necessary to explain capital policies, medium-term management plans, and other matters to shareholders and investors in a clear and easy-to-understand manner.

In order to ensure rational and smooth dialogue with shareholders and investors, each department works together and assists the director in charge.

In addition to individual dialogues with shareholders and institutional investors, the Company holds briefings on its medium-term management plan and quarterly financial results, corporate briefings, and briefings for individual investors. In addition, the Company discloses explanatory materials for management plans and financial results briefings, etc. on its website.

The results of the dialogue with shareholders and investors are reported to the management team by the director in charge or the head of the department at the management meeting as appropriate, and are appropriately reflected in the business management, leading to the sustainable growth of the Group and the enhancement of corporate value over the medium to long term.

As measures for insider information management, the Company strives to disclose information fairly, promptly and in a timely manner, while considering insider information management in accordance with its disclosure policy. When meeting with shareholders and investors, it provides information only after confirming that the information to be provided does not fall under the category of insider information. The three weeks prior to the announcement of quarterly financial results are designated as a "silent period" during which the Company refrains from discussing financial information.

The disclosure policy is available on the website.

2. Capital Structure

Percentage of Overseas Shareholders	From 10% to less than 20%
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[Major Shareholders]

Name	Number of Shares Held (shares)	Shareholding Ratio (%)
IDEA Capital	26,831,000	54.85

## Corporate Governance Report (Unofficial Translation)

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

Controlling Shareholder (excluding Parent Company)	IDEA Capital / Keiichi Shibahara
Parent Company	—

### Supplementary Explanation

1. Capital Structure and Major Shareholders are as of September 30, 2022.
2. IDEA Capital was established for the purpose of managing the assets of Keiichi Shibahara, representative director and CEO of the Company, and he owns all of its shares.
3. The Company implemented a 2-for-1 stock split on October 1, 2022. Therefore, the number of shares held in Major Shareholders is not taking into account the stock split.
4. Although Capital Research and Management Company reported that it held 3,787,400 shares as of February 28, 2022 in a large shareholding report (change report) made available for public inspection on March 7, 2022, the Company is unable to confirm the number of shares actually held as of the end of the current fiscal year. Therefore, Capital Research and Management Company is not included in the above major shareholders.  
The contents of the large shareholding report (change report) are as follows.  
Name: Capital Research and Management Company  
Address: 333 South Hope Street, Los Angeles, CA 90071, U.S.A  
Number of shares held: 3,787,400 shares  
Shareholding ratio: 7.80 %

### 3. Corporate Attributes

Listed Stock Markets and Market Sections	Tokyo Stock Exchange Prime
Fiscal-Year End	September 30
Type of Business	Service
Number of Employees (consolidated) as of the End of Previous Fiscal Year	More than 1,000
Net Sales (consolidated) of Previous Fiscal Year	From 10 billion yen to less than 100 billion yen
Number of Consolidated Subsidiaries as of the End of the Previous Fiscal Year	Less than 10

### 4. Policy on Measures to Protect Minority Shareholders in Conducting Transactions with Controlling Shareholders

In the case of transactions with the controlling shareholder, the Board of Directors decides on the transaction after sufficient consideration of the rationality and necessity of the transaction and the appropriateness of the transaction conditions.

The Special Committee has a basic policy of ensuring that transactions occurring with the Company's controlling shareholder are subject to the same appropriate terms and conditions as general transactions and deliberates as necessary to ensure the fairness and reasonableness of the content and appropriateness of the terms and conditions of transactions, and to protect the interests of the minority shareholders. The special committee consists of two outside directors and three outside Audit & Supervisory Board members, and the committee members select the chairperson.

## Corporate Governance Report (Unofficial Translation)

### 5. Other Special Circumstances Which May Have Material Impact on Corporate Governance

Not applicable.

## II. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Oversight in Management

### 1. Organizational Composition and Operation

Organization Form	Company with Audit & Supervisory Board
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#### [Matters Related to Directors]

Maximum Number of Directors Stipulated in Articles of Incorporation	Ten
Term of Office Stipulated in Articles of Incorporation	One year
Chairperson of Board of Directors	President
Number of Directors	Five
Appointment of Outside Directors	Appointed
Number of Outside Directors	Two
Number of Outside Directors that are Independent Officers	Two

#### Outside Directors' Relationship with the Company (1)

Name	Attribute	Relationship with the Company (*)										
		a	b	c	d	e	f	g	h	i	j	k
Nobutaka Ushigome	From another company											
Tsuyoshi Yamada	From another company											

#### \*Categories for "Relationship with the Company"

- \*1 when the director presently falls or has recently fallen under the category
  - \*2 when the director fell under the category in the past
  - \*3 when a close relative of the director presently falls or has recently fallen under the category
  - \*4 when a close relative of the director fell under the category in the past
- a. Executive of the Company or its subsidiaries
  - b. Non-executive director or executive of a parent company of the Company
  - c. Executive of a fellow subsidiary company of the Company
  - d. A party whose major client or supplier is the Company or an executive thereof
  - e. Major client or supplier of the Company or an executive thereof
  - f. Consultant, accountant or legal professional who receives a large amount of monetary consideration or other property from the Company besides compensation as an officer
  - g. Major shareholder of the Company (or an executive of the said major shareholder if the shareholder is a legal entity)
  - h. Executive of a client or supplier company of the Company (which does not correspond to any of d, e, or f) (the executive himself/herself only)
  - i. Executive of a company, between which and the Company outside officers are mutually appointed (the executive himself/herself only)
  - j. Executive of a company or organization that receives a donation from the Company (the executive himself/herself only)
  - k. Others

#### Outside Directors' Relationship with the Company (2)

Name	Independent Officer	Supplementary Explanation	Reason for appointment

## Corporate Governance Report (Unofficial Translation)

Nobutaka Ushigome	✓	—	<p>As a representative director of a company listed on the Standard market of the Tokyo Stock Exchange, he has a wealth of experience and broad insight, and the Company believes that he is qualified to serve as an outside director of the Company.</p> <p>In addition, the Company has determined that there is no risk of conflict of interest with general shareholders in the execution of duties as an outside officer, and has designated him as an independent officer in accordance with the requirements of the Tokyo Stock Exchange, Inc. and has notified the Tokyo Stock Exchange, Inc. of such designation.</p>
Tsuyoshi Yamada	✓	—	<p>As a director and CTO and one of the founders of a company listed on the Prime market of the Tokyo Stock Exchange, he has a wealth of experience and deep insight in all aspects of corporate management, as well as experience in the management of IT companies, and the Company believes that he is qualified to serve as an outside director of the Company.</p> <p>In addition, the Company has determined that there is no risk of conflict of interest with general shareholders in the execution of duties as an outside officer, and has designated him as an independent officer in accordance with the requirements of the Tokyo Stock Exchange, Inc. and has notified the Tokyo Stock Exchange, Inc. of such designation.</p>

### [Voluntary Committees]

Voluntary Establishment of Committee(s) Corresponding to Nomination Committee or Compensation Committee	Established
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	Name	All Members	Full-time Members	Inside Directors	Outside Directors	External Experts	Others	Chair-person
Committee Corresponding to Nomination Committee	Nomination and Compensation Committee	3	—	1	2	—	—	Inside Director
Committee Corresponding to Compensation Committee	Nomination and Compensation Committee	3	—	1	2	—	—	Inside Director

### Supplementary Explanation

<p>The Company has established the Nomination and Compensation Committee as a voluntary advisory committee consisting of one representative director and two outside directors, with at least one Audit &amp; Supervisory Board member, to enhance objectivity and transparency by fully discussing particularly important matters such as the nomination and compensation of officers.</p>
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### [Matters Related to Audit & Supervisory Board Members]

Establishment of Audit & Supervisory Board	Established
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## Corporate Governance Report (Unofficial Translation)

Maximum Number of Audit & Supervisory Board Members Stipulated in Articles of Incorporation	Five
Number of Audit & Supervisory Board Members	Three

### Cooperation among Audit & Supervisory Board Members, Accounting Auditor, and Internal Audit Office

The Company's Audit & Supervisory Board members, accounting auditor, and Internal Audit Office actively exchange information by holding regular liaison meetings to maintain close cooperation, and to enhance the effectiveness and efficiency of audits at each and every level.

In addition to discussing audit plans and results at the regular three-way audit meetings, they also attend actual inspections of the Company and its subsidiaries.

The Audit & Supervisory Board members and the Internal Audit Office share information on a daily basis, confirm the status of the development and operation of internal controls, and work together to propose improvements as necessary.

Appointment of Outside Audit & Supervisory Board Members	Appointed
Number of Outside Audit & Supervisory Board Members	Three
Number of Outside Audit & Supervisory Board Members that are Independent Officers	Three

### Outside Audit & Supervisory Board Members' Relationship with the Company (1)

Name	Attribute	Relationship with the Company (*)												
		a	b	c	d	e	f	g	h	i	j	k	l	m
Ryoji Arai	From another company													
Shinkichi Matsuo	Certified public accountant / certified tax accountant													
Takahiro Sugawara	From another company													

\*Categories for "Relationship with the Company"

- \*1 when the Audit & Supervisory Board member presently falls or has recently fallen under the category
  - \*2 when the Audit & Supervisory Board member fell under the category in the past
  - \*3 when a close relative of the Audit & Supervisory Board member presently falls or has recently fallen under the category
  - \*4 when a close relative of the Audit & Supervisory Board member fell under the category in the past
- a. Executive of the Company or its subsidiaries
  - b. Non-executive director or accounting advisor of the Company or its subsidiaries
  - c. Non-executive director or executive of a parent company of the Company
  - d. Audit & Supervisory Board member of a parent company of the Company
  - e. Executive of a fellow subsidiary company of the Company
  - f. A party whose major client or supplier is the Company or an executive thereof
  - g. Major client or supplier of the Company or an executive thereof
  - h. Consultant, accountant or legal professional who receives a large amount of monetary consideration or other property from the Company besides compensation as an officer
  - i. Major shareholder of the Company (or an executive of the said major shareholder if the shareholder is a legal entity)
  - j. Executive of a client or supplier company of the Company (which does not correspond to any of f, g, or h) (the executive himself/herself only)
  - k. Executive of a company, between which and the Company outside officers are mutually appointed (the executive himself/herself only)
  - l. Executive of a company or organization that receives a donation from the Company (the executive himself/herself only)
  - m. Others

### Outside Audit & Supervisory Board Members' Relationship with the Company (2)

## Corporate Governance Report (Unofficial Translation)

Name	Independent Officer	Supplementary Explanation	Reason for appointment
Ryoji Arai	✓	—	<p>He has been in the financial industry for a long time and has a wealth of experience and broad insight in the field of finance, and the Company believes that he is qualified to serve as an outside Audit &amp; Supervisory Board member of the Company.</p> <p>In addition, the Company has determined that there is no risk of conflict of interest with general shareholders in the execution of duties as an outside officer, and has designated him as an independent officer in accordance with the requirements of the Tokyo Stock Exchange, Inc. and has notified the Tokyo Stock Exchange, Inc. of such designation.</p> <p>Although he holds 88 stock acquisition rights (140,800 shares), the importance of these rights to the total number of shares issued is small, and the Company believes that it will not affect his performance of duties as a Audit &amp; Supervisory Board member.</p>
Shinkichi Matsuo	✓	—	<p>He has a wealth of experience and broad insight in the field of accounting, and the Company believes that he is qualified to serve as an outside Audit &amp; Supervisory Board member of the Company.</p> <p>In addition, the Company has determined that there is no risk of conflict of interest with general shareholders in the execution of duties as an outside officer, and has designated him as an independent officer in accordance with the requirements of the Tokyo Stock Exchange, Inc. and has notified the Tokyo Stock Exchange, Inc. of such designation.</p>
Takahiro Sugawara	✓	—	<p>As a representative director and a founder of a company in the digital risk market listed on the Growth market of the Tokyo Stock Exchange, he has a wealth of experience and broad insight, and the Company believes that he is qualified to serve as an outside Audit &amp; Supervisory Board member of the Company.</p> <p>In addition, the Company has determined that there is no risk of conflict of interest with general shareholders in the execution of duties as an outside officer, and has designated him as an independent officer in accordance with the requirements of the Tokyo Stock Exchange, Inc. and has notified the Tokyo Stock Exchange, Inc. of such designation.</p>

[Matters Related to Independent Officers]

## Corporate Governance Report (Unofficial Translation)

Number of Independent Officers	Five
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### Other Matters Related to Independent Directors

The Company has designated all outside officers who fulfill independent officer requirements as independent officers.

### [Matters Related to Incentives]

Incentive Policies for Directors	Introduction of stock acquisition rights
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### Supplementary Explanation

The Company has introduced an incentive plan as an investment system linked to the medium- to long-term business performance and shareholder value of the Group, with the aim of increasing the motivation and morale of directors and employees to enhance corporate value.  
However, the Company is considering the introduction of other incentive plans now that it is listed.

Recipients of Stock Acquisition Rights	Inside directors, outside Audit & Supervisory Board members, employees of the Group
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### Supplementary Explanation

The Company has introduced an incentive plan as an investment system linked to the medium- to long-term business performance and shareholder value of the Group, with the aim of increasing the motivation and morale of directors and employees to enhance corporate value.  
However, the Company is considering the introduction of other incentive plans now that it is listed.

### [Matters Related to Compensation to Directors]

Disclosure of Individual Directors' Compensation	—
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### Supplementary Explanation

Since there is no one whose total amount of compensation is more than 100 million yen, individual compensation is not disclosed. The total amount of compensation for directors and Audit & Supervisory Board members is disclosed respectively.

Policy on Determining Compensation Amounts and Calculation Methods	Established
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### Disclosure Policy on Determining Compensation Amounts and Calculation Methods

(A) Policy regarding determination of the amount of compensation for each individual director and the method of calculation  
The compensation system for directors is designed to function sufficiently as an incentive for the sustainable enhancement of corporate value, and the basic policy for determining the compensation of individual directors is to set an appropriate level based on the responsibilities of each position.  
Compensation for executive directors is limited to basic compensation as fixed compensation, and outside directors, who are responsible for supervisory functions, are paid only basic compensation in consideration of their duties. In the future, in order to further clarify the Company's commitment to the sustainable enhancement of corporate value, the Company is considering that the compensation for executive directors should consist of performance-linked compensation and stock-based compensation, so that the compensation system is linked to shareholder interests.

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

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

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

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

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

(c) Composition of compensation

Compensation for directors consists solely of basic compensation.

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

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

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

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

[System for Supporting Outside Directors and Outside Audit & Supervisory Board Members]

There is no dedicated staff to assist outside directors and outside Audit & Supervisory Board members.

For outside directors and outside Audit & Supervisory Board members, the Board of Directors Secretariat (Business Support Department) distributes materials in advance of the Board of Directors meetings and provides explanations in advance as necessary.

For outside Audit & Supervisory Board members, in addition to prior explanations by the Administration Division or the Accounting and Finance Division, information is shared by the Internal Audit Office. In addition, the full-time Audit & Supervisory Board member shares information on audits by Audit & Supervisory Board members, accounting audits, and internal audits.

2. Matters on Functions of Business Execution, Auditing, Oversight, Nominating and Compensation Decisions (Overview of Current Corporate Governance System)

The Company has adopted a company's organizational structure with an Audit & Supervisory Board under the Companies Act. In addition, the Company has established the Management Meeting and the Nomination and Compensation Committee as voluntary organizations and has adopted the executive officer system. In addition, the Company has invited outside directors to strengthen its management system and governance. The Company believes that this corporate governance system enables it to conduct management with a sense of speed through quick decision-making and to execute business flexibly by obtaining opinions from both inside and outside the Company.

(Board of Directors)

The Board of Directors consists of five directors (including two outside directors), which is an appropriate number of members. The Board of Directors makes decisions on critical business operations promptly and flexibly, as well as on matters stipulated by laws and regulations and the Articles of Incorporation, management policies, business strategies, annual business plans, and other important management matters by ensuring diversity in terms of experience, knowledge, and expertise. In addition, the Board of Directors meets once a month in principle, with all Audit & Supervisory Board members in attendance to monitor the status of business execution by directors. Extraordinary meetings of the Board of Directors are held as necessary to ensure proper and efficient business execution.

**(Audit & Supervisory Board)**

The Audit & Supervisory Board consists of three members (all of whom are outside members and one of whom is a full-time member) and meets once a month in principle to ensure the effectiveness and efficiency of audits and to exchange opinions among members. In addition, extraordinary meetings are held as necessary. The Audit & Supervisory Board prepares the “regulations of the Audit & Supervisory Board” and auditing standards, formulates audit plans, and shares the status of audit implementation and audit results among the Audit & Supervisory Board members. In addition, the Audit & Supervisory Board members attend important meetings such as the Board of Directors’ meetings and monitor the execution of duties by directors by expressing their opinions as necessary. They also collaborate with the Internal Audit Office and accounting auditors to improve the effectiveness and efficiency of audits.

**(Management Meeting)**

The Management Meeting consists of Directors, Audit & Supervisory Board members, Executive Officers, and the heads of each department. In principle, the Management Meeting is held regularly every week and on an ad-hoc basis as necessary. Critical matters are brought up for discussion at meetings of the Board of Directors after thorough deliberation at the Management Meeting, thereby ensuring enhanced deliberation and appropriate decision-making at meetings of the Board of Directors.

**(Nomination and Compensation Committee)**

The Nomination and Compensation Committee has been established as an advisory body to the Board of Directors to enhance corporate governance by strengthening the fairness, transparency, and objectivity of procedures related to the nomination and compensation of directors. The Nomination and Compensation Committee, consisting of one representative director and two outside directors, periodically confirms and provides appropriate advice to the Board of Directors on matters of particular importance, such as the nomination and compensation of officers. In addition, one full-time Audit & Supervisory Board member attends the meetings and monitors the committee by providing opinions as appropriate.

**(Special Committee)**

The Special Committee has a basic policy of ensuring that transactions occurring with the Company’s controlling shareholder are subject to the same appropriate terms and conditions as general transactions and deliberates as necessary to ensure the fairness and reasonableness of the content and appropriateness of the terms and conditions of transactions, and to protect the interests of the minority shareholders. The special committee consists of two outside directors and three outside Audit & Supervisory Board members, and the committee members select the chairperson.

**3. Reasons for Adoption of Current Corporate Governance System**

In order to realize the corporate philosophy, the Company is always considering how to build an optimal system taking into account the size of the Company, and reviews the system in a timely manner as the environment changes.

It believes that the current governance system is the most efficient and optimal system in terms of speedy management through quick decision-making and transparency. It also believes that it is important to have an objective and neutral management monitoring function from the outside, and it has appointed outside directors and outside Audit & Supervisory Board members who have a wealth of experience in various fields, a high level of expertise, and a wide range of insight. In order to further strengthen governance, it is in the process of selecting candidates to increase the number of outside directors.

**III. Implementation of Measures for Shareholders and Other Stakeholders**

**1. Measures to Vitalize the General Meeting of Shareholders and Smooth Exercise of Voting Rights**

	Supplementary Explanations
Early Notification of General Meeting of Shareholders	In order to ensure sufficient time for shareholders to consider the agenda when exercising their voting rights, the Company endeavors to send the agenda as early as possible.
Scheduling of the General	For the implementation of the General Meeting of Shareholders (December), the

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Meeting of Shareholders Avoiding the Peak Days	Company makes efforts to avoid concentrated days and select and secure venues that are convenient to use.
Allowing Electronic Exercise of Voting Rights	Voting rights can be exercised via the Internet.
Participation in Electronic Voting Platform and Other Efforts to Improve the Environment for Institutional Investors to Exercise the Voting Rights	The Company has participated in Electronic Voting Platform operated by ICJ, Inc.
Providing Convocation Notice in English	The Notice of the Ordinary General Meeting of Shareholders is prepared in English and uploaded onto the website.

2. Investor Relations Activities

	Supplementary Explanations	Explanation from the CEO
Preparations and Publication of Disclosure Policy	The Company posts its disclosure policy on the IR site of its website. (Japanese only) The content of the policy is also reflected in the “rules for timely disclosure operation.”	
Regular Briefings for Individual Investors	The Company holds briefings for individual investors at least twice a year, utilizing IR events for individual investors organized by external organizations. However, considering the recent situation, the Company mainly holds online briefings.	Yes
Regular Briefings for Analysts and Institutional Investors	The Company holds briefings (such as financial results briefings) on a regular basis. In addition to the above, the Company holds briefings on an ad hoc or regular basis depending on the needs and requests from analysts.	Yes
Regular Briefings for Overseas Investors	The Company does not plan to hold briefing sessions on a regular basis, and at present holds them on an ad-hoc basis depending on the needs and requests from overseas investors.	Yes
Posting of IR Materials on Website	The information is posted on the IR site of the website. <a href="https://ir.amvis.com/ja/ir.html">https://ir.amvis.com/ja/ir.html</a> <a href="https://ir.amvis.com/en/ir.html">https://ir.amvis.com/en/ir.html</a>	
Establishment of IR Office	Department in charge of IR Finance Department, Accounting and Finance Division	

3. Measures to Ensure Due Respect for Stakeholders

	Supplementary Explanations
Stipulation of Internal Rules for Respecting the Position of Stakeholders	<p>The Company has established the following “basic stance and policy on timely disclosure” in the “rules for timely disclosure operation.”</p> <p>Under the corporate philosophy of “create a vibrant, happy society through medical and health care with an ambitious vision,” the Company and its Group aim to become the most trusted leading company in medical and nursing care, comply with laws and regulations and their spirit, and conduct fair and transparent corporate activities with high ethical standards. In addition, all executives and employees are expected to make autonomous and proactive decisions and take actions with the following three points in mind.</p> <p>(1) Establish the hospice business (Ishinkan business) as a base of stable, long-term earnings                  (2) Become a leading company in the home medical and nursing care domain and create new trends in the medical and welfare fields                  (3) Become the world’s most exciting medical and healthcare company that will prosper for 100 years and make people happy</p> <p>Based on this philosophy, as a listed company, the Company has established, maintained, and is operating an internal system to ensure prompt, accurate, and fair disclosure of corporate information to its shareholders and investors. In addition, it will continue to strengthen its internal system for timely disclosure.</p>
Implementation of Environmental Activities, CSR Activities, etc.	<p>The Company believes that it is important to address issues related to sustainability, and as part of these efforts, it is implementing initiatives that contribute to environmental conservation. For more details, please refer to its website.                  Website: <a href="https://www.amvis.com/en/sustainability/">https://www.amvis.com/en/sustainability/</a></p>
Development of Policies on Information Provision to Stakeholders	<p>The Company’s policy is to proactively disclose information to all stakeholders, including shareholders, investors, service users, medical institutions, government agencies, local communities and residents, employees, and business partners, through its website, financial results briefings, and other opportunities for individual explanations to medical institutions and government agencies.</p>

### IV. Matters Related to the Internal Control System

#### 1. Basic Views on Internal Control System and the Progress of System Development

1. The Company has established the “basic policy for internal control” as a system to ensure the appropriateness of business operations by resolution of the Board of Directors, and is developing and operating the internal control system as follows based on this policy.
  - (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 an external 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, among others, 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, among others, shall report and provide information on the status of execution of their duties 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 are also carried out at each business site, and the Internal Audit Office is mainly responsible for evaluation.

2. Status of internal audit and audit by Audit & Supervisory Board members

The Internal Audit Office was established as a department directly under the control of the representative director to conduct internal audits with the aim of improving operational efficiency and preventing fraud. The Internal Audit Office has one full-time staff member who investigates the actual status of business operations and property management based on the internal audit plan in accordance with the "rules for internal audit" of the Company, and makes audit reports to the representative director and each director, thereby establishing a system that contributes to the improvement of business operations.

As for audit by Audit & Supervisory Board members, they confirm the appropriateness and compliance of the decision-making process and the content of decisions made by the Board of Directors by attending the Board of Directors meetings. As their role is to audit the execution of duties by directors as well as the execution of duties by the departments in charge, they conduct operational and accounting audits by attending important meetings, inspecting documents, and interviewing employees. In addition, the Audit & Supervisory Board, accounting auditors and Internal Audit Office cooperate with each other as appropriate, sharing information and exchanging opinions to ensure efficient and effective audits.

3. System for managing risks

The Company has established the "rules for risk management" and has made the necessary arrangements for their operation to prevent risks and minimize losses. The Nursing and Care Department and the Compliance Department are responsible for risks specific to the Group's business, while the Administration Division is responsible for risks not specific to the business (incidents, accidents, and disasters). For example, regarding the Nursing and Care Department and the Compliance Department, the Company has compiled various risks such as accidents caused by various types of care associated with physical assistance, the spread of infectious diseases in facilities, and outbreaks of food poisoning in the provision of meals, as well as its response to these risks, in the form of the Ishinkan Manual. On a daily basis, education and training are provided to leaders and employees of each facility based on this manual. In addition, the Administration Division appoints safety and health promoters and fire managers, conducts education and training (including drills) for employees and prepares necessary goods and equipment. Regardless of whether it is the former or the latter, it has become a well-established and customary practice for problems to be raised and issues to be resolved at weekly management meetings. In addition, the Company has concluded advisory or outsourcing contracts with lawyers, certified public accountants, certified tax accountants, labor and social insurance attorneys, and other outside

specialists and has established a system for receiving appropriate advice and guidance as needed.

2. Basic Philosophy on Eliminating Anti-Social Forces and Status of Measures

The Company has established the “basic policy against antisocial forces” to eliminate any relationship with antisocial forces that threaten social order and safety and hinder the development of a sound economy and society, and is acting company-wide in accordance with this policy.

As an effort to eliminate any relationship with antisocial forces, the Company has established the “rules for measures against antisocial forces” and the “basic rules for blocking relationships with antisocial forces,” and conducts not only investigations of business partners at the start of new transactions, but also regular investigations of business partners to ensure the continuation of transactions with existing business partners. In addition, the Company uses opportunities such as its important meetings, orientation sessions at the time of joining the Company and morning meetings held at each of the facilities of its subsidiaries to ensure that the content of these rules is thoroughly understood on a regular basis. In addition, the Company has joined the National Center for Removal of Criminal Organizations to collect information on antisocial forces, and consults with the police and legal counsel as needed to deal with various information and cases.

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## V. Others

### 1. Adoption of Anti-Takeover Measures

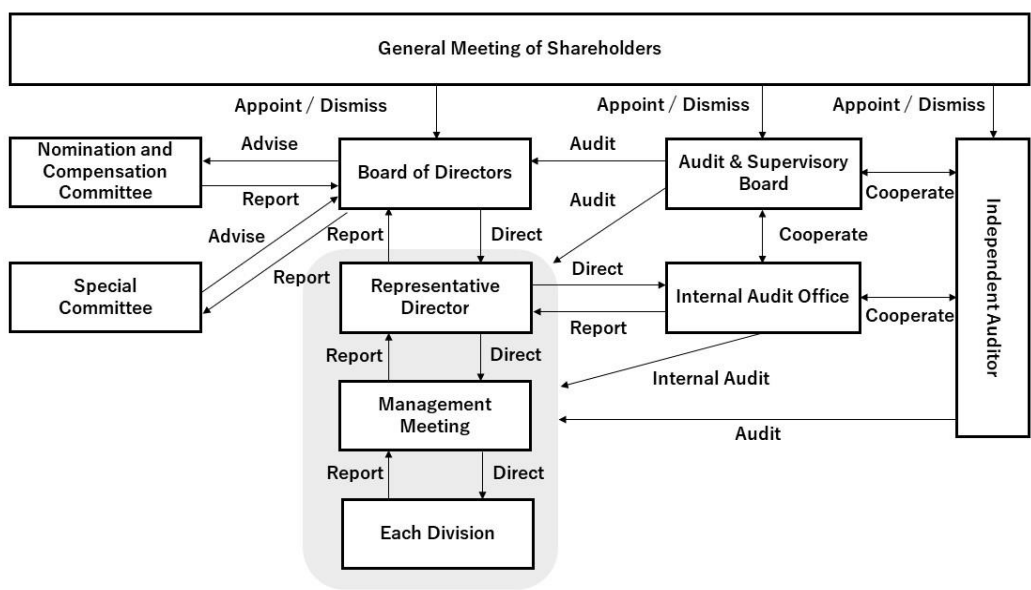
Adoption of Anti-Takeover Measures	Not Adopted
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#### Supplementary Explanation

Not applicable.
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### 2. Other Matters Concerning Corporate Governance Framework, etc.

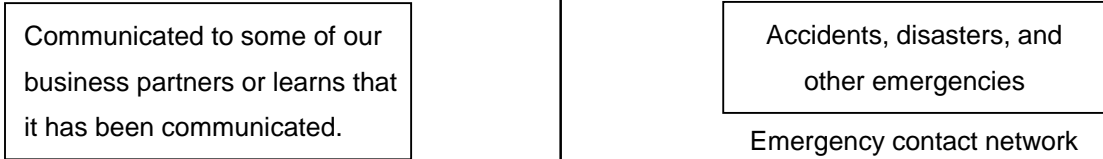
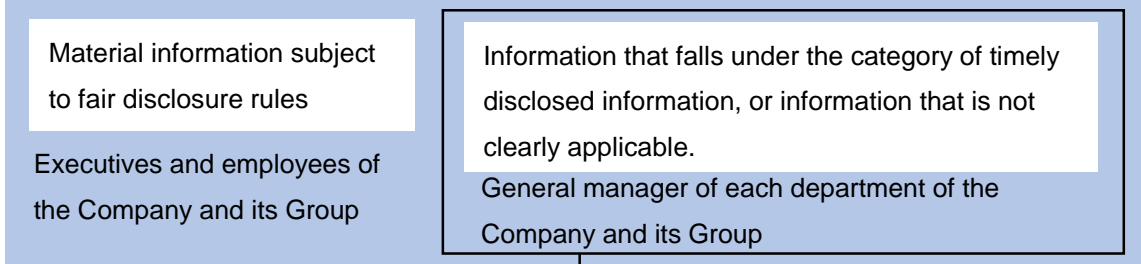
[Reference: Overview of the Corporate Governance Structure]



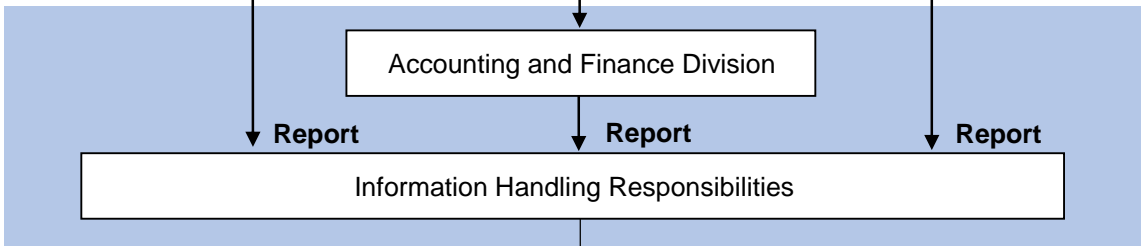
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[Timely Disclosure Structure of the Company]

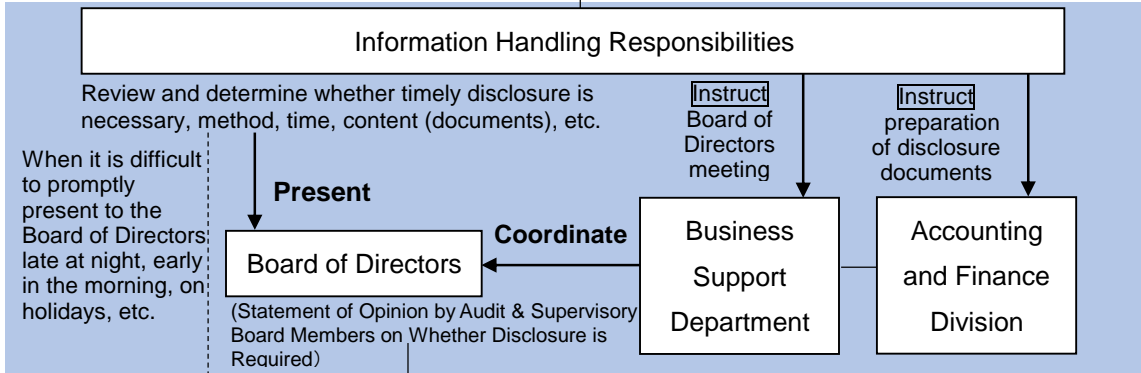
● Occurrence of facts



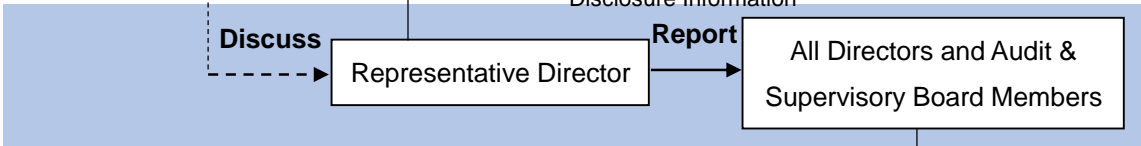
● Gathering Information



● Consideration for disclosure



● Decision to disclose



● Disclosure

