

THE FOLLOWING IS AN ENGLISH TRANSLATION PREPARED FOR THE CONVENIENCE OF THE SHAREHOLDERS AND INVESTORS. THE OFFICIAL TEXT IN JAPANESE OF THE NOTICE OF THE ORDINARY GENERAL MEETING OF SHAREHOLDERS HAS BEEN PREPARED IN ACCORDANCE WITH STATUTORY PROVISIONS AND MAILED TO THE RESPECTIVE SHAREHOLDERS SEPARATELY. SHOULD THERE BE ANY INCONSISTENCY BETWEEN THE TRANSLATION AND THE OFFICIAL TEXT IN TERMS OF THE CONTENTS OF THE NOTICE, THE LATTER SHALL PREVAIL. THE COMPANY ACCEPTS NO LIABILITY FOR ANY MISUNDERSTANDING CAUSED BY THE TRANSLATION FOR ANY REASON WHATSOEVER.

To all shareholders,

We would like to thank all shareholders for their continued support.

Sysmex has made our company's mission for "Shaping the advancement of healthcare" based on the Group's corporate philosophy of the "Sysmex Way." The needs of healthcare are diverse and complex, and involve complex issues such as geopolitical risks and global environmental problems that includes climate change, which bring about increasingly high levels of uncertainty. The Company works on initiatives for these various types of issues that society faces to provide all of its stakeholders with "anshin (peace of mind)," which is a core part of the Group's corporate philosophy.

Our company has expanded business into all areas of healthcare that include prevention and treatment, in addition to the IVD domain in the "Long-term Corporate Strategy 2033 (VA33)" plan formulated in FY2023. We will also continue to challenge new fields such as the medical robotics business and regenerative and cellular medicine.

The medium-term management plan (with FY2025 as its final year) contains three growth strategies which are "strengthen existing business," "expand business in emerging markets" and "expand new business." Initiatives based on these strategies have made good progress in FY2024.

People universally desire to live long and healthy lives and all of us at Sysmex will continue to contribute towards achieving medical treatment optimized for the individual to ensure that each person can experience a better healthcare journey throughout their life based on our "Together for a better healthcare journey" corporate message.

We look forward to the continued support of all shareholders in the future.

Chairperson and Group CEO Hisashi Ietsugu
President Kaoru Asano

Securities Code: 6869

June 10, 2025

Start date of measures for electronic provision: May 30, 2025

Notice of the 58th Ordinary General Meeting of Shareholders

Dear Shareholders:

We would hereby like to inform you that the 58th Ordinary General Meeting of Shareholders (this “Meeting”) will be held as follows.

When convening this Shareholders’ Meeting, the Company takes measures for providing information that constitutes the content of reference documents for the general meeting of shareholders, etc. (items for which measures for providing information in electronic format are to be taken) in electronic format, and posts this information on the internet via the websites listed below. Please access one of them to review the information.

Company website:

<https://www.sysmex.co.jp/ir> (in Japanese)

<https://www.sysmex.co.jp/en/ir/index.html> (in English)

(From the above website, select “Investor Relations,” and then “Stocks and Bonds,” followed by “Shareholder’s Meeting.”)

Tokyo Stock Exchange website (Listed Company Search):

<https://www2.jpx.co.jp/tseHpFront/JJK010010Action.do?Show=Show> (in Japanese)

<https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show> (in English)

(Access the TSE website by using the internet address shown above, enter “Sysmex” in “Issue name (company name)” or the Company’s securities code “6869” in “Code,” and click “Search.” Then, click “Basic information” and select “Documents for public inspection/PR information.” Under “Filed information available for public inspection,” click “Click here for access” under “[Notice of General Shareholders Meeting /Informational Materials for a General Shareholders Meeting].”)

If you are unable to attend, you can exercise your voting rights electronically via the internet or in writing (by mail). Please refer to the reference materials, indicate your approval or disapproval of the items to be resolved in this Meeting on the enclosed ballot form and return it to us by 5:45 p.m. on Thursday, June 26, 2025. As an alternative, you may exercise your voting rights on our designated voting website (<https://evote.tr.mufig.jp/>) (in Japanese).

Yours faithfully,

Hisashi Ietsugu
Chairperson and Group CEO
SYSMEX CORPORATION
1-5-1, Wakinohama-Kaigandori,
Chuo-ku, Kobe, Hyogo Prefecture
651-0073, Japan

- 1. Date and Time:** Friday, June 27, 2025, at 10 a.m.
- 2. Venue:** Banquet Hall Ohwada, 1st Floor, South Building, Kobe Portopia Hotel, 6-10-1, Minatojima Nakamachi, Chuo-ku, Kobe, Hyogo Prefecture, Japan
- 3. Agenda:**
- Items to be reported:***
1. Business Report, Consolidated Financial Statements for the 58th fiscal year (from April 1, 2024 to March 31, 2025), as well as Auditing Reports on Consolidated Financial Statements by the Accounting Auditors and by the Audit and Supervisory Committee
 2. Non-consolidated Financial Statements for the 58th fiscal year (from April 1, 2024 to March 31, 2025)
- Items to be resolved:***
- Bill No. 1:** Appropriation of Surplus
- Bill No. 2:** Election of Ten (10) Members of the Managing Board (excluding Members of the Managing Board Who Are Audit and Supervisory Committee Members)
- Bill No. 3:** Election of One (1) Substitute Member of the Managing Board Who Is an Audit and Supervisory Committee Member
- Bill No. 4:** Determination of Amounts and Terms of Remuneration for the Directors.

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- * If you are attending this Meeting, please submit the enclosed ballot form to the reception desk at the meeting venue.
 - * If revisions to the items subject to measures for providing information in electronic format arise, a notice of the revisions and the details of the items before and after the revisions will be posted on the Company's aforementioned website and the TSE website.
 - * In line with revisions of the Companies Act, as a general rule, it is necessary for all shareholders to confirm the items subject to measures for providing information in electronic format via the websites above. They will be sent in paper format only to shareholders who have made a written request by the record date. However, for this Shareholders' Meeting, the company will send paper documents detailing the items subject to measures for providing information in electronic format to all shareholders, regardless of whether a written request has been made.

Further, the paper documents exclude the following matters in accordance with laws and regulations, as well as Article 15, Paragraph 2 of the Company's Articles of Incorporation.

- 1) Status of assets and profit or loss in the current and past three fiscal years, Major sites, etc., Employees, Major lenders, Other important matters related to Sysmex Group, Shares, Share acquisition rights, etc., Summary of limited liability agreement, Summary of liability insurance agreement for officers, etc., Outside Officers, Accounting Auditors, System to ensure the appropriateness of operations and operation status of the system, and Basic policy related to control of the Company in the Business Report
- 2) Consolidated statement of changes in equity and Notes to the Consolidated Financial Statements
- 3) Balance sheet (Japan GAAP), Statement of profit and loss (Japan GAAP), Statement of changes in equity, and Notes to the Non-consolidated Financial Statements
- 4) Audit report by Accounting Auditors related to Consolidated Financial Statements, Audit report of Accounting Auditors, and Audit report by the Audit and Supervisory Committee.

Accordingly, the Business Report, Consolidated Financial Statements, and Non-consolidated Financial Statements included with said paper documents are among the documents audited by Accounting Auditors in preparing the relevant audit reports, and by the Audit and Supervisory Committee for the creation of their own audit reports.

Reference Materials for the Shareholders' Meeting

Bill No. 1 Appropriation of Surplus

Issues related to the year-end dividend:

Under the Company's basic policy to pay continuous and stable dividends to our shareholders in consideration of our consolidated performance, we will target a consolidated dividend payout ratio of 30%. Based on this policy, the Company would like to pay a year-end dividend of 17 yen per share.

Together with the interim dividend of 15 yen per share, the annual dividend will be 32 yen per share.

- 1 Type of dividend
Cash
- 2 The appropriation of dividends and its total amount
17 yen per share of the Company's common stock
Total dividend amount 10,678,196,485 yen
- 3 Effective date for dividend
June 30, 2025

Note: On April 1, 2024, the Company implemented a stock split at a ratio of 3 shares for each share of common stock. The dividend amount assumes that the stock split was conducted at the beginning of the fiscal year ended March 31, 2022.

Bill No. 2 Election of Ten (10) Members of the Managing Board (excluding Members of the Managing Board Who Are Audit and Supervisory Committee Members)

The terms of office of all nine (9) Members of the Managing Board (excluding Members of the Managing Board Who Are Audit and Supervisory Committee Members; the same shall apply hereinafter in this Bill) will expire at the conclusion of this Meeting.

Accordingly, the Company requests the election of ten (10) Members of the Managing Board, increasing the number of Members of the Managing Board by one (1) to enhance the management system.

The candidates for Members of the Managing Board are as follows:

Candi-date number	Name		Gender	Positions, duties and important concurrent positions	Attendance to the Meetings of the Managing Board
1	Reelection	Hisashi Ietsugu	Male	Chairperson and Group CEO (Important concurrent position) Member of the Managing Board (Outside) of The Minato Bank, Ltd. [Scheduled to assume office in June 2025]	18/18 (100%)
2	Reelection	Kaoru Asano	Male	President	18/18 (100%)
3	Reelection	Kenji Tachibana	Male	Member of the Managing Board and Senior Executive Officer, Senior Managing Director (Duties) Assistant to the President, Internal Control, Regulatory Affairs & Quality Assurance	18/18 (100%)
4	Reelection	Iwane Matsui	Male	Member of the Managing Board and Senior Executive Officer, Senior Managing Director (Duties) Global Marketing and MR Business	18/18 (100%)
5	Reelection	Tomokazu Yoshida	Male	Member of the Managing Board and Senior Executive Officer Managing Director, CTO (Duties) R&D	18/18 (100%)
6	Reelection	Takashi Ono	Male	Member of the Managing Board and Senior Executive Officer, Managing Director (Duties) ES (Eco Social) Strategy and Business Strategy Development	18/18 (100%)

Candi- date number	Name		Gender	Positions, duties and important concurrent positions	Attendance to the Meetings of the Managing Board
7	Reelection Member of the Managing Board (Outside) Independent	Kazuo Ota	Male	Member of the Managing Board (Outside)	17/18 (94.4%)
8	Reelection Member of the Managing Board (Outside) Independent	Haruo Inoue	Male	Member of the Managing Board (Outside) (Important concurrent position) Member of the Managing Board (Outside) of UNIRITA Inc.	14/14 (100%)
9	Reelection Member of the Managing Board (Outside) Independent	Yuka Fujioka	Female	Member of the Managing Board (Outside) (Important concurrent position) Member of the Managing Board (Outside) of Maruichi Steel Tube Ltd.	13/14 (92.9%)
10	New election Member of the Managing Board (Outside) Independent	Marie Oshima	Female	(Important concurrent position) Director (Outside) of Open Up Group Inc.	–

Candidate number	Name (date of birth)	Brief personal history, positions, duties and important concurrent positions		Number of Company shares held
1	<div>Reelection</div> Hisashi Ietsugu (September 17, 1949) Male Attendance to the Meetings of the Managing Board 18/18 (100%)	September 1986	Joined the Company, Member of the Managing Board of the Company	1,852,000
		March 1990	Member of the Managing Board and Senior Executive Officer, Managing Director of the Company	
		February 1996	Member of the Managing Board and Senior Executive Officer, Managing Director of the Company (Representative Director)	
		April 1996	Member of the Managing Board and Senior Executive Officer, Senior Managing Director of the Company (Representative Director)	
		June 1996	President and CEO of the Company	
		April 2013	Chairperson and CEO of the Company	
		April 2018	Chairperson and CEO of the Company	
		April 2023	Chairperson and Group CEO of the Company (current)	
		(Important concurrent position) Member of the Managing Board (Outside) of The Minato Bank, Ltd. [Scheduled to assume office in June 2025]		
		(Reasons for Nomination) Hisashi Ietsugu held the positions of Chairperson and CEO of the Company from April 2013 and Chairperson and Group CEO from April 2023, and has managed the entire Sysmex Group (the “Group”) and provided strong leadership for many years. He is appointed as a candidate for a Member of the Managing Board of the Company because he will be essential for increasing the corporate value of the Group with his sense of balance, enabling appropriate supervision and decision-making of the entire management based on his insight and abundant experience and achievements as a corporate manager.		

Candidate number	Name (date of birth)	Brief personal history, positions, duties and important concurrent positions	Number of Company shares held
2	<div>Reelection</div> Kaoru Asano (October 19, 1958) Male Attendance to the Meetings of the Managing Board 18/18 (100%)	August 1987 Joined the Company April 2005 Executive Vice President of Central Research Laboratories of the Company April 2009 Executive Officer, Manager of Central Research Laboratories of the Company April 2011 Executive Officer, Executive Vice President of R&D Strategic Planning of the Company April 2013 Senior Executive Officer of the Company June 2014 Member of the Managing Board and Senior Executive Officer of the Company April 2015 Member of the Managing Board and Senior Executive Officer, Managing Director of the Company April 2017 Member of the Managing Board and Senior Executive Officer, Senior Managing Director of the Company April 2018 Member of the Managing Board and Senior Executive Officer, Senior Managing Director, COO of LS Business Unit and CTO of the Company April 2021 Member of the Managing Board and Senior Executive Officer, Senior Managing Director, CTO of the Company April 2023 President of the Company (current)	165,800
		(Reasons for Nomination) Kaoru Asano served as Member of the Managing Board from June 2014, managed research and technology development and technological strategy of the Group for many years, and demonstrated strong leadership. He is appointed as a candidate for a Member of the Managing Board of the Company because he assumed office as President from April 2023 and his abundant experience and wide-ranging insight, such as that gained through overseeing management overall will be essential for increasing the corporate value of the Group.	

Candidate number	Name (date of birth)	Brief personal history, positions, duties and important concurrent positions		Number of Company shares held
3	<div>Reelection</div> <div>Kenji Tachibana (December 12, 1957) Male Attendance to the Meetings of the Managing Board 18/18 (100%)</div>	March 1980	Joined the Company	132,300
		April 1998	President of Sysmex Singapore Pte Ltd (presently Sysmex Asia Pacific Pte Ltd.)	
		April 2004	Senior Vice President of Business Planning of the Company	
		April 2007	Executive Vice President of International Business Management of the Company	
		April 2011	Executive Officer, Executive Vice President of IVD Business Development of the Company	
		April 2013	Senior Executive Officer of the Company	
		June 2014	Member of the Managing Board and Senior Executive Officer of the Company	
		April 2015	Member of the Managing Board and Senior Executive Officer, Managing Director of the Company	
		April 2017	Member of the Managing Board and Senior Executive Officer, Senior Managing Director of the Company	
		April 2018	Member of the Managing Board and Senior Executive Officer, Senior Managing Director, COO of IVD Business Unit of the Company	
		April 2021	Member of the Managing Board and Senior Executive Officer, Senior Managing Director of the Company (current)	
(Duties) Assistant to the President, Internal Control, Regulatory Affairs & Quality Assurance				
(Reasons for Nomination) Kenji Tachibana has been involved in business strategy development and international businesses of the Group and has contributed to the strategic and global business development. He is appointed as a candidate for a Member of the Managing Board of the Company because he has served as such Member since June 2014 and his abundant experience and wide-ranging insight will be essential for increasing the corporate value of the Group.				

Candidate number	Name (date of birth)	Brief personal history, positions, duties and important concurrent positions		Number of Company shares held
4	<div>Reelection</div> Iwane Matsui (January 1, 1961) Male Attendance to the Meetings of the Managing Board 18/18 (100%)	April 1985	Joined the Company	14,700
		July 2001	President of Sysmex Europe GmbH (presently Sysmex Europe SE)	
		April 2007	Executive Vice President of Customer Support of the Company	
		April 2009	Executive Vice President of IVD Business Strategy of the Company	
		April 2011	Executive Officer, Executive Vice President of Corporate Business Planning of the Company	
		April 2013	Executive Officer, Executive Vice President of International Business Management of the Company	
		April 2017	Senior Executive Officer of the Company	
		April 2019	Senior Executive Officer, Managing Director of the Company	
		June 2019	Member of the Managing Board and Senior Executive Officer, Managing Director of the Company	
		April 2023	Member of the Managing Board and Senior Executive Officer, Senior Managing Director of the Company (current)	
(Duties)				
Global Marketing and MR Business				
(Reasons for Nomination)				
Iwane Matsui has been involved in promoting businesses such as domestic and international sales and marketing serving as a sales manager for domestic sales and as a representative of several overseas regional headquarters of the Group for many years, and has contributed to global business development. He is appointed as a candidate for a Member of the Managing Board of the Company because he has served as such Member since June 2019 and his abundant experience and wide-ranging insight will be essential for increasing the corporate value of the Group.				

Candidate number	Name (date of birth)	Brief personal history, positions, duties and important concurrent positions		Number of Company shares held
5	<div>Reelection</div> <div>Tomokazu Yoshida (December 16, 1964) Male Attendance to the Meetings of the Managing Board 18/18 (100%)</div>	June 2000	Joined the Company	8,300
		April 2015	Executive Vice President of Central Research Laboratories of the Company	
		April 2017	Executive Officer, Executive Vice President of Central Research Laboratories and MR Business Development of the Company	
		April 2020	Senior Executive Officer, Executive Vice President of Central Research Laboratories and MR Business Development of the Company	
		April 2021	Senior Executive Officer, Managing Director, and Executive Vice President of MR Business of the Company	
		June 2021	Member of the Managing Board, Senior Executive Officer, Managing Director, and Executive Vice President of MR Business of the Company	
		April 2023	Member of the Managing Board and Senior Executive Officer, Managing Director, CTO of the Company (current)	
		(Duties) R&D		
(Reasons for Nomination) Tomokazu Yoshida has been involved in research and technology development of the Group for many years, and has contributed to business development. He is appointed as a candidate for a Member of the Managing Board of the Company because he has served as such Member since June 2021, and his abundant experience and wide-ranging insight will be essential for increasing the corporate value of the Group.				
6	<div>Reelection</div> <div>Takashi Ono (January 19, 1965) Male Attendance to the Meetings of the Managing Board 18/18 (100%)</div>	April 1987	Joined the Company	33,979
		April 2009	Executive Vice President of Sysmex America, Inc.	
		April 2010	President of Sysmex Reagents America, Inc.	
		April 2013	Executive Vice President of Hematology Product Engineering of the Company	
		April 2016	Executive Vice President of SCM of the Company	
		April 2019	Executive Officer and Executive Vice President of SCM of the Company	
		April 2021	Senior Executive Officer of the Company	
		April 2023	Senior Executive Officer, Managing Director of the Company	
		June 2023	Member of the Managing Board and Senior Executive Officer, Managing Director of the Company (current)	
		(Duties) ES Strategy and Business Strategy Development		
(Reasons for Nomination) Takashi Ono has been involved in business development, such as product planning, market development, production and supply chain management (SCM) of the Group and has contributed to the global business development. He is appointed as a candidate for a Member of the Managing Board of the Company because he has served as such Member since June 2023, and his abundant experience and wide-ranging insight will be essential for increasing the corporate value of the Group.				

Candidate number	Name (date of birth)	Brief personal history, positions, duties and important concurrent positions		Number of Company shares held
7	<div> <div>Reelection</div> <div>Member of the</div> <div>Managing Board</div> <div>(Outside)</div> <div>Independent</div> </div> <p>Kazuo Ota (January 13, 1955) Male Attendance to the Meetings of the Managing Board 17/18 (94.4%)</p>	<p>April 1978 Joined Kawasaki Heavy Industries, Ltd.</p> <p>April 2012 General Manager of Planning & Control Division, Aerospace Company of Kawasaki Heavy Industries, Ltd.</p> <p>April 2013 Executive Officer, General Manager of Planning & Control Division, Aerospace Company of Kawasaki Heavy Industries, Ltd.</p> <p>April 2015 Managing Executive Officer, General Manager of Corporate Planning Division, In Charge of Finance & Human Resources (Corporate) of Kawasaki Heavy Industries, Ltd.</p> <p>June 2015 Senior Vice President, General Manager of Corporate Planning Division, In Charge of Finance & Human Resources (Corporate) of Kawasaki Heavy Industries, Ltd.</p> <p>December 2016 Senior Vice President, President of Motorcycle & Engine Company of Kawasaki Heavy Industries, Ltd.</p> <p>April 2018 Director, Managing Executive Officer, President of Motorcycle & Engine Company of Kawasaki Heavy Industries, Ltd.</p> <p>June 2019 Retired from Director of Kawasaki Heavy Industries, Ltd.</p> <p>June 2019 Joined the Company, Member of the Managing Board of the Company (current)</p>	<p>—</p>	<p>(Reasons for Nomination and Expected Role)</p> <p>Kazuo Ota is appointed as a candidate for a Member of the Managing Board (Outside) in the expectation that he would utilize his abundant experience in management and deep insight as a corporate manager for global business development for management of the Company by expressing his opinions at the Meetings of the Managing Board. He is also expected to play a role in ensuring the validity and appropriateness of the Company's decision making through supervision of its management.</p> <p>His term of office as a Member of the Managing Board (Outside) will be six years at the conclusion of this Meeting.</p> <p>He satisfies the Independence Standards for Outside Members of the Managing Board established by the Company and the requirements for an Independent Member of the Managing Board as stipulated by the Tokyo Stock Exchange, Inc. The Company has reported him as an Independent Member of the Managing Board to the Tokyo Stock Exchange, Inc., and plans to continue to report him as an Independent Member of the Managing Board, if his election is approved.</p>

Candidate number	Name (date of birth)	Brief personal history, positions, duties and important concurrent positions	Number of Company shares held
8	<div> <div>Reelection</div> <div>Member of the</div> <div>Managing Board</div> <div>(Outside)</div> <div>Independent</div> </div> <div> Haruo Inoue (December 6, 1957) Male Attendance to the Meetings of the Managing Board 14/14 (100%) </div>	<div> April 1981 Joined The Sanwa Bank, Limited (presently MUFG Bank, Ltd.) April 2008 Executive Officer, General Manager of Corporate Planning of The Bank of Tokyo-Mitsubishi UFJ, Ltd. (presently MUFG Bank, Ltd.) June 2010 Managing Executive Officer of Mitsubishi UFJ NICOS Co., Ltd. June 2011 Director and Managing Executive Officer of Mitsubishi UFJ NICOS Co., Ltd. May 2012 Managing Executive Officer, Deputy General Manager of Retail Department of the Bank of Tokyo-Mitsubishi UFJ, Ltd. (presently MUFG Bank, Ltd.) May 2014 Managing Executive Officer of the Bank of Tokyo-Mitsubishi UFJ, Ltd. June 2014 Representative Director and President and Chief Executive Officer of Mitsubishi UFJ NICOS Co., Ltd. April 2020 Senior Managing Executive Officer of Sojitz Corporation April 2022 Executive Vice President of Sojitz Corporation June 2024 Member of the Managing Board (Outside) of UNIRITA Inc. (current) June 2024 Joined the Company, Member of the Managing Board of the Company (current) </div> <div> (Important concurrent position) Member of the Managing Board (Outside) of UNIRITA Inc. </div> <div> (Reasons for Nomination and Expected Role) Haruo Inoue is appointed as a candidate for a Member of the Managing Board (Outside) in the expectation that he would utilize his knowledge on finance, financial accounting, risk management, etc., as a corporate manager of a financial institution, as well as his abundant experience and deep insight in the business world for management of the Company by expressing his opinions at the Meetings of the Managing Board. He is also expected to play a role in ensuring the validity and appropriateness of the Company's decision making through supervision of its management. His term of office as a Member of the Managing Board (Outside) will be one year at the conclusion of this Meeting. Although he worked for many years at MUFG Bank, Ltd., with which the Company has regular transactions, the bank is neither a financial institution on which the Company relies to the extent that it is not substitutable nor a business partner that has influence over the Company's decision making. He, therefore, satisfies the Independence Standards for Outside Members of the Managing Board established by the Company and the requirements for an Independent Member of the Managing Board as stipulated by the Tokyo Stock Exchange, Inc. The Company has reported him as an Independent Member of the Managing Board to the Tokyo Stock Exchange, Inc., and plans to continue to report him as an Independent Member of the Managing Board, if his election is approved. </div>	—

Candidate number	Name (date of birth)	Brief personal history, positions, duties and important concurrent positions	Number of Company shares held
9	<div>Reelection</div> <div>Member of the</div> <div>Managing Board</div> <div>(Outside)</div> <div>Independent</div> Yuka Fujioka (May 24, 1969) Female Attendance to the Meetings of the Managing Board 13/14 (92.9%)	<p>April 1993 Joined Announcing Department, Development Bureau of Kansai Television Co., Ltd.</p> <p>April 1999 Newscaster, such as CS Broadcast Asahi Newstar and Lecturer for Simul Academy Conference Interpreter Course</p> <p>September 2008 Part-time Lecturer at Kwansei Gakuin University Center for International Education and Cooperation (current)</p> <p>April 2009 Part-time Lecturer for Kobe College, School of Letters, Department of English, Global Studies Course</p> <p>April 2010 Part-time Lecturer at Kwansei Gakuin University, School of International Studies (current)</p> <p>July 2016 Representative Director and President of Fujioka-Kinzoku Co., Ltd. (current)</p> <p>June 2018 Member of the Managing Board (Outside) of Maruichi Steel Tube Ltd. (current)</p> <p>June 2024 Joined the Company, Member of the Managing Board of the Company (current)</p> <p>(Important concurrent position) Member of the Managing Board (Outside) of Maruichi Steel Tube Ltd.</p> <p>(Reasons for Nomination and Expected Role) Yuka Fujioka is appointed as a candidate for a Member of the Managing Board (Outside) in the expectation that she would utilize her global perspective and deep knowledge fostered over rich overseas experience, abundant experience in management, and deep insight for management of the Company by expressing her opinions at the Meetings of the Managing Board. She is also expected to play a role in ensuring the validity and appropriateness of the Company's decision making through supervision of its management. Her term of office as a Member of the Managing Board (Outside) will be one year at the conclusion of this Meeting. She satisfies the Independence Standards for Outside Members of the Managing Board established by the Company and the requirements for an Independent Member of the Managing Board as stipulated by the Tokyo Stock Exchange, Inc. The Company has reported her as an Independent Member of the Managing Board to the Tokyo Stock Exchange, Inc., and plans to continue to report her as an Independent Member of the Managing Board, if her election is approved.</p>	—

Candidate number	Name (date of birth)	Brief personal history, positions, duties and important concurrent positions		Number of Company shares held
10	<div> <div>New election</div> <div>Member of the</div> <div>Managing Board</div> <div>(Outside)</div> <div>Independent</div> </div> <p>Marie Oshima (March 25, 1962) Female Attendance to the Meetings of the Managing Board</p>	<p>April 1992 Research Associate of the Institute of Industrial Science, the University of Tokyo</p> <p>April 1995 Visiting Researcher of the Department of Mechanical Engineering, School of Engineering, Stanford University</p> <p>June 1998 Lecturer at the Institute of Industrial Science, the University of Tokyo</p> <p>April 1999 Associate Professor of the Department of Functional Engineering, the University of Tsukuba / Institute of Industrial Science, the University of Tokyo</p> <p>April 2000 Associate Professor of the Institute of Industrial Science, the University of Tokyo</p> <p>July 2005 Professor of the Institute of Industrial Science, the University of Tokyo</p> <p>April 2006 Professor of the Interfaculty Initiative in Information Studies, the University of Tokyo / Professor of the Institute of Industrial Science, the University of Tokyo (current)</p> <p>July 2018 Director (Outside) of TOYOTA CENTRAL R&D LABS., INC. (current)</p> <p>September 2022 Director (Outside) of Open Up Group Inc. (current)</p> <p>April 2024 Deputy Director of Tokyo College, the University of Tokyo (current)</p> <p>April 2024 Visiting Professor of School of Engineering, Tokyo University of Technology (current)</p> <p>(Important concurrent position) Director (Outside) of Open Up Group Inc.</p>	<p>(Reasons for Nomination and Expected Role)</p> <p>Marie Oshima is appointed as a candidate for a Member of the Managing Board (Outside) in the expectation that she would utilize her abundant experience and deep insight in cybersecurity, science and technology as an educator of industrial science and informatics, by expressing her opinions at the Meetings of the Managing Board. She is also expected to play a role in ensuring the validity and appropriateness of the Company's decision making through supervision of its management.</p> <p>She has never in the past been involved in the management of a company except as an outside officer. However, the Company judges she will appropriately fulfill her duties as a Member of the Managing Board (Outside) based on the above reasons.</p> <p>Although the Company has a business relationship with the University of Tokyo, the amount of transactions with the University of Tokyo accounts for less than 1% of each organization's consolidated net sales and gross income. She, therefore, satisfies the Independence Standards for Outside Members of the Managing Board established by the Company and the requirements for an Independent Member of the Managing Board as stipulated by the Tokyo Stock Exchange, Inc. The Company plans to report her as an Independent Member of the Managing Board to the Tokyo Stock Exchange, Inc., if her election is approved.</p>	—

- Notes:
1. The Company has entered into a directors and officers liability insurance policy as provided for in Article 430-3, Paragraph 1 of the Companies Act with an insurance company, thereby covering damages and litigation expenses, etc. incurred by the insureds, including Members of the Managing Board of the Company. If each candidate is elected as Member of the Managing Board, the Company plans to include him or her as an insured in the insurance policy. The policy is scheduled to be renewed on July 1, 2025, during the term of office of the candidates.
 2. There is no special interest between any of the candidates and the Company.
 3. Kazuo Ota, Haruo Inoue, Yuka Fujioka, and Marie Oshima are to be elected as Members of the Managing Board (Outside).

4. In accordance with the Company's Articles of Incorporation and Article 427, Paragraph 1 of the Companies Act, the Company has entered into agreements with Kazuo Ota, Haruo Inoue and Yuka Fujioka to limit their liability for damages as provided for by Article 423, Paragraph 1 of the Companies Act.
If each of them is elected, the Company intends to continue the agreements with each of them. In addition, the Company plans to enter into the same agreement with Marie Oshima if her election is approved.
5. On April 1, 2024, the Company implemented a stock split at a ratio of 3 shares for each share of common stock. The number of shares held by each candidate is the number of shares after the stock split.

Bill No. 3 Election of One (1) Substitute Member of the Managing Board Who Is an Audit and Supervisory Committee Member

In preparation for an insufficient number of Members of the Managing Board Who Are Audit and Supervisory Committee Members as stipulated in laws and regulations, the Company requests the election of one (1) substitute Member of the Managing Board Who Is an Audit and Supervisory Committee Member.

Please note that the approval of the Audit and Supervisory Committee has been obtained for this Bill.

The candidate for a substitute Member of the Managing Board Who Is an Audit and Supervisory Committee Member is as follows:

Name (date of birth)	Brief personal history, positions, duties and important concurrent positions		Number of Company shares held
<div>Member of the Managing Board (Outside) Independent</div> <div>Hidekazu Fukumoto (November 6, 1955) Male</div>	April 1978	Joined The Sanwa Bank, Limited (presently MUFG Bank, Ltd.)	—
	May 2005	Executive Officer of UFJ Bank Ltd. (presently MUFG Bank, Ltd.)	
	January 2006	Executive Officer of The Bank of Tokyo-Mitsubishi UFJ, Ltd. (presently MUFG Bank, Ltd.)	
	April 2008	Managing Executive Officer of The Bank of Tokyo-Mitsubishi UFJ, Ltd.	
	June 2010	Managing Director and Chief Executive of The Bank of Tokyo-Mitsubishi UFJ, Ltd.	
	May 2012	Senior Managing Director of The Bank of Tokyo-Mitsubishi UFJ, Ltd.	
	May 2014	Deputy President Chief Executive of The Bank of Tokyo-Mitsubishi UFJ, Ltd.	
	May 2016	Deputy President (Director) of The Bank of Tokyo-Mitsubishi UFJ, Ltd.	
	June 2017	Member of the Board of Directors, Deputy President of The Bank of Tokyo-Mitsubishi UFJ, Ltd.	
	April 2018	Member of the Board of Directors, Deputy President of MUFG Bank, Ltd.	
	June 2019	Advisor of MUFG Bank, Ltd. (current)	
	June 2019	President of SANSHIN Co., Ltd.	
	June 2021	Joined the Company, Member of the Managing Board of the Company	
	June 2023	Chairman of SANSHIN Co., Ltd.	
	June 2024	Retired from Member of the Managing Board of the Company	
	June 2024	Advisor of SANSHIN Co., Ltd. (current)	
	(Reasons for Nomination and Expected Role)		
Hidekazu Fukumoto is appointed as a candidate for a substitute Member of the Managing Board (Outside) Who Is an Audit and Supervisory Committee Member, in the expectation that he would express his opinions at the Meetings of the Managing Board using his knowledge on finance, financial accounting, risk management, etc., as a corporate manager of a financial institution, as well as his abundant experience and deep insight in the business world, in the position of Audit and Supervisory Committee Member, and play a role in ensuring the soundness and transparency of management, and its audit and supervision functions through appropriate audit and supervision of the execution of business.			
Although he worked for many years at MUFG Bank, Ltd., with which the Company has regular transactions, the bank is neither a financial institution on which the Company relies to the extent that it is not substitutable nor a business partner that has influence over the Company’s decision making. He, therefore, satisfies the Independence Standards for Outside Members of the Managing Board established by the Company and the requirements for an Independent Member of the Managing Board as stipulated by the Tokyo Stock Exchange, Inc.			

- Notes:
1. There is no special interest between the candidate and the Company.
 2. Hidekazu Fukumoto is to be elected as a substitute Member of the Managing Board (Outside) Who Is an Audit and Supervisory Committee Member.
 3. If Hidekazu Fukumoto assumes the position of a Member of the Managing Board (Outside) Who Is an Audit and Supervisory Committee Member, the Company plans to enter into an agreement with him to limit his liability for damages as provided for by Article 423, Paragraph 1 of the Companies Act, in accordance with the Company's Articles of Incorporation and Article 427, Paragraph 1 of the Companies Act.
 4. The Company has entered into a directors and officers liability insurance policy as provided for in Article 430-3, Paragraph 1 of the Companies Act with an insurance company, thereby covering damages and litigation expenses, etc. incurred by the insureds, including Members of the Managing Board of the Company. If Hidekazu Fukumoto assumes the position of a Member of the Managing Board (Outside) Who Is an Audit and Supervisory Committee Member, the Company plans to include him as an insured in the insurance policy.
 5. If Hidekazu Fukumoto assumes the position of a Member of the Managing Board (Outside) Who Is an Audit and Supervisory Committee Member, the Company plans to report him as an Independent Member of the Managing Board to the Tokyo Stock Exchange, Inc.

Bill No. 4 Determination of Amounts and Terms of Remuneration for the Directors

1. Reason for the proposal and why the remuneration is appropriate

The amount of remuneration for Members of the Managing Board of the Company (excluding Audit and Supervisory Committee Members) was approved upon at the 49th Ordinary General Meeting of Shareholders held on June 24, 2016 to be within 1,000 million yen per year (including an annual amount of up to 50 million yen per year for Outside Members of the Managing Board). Within the range of this amount, the Company provides medium to long-term incentive remuneration to the Managing Board of the Company (excluding Audit and Supervisory Committee Members) to purchase a fixed amount of Company shares each month through the officer shareholding association system. Furthermore, at the 52nd Ordinary General Meeting of Shareholders held on June 21, 2019, separate to this remuneration amount, it was approved that the amount of remuneration for share acquisition rights allocated as stock options to Members of the Managing Board (excluding Members of the Managing Board Who Are Audit and Supervisory Committee Members, and Members of the Managing Board (Outside)) shall be within 800 million yen per year.

This Bill proposes to introduce a performance-linked share-based remuneration plan (the “Plan”) in place of the current officer shareholding association system and stock options and requests approval to determine the amount and details of remuneration based on the Plan as described in this Bill. This Bill targets the Members of the Managing Board of the Company (excluding Members of the Managing Board Who Are Audit and Supervisory Committee Members, Outside Members of the Managing Board, and non-residents of Japan; the same shall apply hereinafter in this Bill) and Executive Officers (excluding non-residents of Japan; the same shall apply hereinafter in this Bill. Herein referred to collectively with the Members of the Managing Board as the “Directors”) and its purpose is to improve awareness for the need to contribute towards enhancing medium to long-term performance and increasing corporate value by clarifying the link between remuneration for the Directors and the Company’s performance and share value, and for the Directors to share returns and risks due to share price fluctuations with all shareholders.

At the Meeting of the Managing Board held on May 14, 2025, the Company decided to revise the policy for determining the remuneration for Members of the Managing Board subject to the approval of this Bill at this Meeting for the introduction of the Plan. The details of the policy are described in (Reference) at the end of this Bill. This Bill are considered to be appropriate because the details are necessary and reasonable to pay the remuneration for Members of the Managing Board in line with relevant revised policy for determining the remuneration.

In addition, if Bill No. 2 “Election of Ten (10) Members of the Managing Board (excluding Members of the Managing Board Who Are Audit and Supervisory Committee Members)” is approved as originally proposed, the number of Members of the Managing Board targeted by the Plan will be six (6). However, the Company plans to introduce a share-based remuneration plan similar to the Plan for its Executive Officers.

Furthermore, subject to the approval of this Bill as originally proposed, the Company will abolish the officer shareholding association system along with the current remuneration framework for share acquisition rights as stock options (based on Bill No. 4 “Determination of Amounts of Remuneration as Stock Options to Members of the Managing Board (excluding Members of the Managing Board Who Are Audit and Supervisory Committee Members, and Members of the Managing Board (Outside)) and Other Terms Thereof” which was approved at the 52nd Ordinary General Meeting of Shareholders held on June 21, 2019), except those that have already been allocated, and will not allocate any new share acquisition rights.

Additionally, this Bill is separate to Bill No. 5 “Determination of Amounts of Remuneration for Members of the Managing Board (excluding Members of the Managing Board Who Are Audit and Supervisory Committee Members)” which was approved at the 49th Ordinary General Meeting of Shareholders held on June 24, 2016.

2. Information such as the amount of remuneration and details for the Plan

(1) Overview of the Plan

The Plan is a share-based remuneration plan in which the trust acquires the Company shares using money equivalent to the remuneration amount for the Directors contributed by the Company as capital. The Company shares and a money amount equivalent to the conversion value of the Company shares (“Company Shares”) is then delivered and paid (“Delivered”) to the Directors through the fund. (Details are as shown in (2) and later below.)

The Plan is linked to the degree of achievements in performance of target values in the medium-term management plan formulated by the Company. As a general rule, the Applicable Period for the Plan shall correspond to the fiscal year covered by the medium-term management plan. (the fiscal year covered by the medium-term management plan is hereinafter referred to as “Applicable Period.” The initial Applicable Period shall be the four consecutive fiscal years from the fiscal year ending March 31, 2026 to the fiscal year ending March 31, 2029. Thereafter, this shall be the fiscal year covered by the medium-term management plan).

In addition, the Plan consists of the “Financial Performance Share Unit (F-PSU)” for which Company Shares are Delivered after the end of the medium-term management plan as well as the “Enterprise Value Performance Share Unit (EV-PSU)” that is implemented when the Directors retire. The goal of “F-PSU” is to motivate the Directors to achieve the Company’s medium-term management plan and also strengthen the link between medium to long-term performance and the remuneration of the Directors. The goal of “EV-PSU” is to strengthen interest with shareholders by having the Directors own shares. “F-PSU” and “EV-PSU” each have a composition ratio of 50%.

(i) People to which Company Shares are Delivered subject to this Bill	<ul style="list-style-type: none"> • Members of the Managing Board of the Company (excluding Outside Members of the Managing Board, Members of the Managing Board Who Are Audit and Supervisory Committee Members, and non-residents of Japan) • Executive Officers of the Company (excluding non-residents of Japan)
(ii) Impact on the total number of shares issued by the Company subject to this Bill	
Maximum amount of money contributed by the Company (as described in detail in (2) below)	<ul style="list-style-type: none"> • The amount equal to 320 million yen (including 180 million yen for Members of the Managing Board) multiplied by the number of years of the Applicable Period • For the four fiscal years of the initial Applicable Period, the maximum amount is 1,280 million yen (including 720 million yen for Members of the Managing Board)

Maximum number of Company Shares that are Delivered to the Directors (as described in detail in (3) below)	<ul style="list-style-type: none"> • The number of shares equal to 140,000 shares (including 80,000 shares for Members of the Managing Board) multiplied by the number of years of the Applicable Period • For the four fiscal years of the initial Applicable Period, the maximum number of Company Shares Delivered to the Directors is 560,000 shares (including 320,000 shares for Members of the Managing Board) • The ratio of the above number of shares per fiscal year (140,000 shares) against the total number of shares issued by the Company (as of March 31, 2025, after excluding treasure shares) is approximately 0.02%
Company shares acquisition method	<ul style="list-style-type: none"> • Company shares accompanying the Plan will be acquired on the stock market or from the Company

(iii) Details about performance achievement conditions (as described in detail in (3) below)	<ul style="list-style-type: none"> • Fluctuates from 0% to 200% according to degree of achieving performance targets in the medium-term management plan during the Applicable Period • Performance-linked index (F-PSU) financial indicators for such as net sales, operating profit and ROE (EV-PSU) Targets in corporate value indicators for such as relative TSR
(iv) Timing that Company Shares are Delivered to the Directors (as described in detail in (4) below)	<ul style="list-style-type: none"> • (F-PSU) in principle, after the end of the medium-term management plan • (EV-PSU) In principle, when the Directors of the Company retire

(2) Maximum amount of money contributed by the Company

For each Applicable Period, the Company shall contribute the amount equal to 320 million yen (including 180 million yen for Members of the Managing Board) multiplied by the number of years of the Applicable Period (1,280 million yen for the four fiscal years of the initial Applicable Period) as remuneration of the maximum amount of money to the Directors and shall establish a trust (the “Trust”) with beneficiaries who are the Directors that meet the requirements (the “Beneficiary Requirements”) listed in (1) (i) above (People to which Company Shares are Delivered subject to this Bill).

The initial trust period of the Trust shall be for four years from August 2025 (scheduled) to August 2029 (scheduled). However, when the trust period of the Trust ends, the Trust may be continued by changing the trust agreement and implementing an additional trust. When the trust is continued, the fiscal year covered by the medium-term management plan as stated by the Company shall be the new Applicable Period. The trust period of the Trust will be extended for the number of years that correspond to this period. For each extended period, the Company will make additional contributions to the Trust within the maximum amount of trust money after the resolution is approved by this Shareholders’ Meeting. However, when making such additional contributions, if there are any remaining Company shares in the trust assets (excluding not Delivered Company shares that correspond to points granted to the Directors) and money (“Remaining Shares”) on the final day of the trust period before the extension, the total amount of trust money for additional contribution by the Company and amount of Remaining Shares,

shall be within the value of 320 million yen multiplied by the number of years of the new Applicable Period. This trust period extension is not limited to a single occasion, but may be similarly extended later on.

Also, if there is no change to the trust agreement and no additional trusts are implemented at the end of the trust period (the end of the trust period after extension when the above trust period has been extended), thereafter no new points will be granted to the Directors. However, the trust period of the Trust may be extended for a certain period of time until Company Shares have been completely Delivered to the Directors who may satisfy the Beneficiary Requirements.

(3) Calculation method and maximum number of Company Shares Delivered to the Directors

The number of Company Shares Delivered to the Directors is determined in accordance with the number of points calculated based on the following point calculation formula, and one point is equal to one share of the Company common stock. In addition, if a stock split or reverse stock split occurs during the trust period for the Company shares in the Trust, the number of Company shares per one point will be adjusted according to the ratio of the Company shares stock split or reverse stock split.

(Point calculation formula)

During a certain time each year within the trust period, points (“Standard Points”) are granted by calculating the amount obtained when multiplying the remuneration base value determined in advance for each position by 50% and dividing the result by the average price of Company shares acquired by the Trust (“Standard Share Price”). After the end of the Applicable Period of the medium-term management plan, the Standard Points granted during the period are accumulated and then the each of the points are calculated by multiplying the accumulated Standard Points by a performance-linked factor that corresponds to the degree of achieving performance targets in the medium-term management plan.

(i) F-PSU points

Accumulated Standard Points (Amount of share-based remuneration by position x 50% / Standard Share Price) x Performance-linked factor *1

*1 Fluctuates from 0% to 200% according to degree of achieving targets (financial indicator targets such as net sales, operating profit and ROE) in the last fiscal year of the medium-term management plan

(ii) EV-PSU points

Accumulated Standard Points (Amount of share-based remuneration by position x 50% / Standard Share Price) x Performance-linked factor *2

*2 Fluctuates from 0% to 200% according to degree of achieving targets (corporate value indicator targets such as relative TSR) in the last fiscal year of the medium-term management plan

During the trust period of the Trust, the maximum number of points granted to the Directors shall be 140,000 points (including 80,000 points for Members of the Managing Board) multiplied by four, which is the number of years for the Applicable Period. The maximum number of Company Shares that can be Delivered to the Directors from the Trust during the trust period of the Trust is the number of shares that corresponds to the maximum number of the points (“Maximum Number of Delivered Shares”). Therefore, the Maximum Number of Delivered Shares during the initial Applicable Period that covers four fiscal years will be 560,000 shares (including 320,000 shares for Members of the Managing Board).

In addition, if the Trust is continued in accordance with (2) above, the Maximum Number of Delivered Shares during the extended trust period shall be the number of shares equal to the maximum number per fiscal year multiplied by the number of years of the extended trust period. This Maximum Number of Delivered Shares is set with reference to the most recent share price based on the maximum amount of money contributed by the Company in (2) above.

(4) Method and timing for Company Shares Delivered to the Directors

(i) F-PSU

As a general rule, Company Shares for F-PSU will be Delivered after the end of the medium-term management plan. The Directors who fulfill the Beneficiary Requirements shall receive Company Shares that correspond to the F-PSU points calculated based on (3) (i). At this time, the relevant Directors shall receive the number of Company shares (fractional shares are rounded up) equivalent to a certain percentage of the F-PSU points. The number of Company shares equivalent to the remaining F-PSU points shall be converted to cash within the Trust and then the Directors shall receive a payment of money equivalent to the conversion value for the purpose of securing funds for tax payment.

(ii) EV-PSU

As a general rule, Company Shares for EV-PSU will be Delivered when the Directors retire. The Directors who fulfill the Beneficiary Requirements shall receive Company Shares that correspond to the EV-PSU points calculated based on (3) (ii). At this time, the relevant Directors shall receive the number of Company shares (fractional shares are rounded up) equivalent to a certain percentage of the EV-PSU points. The number of Company shares equivalent to the remaining EV-PSU points shall be converted to cash within the Trust and then the Directors shall receive a payment of money equivalent to the conversion value for the purpose of securing funds for tax payment.

In addition, if any of the Directors are categorized as a non-resident of Japan before the time arrives in which the above Company Shares are Delivered, as a general rule, all of the Company shares equivalent to the accumulated points that have been granted at this point are converted into cash in the Trust, and shall be received by the relevant Directors as a payment of money equivalent to that conversion value.

In addition, if any of the Directors dies before the time arrives in which the above Company Shares are Delivered, as a general rule, all of the Company shares equivalent to the accumulated points that have been granted at this point are converted into cash in the Trust, and shall be received by the heirs of the relevant Directors as a payment of money equivalent to the conversion value.

(5) Voting rights concerning Company shares in the Trust

For Company shares held in the Trust, voting rights shall not be exercised during the trust period to ensure the neutrality of Company management.

(6) Handling dividends of company shares in the Trust

The Trust will receive dividends pertaining to Company shares in the Trust, and allocate them to pay for the Trust's fees and expenses.

(7) Other details of the Plan

Any other details concerning the Plan will be determined by the Managing Board each time the Trust is established, the trust agreement changes or additional contributions are made to the Trust.

(Reference)

Policy for determining remuneration for Members of the Managing Board

<Resolution based on Article 98-5 of the Ordinance for Enforcement of the Companies Act>

1. Policy for determining the calculation method or amount of individual remuneration (other than performance-linked and non-monetary)

Fixed remuneration consists of remuneration for Members of the Managing Board and remuneration for business execution based on Officer Remuneration Regulations, and is determined based on position.

2. Policy for determining the calculation method for the amount or number as well as the details of performance indicators relating to performance-linked remuneration

Indicators for performance-linked remuneration shall be the profit attributable to owners of parent. Based on the Officer Remuneration Regulations, the performance-linked remuneration amount is determined by multiplying profit attributable to owners of parent by a performance-linked remuneration factor within 3.0% to determine the total performance-linked remuneration amount, which is disbursed on an individual basis in accordance with performance.

3. Policy for determining the calculation method, amount or number as well as the details of non-monetary remuneration (performance-linked share-based remuneration)

The medium to long-term incentive remuneration (performance-linked share-based remuneration) is the “Financial Performance Share Unit (F-PSU)” for which Company Shares are Delivered after the end of the medium-term management plan as well as the “Enterprise Value Performance Share Unit (EV-PSU)” that is implemented when the Directors retire.

The goal of “F-PSU” is to motivate the Directors to achieve the Company’s medium-term management plan and also strengthen the link between medium to long-term performance and the remuneration of the Directors. The goal of “EV-PSU” is to strengthen interest with shareholders by having the Directors own shares. The amount or number of shares is determined based on position-specific factors related to the scale and responsibility of the area managed by Members of the Managing Board, as well as the degree of their impact on Group management.

4. Policy for determining the percentage (ratio) of each type of individual remuneration amount (each remuneration for No. 1 to No. 3)

Remuneration for Members of the Managing Board (excluding Audit and Supervisory Committee Members and Outside Members of the Managing Board) divides broadly into three categories: fixed remuneration, performance-linked remuneration and non-monetary remuneration. Individual remuneration is adjusted in line with performance, and the percentage of individual remuneration in each category is determined by the total amount of remuneration in such category.

Fixed remuneration comprises remuneration for Members of the Managing Board and remuneration for business execution. Position-specific factors (related to the scale and responsibility of Members of the Managing Board, as well as the degree of their impact on Group management) shall be used to determine disbursements. In addition, as a general rule, a regular annual pay raise is not implemented. If it is necessary to increase or decrease the amount of remuneration for officers while taking into consideration factors such as inflation, the Compensation Committee shall prepare a bill and then submit it to the Managing Board for resolution.

Performance-linked remuneration is determined in conjunction with the consolidated operating performance of the entire Group. A profit-distribution method in which the funding

source is within 3.0% of profit attributable to owners of parent is used. After individual evaluation factors are determined based on the results, the remuneration is allocated to individuals.

Non-monetary remuneration shall be medium to long-term incentive remuneration (performance-linked share-based remuneration) and is paid each year as a certain amount of F-PSU and EV-PSU Standard Points based on position-specific factors. After the end of the Applicable Period of the medium-term management plan, Standard Points granted during the medium-term management plan period are accumulated. F-PSU and EV-PSU points are then calculated by multiplying the accumulated Standard Points by a performance-linked factor that correspond to the degree of achieving performance targets in the medium-term management plan to determine the number of shares to deliver.

5. Policy for determining the timing and conditions to grant remuneration

Fixed remuneration shall be paid on the 25th of each month while performance-linked remuneration shall be paid in June of each year.

6. The following are matters for when delegating all or a part of the decisions about details concerning individual remuneration to Members of the Managing Board or other parties.

(i) Name of the person being delegated or his/her position or responsibility in the Company
Compensation Committee

Committee Chairperson: Member of the Managing Board (Outside) Kazuo Ota

Committee Members: Chairperson Hisashi Ietsugu, President Kaoru Asano, Member of the Managing Board Kenji Tachibana, Member of the Managing Board (Outside) Haruo Inoue, Member of the Managing Board (Outside) (Audit and Supervisory Committee Member) Kazumasa Hashimoto, Member of the Managing Board (Outside) (Audit and Supervisory Committee Member) Michihide Iwasa

(ii) Details on delegation authority

The Compensation Committee shall be entrusted with determining individual evaluation factors for each officer when allocating the total sum of paid performance-linked remuneration based on the resolution of the Managing Board.

(iii) When taking measures to ensure that the delegated authority is executed appropriately, and the details of such measures

A Compensation Committee consisting of three or more Members of the Managing Board (including an Outside Member) shall be established as an advisory committee for the Managing Board concerning any decisions about such matters as remuneration for officers. This committee shall deliberate on such matters that include the policy for determining remuneration for officers, individual positions, the performance-linked remuneration factor, and the total remuneration, then submit their findings to the Managing Board to receive a decision on the matter.

Furthermore, the Audit and Supervisory Committee consisting of three Audit and Supervisory Committee Members (two Outside Members) shall verify the process used to determine the remuneration for officers as well as the validity of the remuneration amount.

7. Method to determined details for individual remuneration based on methods other than those listed above

Not applicable

8. Other important matters concerning decisions about details for individual remuneration for Members of the Managing Board

Important matters are as described in 1 to 6 above, and there are no other important matters.

Reference

Skills matrix of the Managing Board after the close of this Ordinary General Meeting of Shareholders

	Name	Gender	Position, duties, etc. (tentative)	Skills and experience				
				Corporate management	Management and business planning	Global	Sales and service	Research and development
Member of the Managing Board (Internal)	Hisashi Ietsugu	Male	Chairperson and Group CEO	●	●		●	
	Kaoru Asano	Male	President	●	●			●
	Kenji Tachibana	Male	Member of the Managing Board and Senior Executive Officer, Senior Managing Director Assistant to the President, Internal Control, Regulatory Affairs & Quality Assurance	●	●	●	●	
	Iwane Matsui	Male	Member of the Managing Board and Senior Executive Officer, Senior Managing Director Global Marketing and MR Business	●	●	●	●	
	Tomokazu Yoshida	Male	Member of the Managing Board and Senior Executive Officer, Managing Director CTO and R&D	●	●			●
	Takashi Ono	Male	Member of the Managing Board and Senior Executive Officer, Managing Director ES Strategy and Business Strategy Development	●	●	●	●	
	Tomoo Aramaki	Male	Member of the Managing Board (Full-time Audit and Supervisory Committee Member)			●		

	Name	Gender	Position, duties, etc. (tentative)	Skills and experience			
				Production/ SCM	IT/DX	Finance/ accounting	Human resources/ general affairs
Member of the Managing Board (Internal)	Hisashi Ietsugu	Male	Chairperson and Group CEO			●	●
	Kaoru Asano	Male	President		●		
	Kenji Tachibana	Male	Member of the Managing Board and Senior Executive Officer, Senior Managing Director Assistant to the President, Internal Control, Regulatory Affairs & Quality Assurance	●	●	●	●
	Iwane Matsui	Male	Member of the Managing Board and Senior Executive Officer, Senior Managing Director Global Marketing and MR Business		●		
	Tomokazu Yoshida	Male	Member of the Managing Board and Senior Executive Officer, Managing Director CTO and R&D				
	Takashi Ono	Male	Member of the Managing Board and Senior Executive Officer, Managing Director ES Strategy and Business Strategy Development	●			
	Tomoo Aramaki	Male	Member of the Managing Board (Full-time Audit and Supervisory Committee Member)			●	

Note: The above represents the main skills and experience of each Member of the Managing Board and does not represent all skills and experience.

	Name	Gender	Position, duties, etc. (tentative)	Skills and experience				
				Corporate manage- ment	Manage- ment and business planning	Global	Sales and service	Research and develop- ment
Member of the Managing Board (Outside)	Kazuo Ota	Male	Independent Member of the Managing Board (Outside)	●	●	●		
	Haruo Inoue	Male	Independent Member of the Managing Board (Outside)	●	●		●	
	Yuka Fujioka	Female	Independent Member of the Managing Board (Outside)	●		●		
	Marie Oshima	Female	Independent Member of the Managing Board (Outside)			●		●
	Kazumasa Hashimoto	Male	Independent Member of the Managing Board (Outside) (Audit and Supervisory Committee Member)	●	●		●	
	Michihide Iwasa	Male	Independent Member of the Managing Board (Outside) (Audit and Supervisory Committee Member)	●				

	Name	Gender	Position, duties, etc. (tentative)	Skills and experience			
				Production/ SCM	IT/DX	Finance/ accounting	Human resources/ general affairs
Member of the Managing Board (Outside)	Kazuo Ota	Male	Independent Member of the Managing Board (Outside)		●	●	●
	Haruo Inoue	Male	Independent Member of the Managing Board (Outside)		●	●	
	Yuka Fujioka	Female	Independent Member of the Managing Board (Outside)				●
	Marie Oshima	Female	Independent Member of the Managing Board (Outside)				●
	Kazumasa Hashimoto	Male	Independent Member of the Managing Board (Outside) (Audit and Supervisory Committee Member)			●	●
	Michihide Iwasa	Male	Independent Member of the Managing Board (Outside) (Audit and Supervisory Committee Member)	●			

Note: The above represents the main skills and experience of each Member of the Managing Board and does not represent all skills and experience.

Definition of skills and experience

Item	Definition
Corporate management	Management experience as a representative, executive director, executive officer, etc. at a company, organization, etc.
Management and business planning	Experience and knowledge of management planning, risk management, business strategy, planning, promotion, etc. as a practicing, managing, or executive officer in charge, etc.
Global	Experience of overseas assignment, etc.
Sales and service	Experience and knowledge of domestic and overseas sales, marketing, technical services, etc. as a practicing, managing, or executive officer in charge, etc.
Research and development	Experience and knowledge of technology strategy, technology and product development, IT development, intellectual property, etc. as a practicing, managing, or executive officer in charge, etc.
Production/SCM	Experience and knowledge of production, procurement, logistics, quality, etc. as a practicing, managing, or executive officer in charge, etc.
IT/DX	Experience and knowledge of IT/DX, etc. as a practicing, managing, or executive officer in charge, etc.
Finance/accounting	Experience and knowledge of accounting, finance, business administration, etc. as a practicing, managing, or executive officer in charge, etc.
Human resources/general affairs	Experience and knowledge of human resources, labor affairs, human resources development, diversity, legal affairs, compliance, etc. as a practicing, managing, or executive officer in charge, etc.

Note: Judgment is made based on whether or not the Member of the Managing Board has a total of about three years of experience in each of the items stated on the left.

Reference

Nomination of candidates for Members of the Managing Board, etc.

■ Nomination of candidates for Members of the Managing Board

The Managing Board nominates candidates for Internal Members of the Managing Board (excluding Members of the Managing Board Who Are Audit and Supervisory Committee Members) based on a balance of knowledge, experience, and ability to make accurate and prompt decisions, manage risks appropriately, monitor business execution, and cover each functional and business unit of the Company, as well as those with sufficient social credibility.

The candidates for Members of the Managing Board (Outside) (excluding Members of the Managing Board Who Are Audit and Supervisory Committee Members) must have abundant work experience and broad insight, and be able to provide appropriate advice to the Company's management.

In the event that it is difficult to satisfy the above requirements for appointment, the Managing Board shall make a decision on the dismissal of the Members of the Managing Board (excluding Members of the Managing Board Who Are Audit and Supervisory Committee Members).

In addition, the Managing Board shall comprehensively consider candidates for Audit and Supervisory Committee Members, taking into consideration their knowledge of finance and accounting, their knowledge of the Company's business fields, and their diverse perspectives on corporate management.

In the event that it is difficult to satisfy the above requirements for appointment, the Managing Board, with the consent of the Audit and Supervisory Committee, shall make a decision on the dismissal of the Audit and Supervisory Committee Member.

■ Procedures

The Nominating Committee, which is an advisory body to the Managing Board, shall consider the details of the decision to nominate or dismiss a Member of the Managing Board candidate in accordance with the above policy, and the Managing Board shall pass a resolution thereon. The Managing Board shall obtain the consent of the Audit and Supervisory Committee with respect to proposals for the election or dismissal of Audit and Supervisory Committee Members.

■ Explanation of individual selection, dismissal, and nomination

The brief personal histories and reasons for the nomination of each candidate for Members of the Managing Board and the reasons for the dismissal of Members of the Managing Board shall be included in the notice of the General Meeting of Shareholders.

Reference

Independence Standards for Outside Members of the Managing Board

The Company has established the following Independence Standards for Outside Members of the Managing Board, and considers a Member of the Managing Board (Outside) to be independent of the Company and not likely to have a conflict of interest with general shareholders if such Member does not fall under any of the following items.

(Internal related)

- (i) An executing person (*1) of the Company and its subsidiaries (below, the “Group”) or a person who was previously an executing person of the Group.

(Major business partner)

- (ii) A person whose major business partner (*2) is the Group or its executing person
- (iii) A major business partner (*3) of the Group or its executing person

(Professional service provider)

- (iv) Consultant, accounting expert, or legal expert who receives a large amount of money or other assets (*4) from the Group other than remuneration for officers. (If the person receiving such property is a corporation, partnership or other organization, a member of such organization)
- (v) A person who belongs to an auditing firm that performs legal audits of the Group

(Donations or grants)

- (vi) A person who has received a donation or grant exceeding a certain amount (*5) from the Group (if the donee or grant recipient is a corporation, partnership, or other organization, an executing person of such organization)

(Lender)

- (vii) An executing person of a major financial institution (*6) from which the Group borrows, or its parent company or subsidiary

(Major shareholder)

- (viii) A major shareholder of the Group (*7) or, if such major shareholder is a corporation, an executing person of such corporation

- (ix) An executing person of a company in which the Group is a major shareholder

(Mutual dispatch of officers)

- (x) An executing person of a company that has a relationship of mutual dispatch of outside officers with the Group (a case in which an executing person employed by the Group is an outside officer of another company and the executing person employed by that other company is an outside officer of the Group)

- (xi) A person who has fallen under (ii) through (x) above in the past three years

- (xii) Close relative, etc. (*9) of a person falling under (i) through (xi) above (limited to a person in an important position (*8))

*1 An executing person means an executive as defined in Article 2, Paragraph 3, Item 6 of the Ordinance for Enforcement of the Companies Act, and includes not only executive Members of the Managing Board but also employees.

*2 A person whose major business partner is the Group means a business partner that provides products or services to the Group and whose transaction amount in the most recent fiscal year exceeds 2% of the annual consolidated net sales of the relevant business partner.

*3 A major business partner of the Group means business partner to whom the Group provides products or services and the transaction amount in the most recent fiscal year exceeds 2% of the annual consolidated net sales of the Group.

*4 A large amount of money or other assets means money or other asset income exceeding 10 million yen per year in the most recent fiscal year, other than remuneration for officers (if the person obtaining such asset is an organization such as a corporation, partnership, etc., it means money or other asset income in excess of 2% of the consolidated net sales of the organization for the most recent fiscal year).

*5 A donation or grant exceeding a certain amount means a donation or grant in excess of the higher of an average of 10 million yen per year for the past three fiscal years or 2% of the gross income of the person in question for the most recent fiscal year.

*6 A major financial institution means a financial institution or other major creditor that is essential to the Group’s financing at present or in the past three years, and on which the Group relies to the extent that it is not substitutable.

- *7 A major shareholder is a shareholder who holds 10% or more of the voting rights (including both direct and indirect holdings).
- *8 A person in an important position means a Member of the Managing Board (excluding a Member of the Managing Board (Outside)), executive officer, employee in senior managerial positions above the rank of general manager, certified public accountant among those belonging to an audit firm or accounting firm, lawyer among those belonging to a law firm, trustee, director, auditor or other officer among those belonging to a foundation, incorporated association, academic corporation, or other corporation, or any other person objectively and reasonably judged to be of equal importance.
- *9 A close relative, etc. means a spouse or relative within the second degree of kinship.

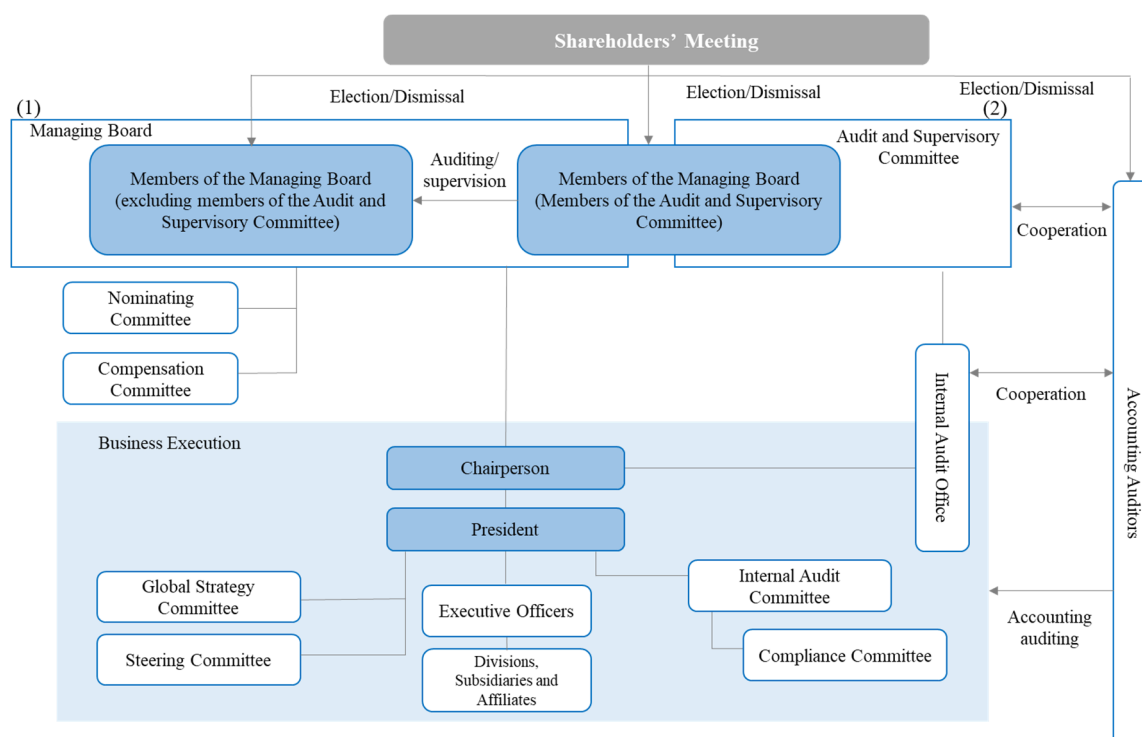
Reference

Corporate Governance

■ Basic Policy on Corporate Governance

Sysmex positions the strengthening of corporate governance as one of its most important management issues. Based on the Sysmex Way and Shared Values, the Group's corporate philosophy, Sysmex aims to maximize the corporate value of the entire Group by enhancing management soundness and transparency, and by improving management speed and efficiency.

■ Organization chart



■ Corporate governance initiatives

(1) Managing Board

The Managing Board, consisting of 12 Members of the Managing Board (including one female Member of the Managing Board), is responsible for making important management decisions and supervising the execution of duties, and basically holds a regular meeting once a month and extraordinary meetings as necessary.

In the fiscal year ended March 31, 2025, the Meetings of the Managing Board were held 18 times.

The Nominating Committee serves as an advisory body to the Managing Board regarding the nomination of Members of the Managing Board, and the Compensation Committee serves as an advisory body to the Managing Board regarding decisions on executive compensation and other matters. Each committee is chaired by an Independent Member of the Managing Board (Outside) and the majority of each committee consists of Independent Members of the Managing Board (Outside), and each committee holds meetings as necessary.

Name of meeting	Function and details	Committee Chairperson	Composition
Nominating Committee	Advisory body to the Managing Board regarding nomination of officers	Independent Member of the Managing Board (Outside)	Chairperson, President, Members of the Managing Board (1), Independent Members of the Managing Board (Outside) (4)
Compensation Committee	Advisory body to the Managing Board regarding officer compensation	Independent Member of the Managing Board (Outside)	Chairperson, President, Members of the Managing Board (1), Independent Members of the Managing Board (Outside) (4)

(2) Audit and Supervisory Committee

The Audit and Supervisory Committee, consisting of three Audit and Supervisory Committee Members (including two Members of the Managing Board (Outside)), holds a meeting at least once every three months, mainly as a statutory independent body for decision-making to audit the execution of duties by Members of the Managing Board.

In addition to the Meetings of the Audit and Supervisory Committee and the Meetings of the Managing Board, the Audit and Supervisory Committee Members attend Global Strategy Committees and Steering Committee, etc. to appropriately monitor the execution of duties by Members of the Managing Board. In the fiscal year ended March 31, 2025, the Meetings of the Audit and Supervisory Committee were held 17 times.

In addition, the Audit and Supervisory Committee utilizes the Company's internal control system and other systems to conduct audits in close cooperation with the internal audit department and the department responsible for internal control, and can give instructions to the internal audit department as necessary. The Audit and Supervisory Committee closely cooperates with the Accounting Auditors by mutually exchanging information and opinions on internal control over financial reporting, etc., in addition to confirming the accounting audit plan and the results of the accounting audit.

The Audit and Supervisory Committee will continue to audit and supervise Members of the Managing Board appropriately in accordance with laws and regulations to enhance the soundness of management.

Other meetings

The Global Strategy Committees, consisting of the Chairperson, President and executive officers who are also Members of the Managing Board, is held basically once a month to discuss and

deliberate on the medium- to long-term management direction of the Group and important strategies and issues.

The Steering Committee, consisting of the Chairperson, President, executive officers and Fulltime Audit and Supervisory Committee Members, is held basically once a month to discuss, deliberate, and report on important matters related to the promotion of the Group's annual plan.

The Internal Control Committee, consisting of the Chairperson, President, executive officers in charge, and Fulltime Audit and Supervisory Committee Members, is held basically four times a year to discuss and report on important matters related to overall internal control of the Group, including risk management.

The Compliance Committee, consisting of executive officers and related division heads, is held basically twice a year to deliberate and report on important matters related to the Group's compliance.

Business Report

(From April 1, 2024 to March 31, 2025)

I. Current Status of the Corporate Group

I-1. Overview of business during the fiscal year under review

(i) Business activities and results

Although the global economy has remained stable during the fiscal year under review, the inflation rate remains high in some countries and the new tariff policies of the U.S. have caused a dramatic increase in uncertainty over economic policies, particularly concerning trade and financial aspects. Under these circumstances, while personal consumption and capital investment remains strong in the U.S., we have observed suppressed economic growth in Europe due to factors such as a weakening in manufacturing and goods exports, and a sluggish domestic demand in China. Additionally, uncertainty remains over the future of the global economy caused by remaining geopolitical risks and other factors associated with the Middle East and the Russia-Ukraine conflict. Although Japan's GDP has decreased marginally due to temporary supply disruptions, the economy is experiencing a moderate recovery supported by domestic demand and other factors.

In terms of medical care, the rising demand for healthcare due to global aging and economic growth in emerging markets as well as the growing need for higher quality healthcare and services is expected to lead to a more diverse range of medical functions, making prevention and early diagnosis as well as self-medication^{*1} more important, while the problems of inequality and access to healthcare are expected to continue in the future. Furthermore, the need for personalized medicine^{*2} is increasing, and new treatment methods such as regenerative and cellular medicine and gene therapy medicine have started to be implemented for practical use, while progress is being made for technological innovations such as genetic analysis, ultra-sensitive measurements and miniaturization, and the implementation of these innovations into healthcare. Additionally, digital transformation (DX) in the healthcare field, including the widespread use of artificial intelligence (AI), has accelerated and is forecast to make progress in its increased implementation and use in robot technology. This is expected to bring about further opportunities for growth.

Under these circumstances, as a result of increased sales in all regions, businesses and fields, the Company has achieved sales that exceed 500 billion yen and the highest ever figures for net sales, operating profit and profit for the year. In the future, we will aim for even more growth by such as accelerating our business development in emerging markets, including India, where we established a site with the production capacity to handle both instruments and reagents^{*3} for the first time ever in the Group, along with robots that assist with surgery.

In terms of sales in Japan, sales increased for instruments and reagents in the hematology^{*4} field, and for reagents in the hemostasis test field. As a result, net sales in Japan was 67,786 million yen (up 9.0% YoY), and a composition ratio of 13.3% (down 0.2 points YoY).

In terms of overseas sales, sales increased for reagents in the hematology field and maintenance services and reagents in the hemostasis test field, in addition to the fact that the yen exchange rate depreciated. As a result, overseas net sales was 440,857 million yen (up 10.4% YoY), and a composition ratio of 86.7% (up 0.2 points YoY).

Selling, general and administrative expenses was 150,848 million yen (up 12.7% YoY) as a result of mainly personnel growth and sale promotion activities associated with the expanding size of our business. Research and development expenses was 31,455 million yen (up 0.2% YoY).

Thus, for consolidated operating performance during the fiscal year under review, net sales was 508,643 million yen (up 10.2% YoY), operating profit was 87,583 million yen (up 11.7% YoY), profit before tax was 79,221 million yen (up 6.2% YoY), and profit attributable to owners of

parent was 53,669 million yen (up 8.1% YoY).

Reference

Net sales		Operating profit	
57th fiscal year ended March 2024 461.5 billion yen	YoY Up 10.2%	57th fiscal year ended March 2024 78.3 billion yen	YoY Up 11.7%
58th fiscal year ended March 2025 508.6 billion yen		58th fiscal year ended March 2025 87.5 billion yen	
Profit before tax		Profit attributable to owners of parent	
57th fiscal year ended March 2024 74.6 billion yen	YoY Up 6.2%	57th fiscal year ended March 2024 49.6 billion yen	YoY Up 8.1%
58th fiscal year ended March 2025 79.2 billion yen		58th fiscal year ended March 2025 53.6 billion yen	

***1 Self-medication:**

When a person takes responsibility for their own health, and examines and treats any minor physical ailments on their own.

***2 Personalized medicine:**

Healthcare that selects and provides optimal treatment methods specific to each patient's unique characteristics based on DNA and other test data, instead of conventional healthcare that provides predetermined and standard treatment for each illness.

***3 Reagents:**

Medical drugs used for testing samples^{*5}, sometimes referred to as In Vitro Diagnostics (IVD) reagents. They are used to test blood and body fluids extracted from the human body but are not used directly on the human body.

***4 Hematology (blood cell count testing):**

Sample testing to determine whether it is necessary to conduct precision testing by analyzing the count, type and size of red and white blood cells in the blood.

***5 Testing samples:**

A specimen that needs to be tested. This can be blood, cerebrospinal fluid, pus, urine or feces. A test specimen.

(ii) Capital investments

During the fiscal year under review, the total amount of capital investments made by the Group was 48,673 million yen. The investments aimed to strengthen the corporate structure and create new value, and mainly comprised investments related to building digital infrastructure for realizing business process reforms through digitalization, and other investments such as the acquisition of equipment loaned to customers for business growth and the establishment of new production sites in Japan and overseas.

The total amount of capital investment includes investments in property, plant and equipment and intangible assets but does not include investments in right-of-use assets.

(iii) Financing activities

There are no matters requiring special mention.

(iv) Business transfers, absorption-type company splits, or incorporation-type company splits

Not applicable.

(v) Business transfers from other companies

Not applicable.

(vi) Succession to rights and obligations regarding the business of another corporation, etc., due to an absorption-type merger or absorption-type company split

Not applicable.

(vii) Acquisition or disposal of other companies' shares or other equity or share acquisition rights

Not applicable.

I-2. Significant parent company and subsidiaries

(i) Relationship with parent company

Not applicable.

(ii) Significant subsidiaries

Company name	Share capital	Percentage of voting rights held by the Company	Principal lines of business
Sysmex America, Inc. (U.S.)	22,000 thousand U.S. dollars	100.0%	[Regional Headquarters] Sales of diagnostic instruments and reagents
Sysmex Reagents America, Inc. (U.S.)	1,500 thousand U.S. dollars	100.0%	Manufacture and sales of diagnostic reagents
Sysmex do Brasil Industria e Comercio Ltda. (Brazil)	200,878 thousand Brazilian real	100.0%	Manufacture and sales of diagnostic reagents
Sysmex Europe SE (Germany)	120 thousand euro	100.0%	[Regional Headquarters] Sales of diagnostic instruments, manufacture and sales of diagnostic reagents
Sysmex Shanghai Ltd. (China)	1,000 thousand U.S. dollars	100.0%	[Regional Headquarters] Sales of diagnostic instruments and reagents
Jinan Sysmex Medical Electronics Co., Ltd. (China)	18,229 thousand Chinese yuan	100.0%	Manufacture and sales of diagnostic instruments and reagents
Sysmex Asia Pacific Pte Ltd. (Singapore)	11,500 thousand Singapore dollars	100.0%	[Regional Headquarters] Sales of diagnostic instruments, manufacture and sales of diagnostic reagents
Sysmex RA Co., Ltd. (Japan)	70 million yen	100.0%	Development and manufacture of diagnostic instruments and peripheral equipment, etc.
Sysmex Partec GmbH (Germany)	30 thousand euro	100.0%	Development, manufacture and sales of diagnostic instruments and reagents
Oxford Gene Technology IP Limited (U.K.)	453 pounds	100.0%	Development, manufacture, sales and services for diagnostic and research reagents used for Next Generation Sequencing (NGS)* ⁶ and cytogenetics testing

*⁶ Next Generation Sequencing (NGS):

Analysis technology that simultaneously reads a large volume of DNA bases and their sequences that hold genetic information.

I-3. Issues to be addressed

(1) Basic management policy

The Group has passed down the values of its basic management policy since its founding, the “Three Aspects of Confidence,” and established the redefined Group corporate philosophy as the “Sysmex Way” and the “Shared Values” to adapt to internal and external environmental changes. Based on these, the Group has articulated the value it provides to its customers, employees, business partners, shareholders, and society.

Sysmex Way

Mission

Shaping the advancement of healthcare.

Value

We will continue to create unique and innovative values, and ensure *anshin* for individuals in society.

Mind

With passion and flexibility, we demonstrate our individual competence and unsurpassed teamwork.

Shared Values

To our Customers

Ensure *anshin* with unmatched quality, advanced technology, mindful support, and actions that reflect the needs of our customers. We constantly seek to better understand what our customers require so that we may generate new and more satisfactory solutions.

To our Employees

Ensure *anshin* by honoring a diversity of employees, respecting their personality, and providing a workplace where they can fulfill their potential. We value independence and a challenging spirit, provide employees with opportunities for self-fulfillment, growth, and reward for their accomplishments.

To our Business Partners

Ensure *anshin* based on fairness and impartiality in a broad range of partnerships. We strive to grow as a company in step with our business partners through respect and mutual trust.

To our Shareholders

Ensure *anshin* by promoting the proper disclosure of information and keeping closer communication with shareholders with sound and transparent management. We are committed to an innovative yet consistent style of management for sustainable growth and increased shareholder value.

To Society

Ensure *anshin* as a responsible member of society by conducting our business adhering to the highest ethical standards in addition to laws and regulations. We play an active role in addressing environmental and other issues facing our society.

Anshin is a word at the core of the Sysmex corporate philosophy that embodies the essence of what we have been pursuing since our foundation, and has the following meanings:

- A state in which customers have **no concerns about the safety and quality** of our products and services.
- A state in which stakeholders can **trust, be confident and reassured** in our relationship, transactions, interaction, and all other matters.
- A state in which individuals in society can be in **a calm state of mind with little or no anxiety** about their own health, lives, or other matters.

The “Sysmex Way” expresses the direction that the Group should proceed in going forward and the values that it should uphold. It is practiced throughout the Group with the aim of gaining stronger trust from society and helping the Group to make even further progress.

[Company website] Corporate Philosophy

https://www.sysmex.co.jp/en/corporate/philosophy_brand/philosophy/

(2) Recognition of the management environment

In terms of the future outlook for the global economy as a whole, we expect the economy to grow steadily in the future driven by the recovery of real income due to lower inflation rates, although this growth will lack momentum. Meanwhile, the basis for economic growth and risks will differ depending on the country, and lower growth rates are expected although Japan is expected to experience solid growth supported by increases in personal consumption and corporate capital investment while economic growth in the U.S. will continue to remain firm due to active investment and stable personal consumption as a result of monetary policy easing and favorable financial conditions. Furthermore, accelerated growth is anticipated in Europe but risks still exist due to a slump in manufacturing and geopolitical tensions particularly in Germany. In China, the

impact of tariffs on exports to the U.S. and the continued stagnant real estate market are forecast to create risks. Additionally, the outlook for the global economy still remains uncertain due to factors such as the risk of economic stagnation as a result of global trade tension, particularly in the U.S., and geopolitical risks associated with the Middle East and the Russian-Ukraine conflict.

Looking at the healthcare environment, demand for higher healthcare quality and services grows while artificial intelligence (AI), information communication technology (ICT) and other leading-edge technologies are rapidly being applied to the healthcare field. Additionally, rising healthcare demand in emerging markets, spurred by economic growth, is expected to sustain future growth. The global pandemic of novel coronavirus infectious disease*7 has also prompted considerations about healthcare systems and the potential for major changes in the healthcare environment itself. We anticipate further opportunities for growth, owing to increasingly diverse medical functions, improved access to healthcare, and the creation of new value in the area of self-medication.

*7 Infectious disease:

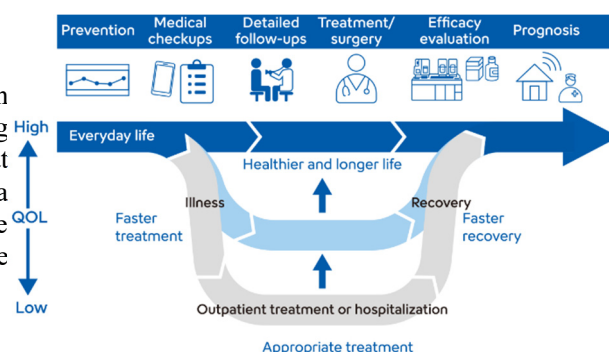
A disease caused by a pathogenic microbe that enters the human body through various routes, where it multiplies or creates toxins.

(3) New long-term corporate strategy

Based on the “Sysmex Way” and the “Shared Values,” the corporate philosophy of the Group, we formulated a new “Long-term Corporate Strategy 2033 (VA33)” with FY2033 as its final year. Under the long-term corporate strategy, the Group has created the new concept of a “healthcare journey” aimed at contributing to the evolution of healthcare. We view the various healthcare-related events a person experiences throughout their lives (life stages), along with the corresponding process this involves (such as at healthcare institutions) as a “journey,” and the idea is incorporated into the Long-Term Vision.

<Healthcare Journey>

We view the various healthcare-related events a person experiences throughout their lives (life stages), along with the corresponding process this involves (such as at healthcare institutions) as a “journey.” “Achieving a better healthcare journey” is an important societal issue in the aim of improving the quality of life of people around the world.



■ Long-term vision

“Together for a better healthcare journey”

People universally desire to live long and healthy lives. Sysmex aims to realize a society in which people can maintain lifelong health by accurately ascertaining each individual’s physical condition, allowing for the provision of treatment and services optimized for the individual.

Sysmex is proposing the new concept of a “healthcare journey.” Through various collaborations, we aim to offer new value to make each individual’s healthcare journey better and grow as an essential presence in society.

■ Key points of the long-term corporate strategy

- 1) Expand our target domain from diagnostics to the healthcare journey
- 2) Accelerate business growth by leveraging our strengths
- 3) Strengthen our human capital to accelerate growth as a sustainable company, and take on the challenge of reducing environmental impact

- 1) Expand our target domain from diagnostics to the healthcare journey

To achieve a better healthcare journey, it is crucial for healthcare professionals (medical institutions, medical staff, etc.) to improve the level and quality of medical care, utilize healthcare information and improve the medical economy. Sysmex leverages its technology and business know-how cultivated in the IVD*⁸ domain to create high-value-added testing and diagnostic technologies using the latest technology. We also take on challenges in the domain of surgical treatment and regenerative and cellular medicine, making full use of our strengths throughout the entire healthcare journey. We will select and add domains where we can create value by leveraging our strengths, and aim to enhance our corporate value.

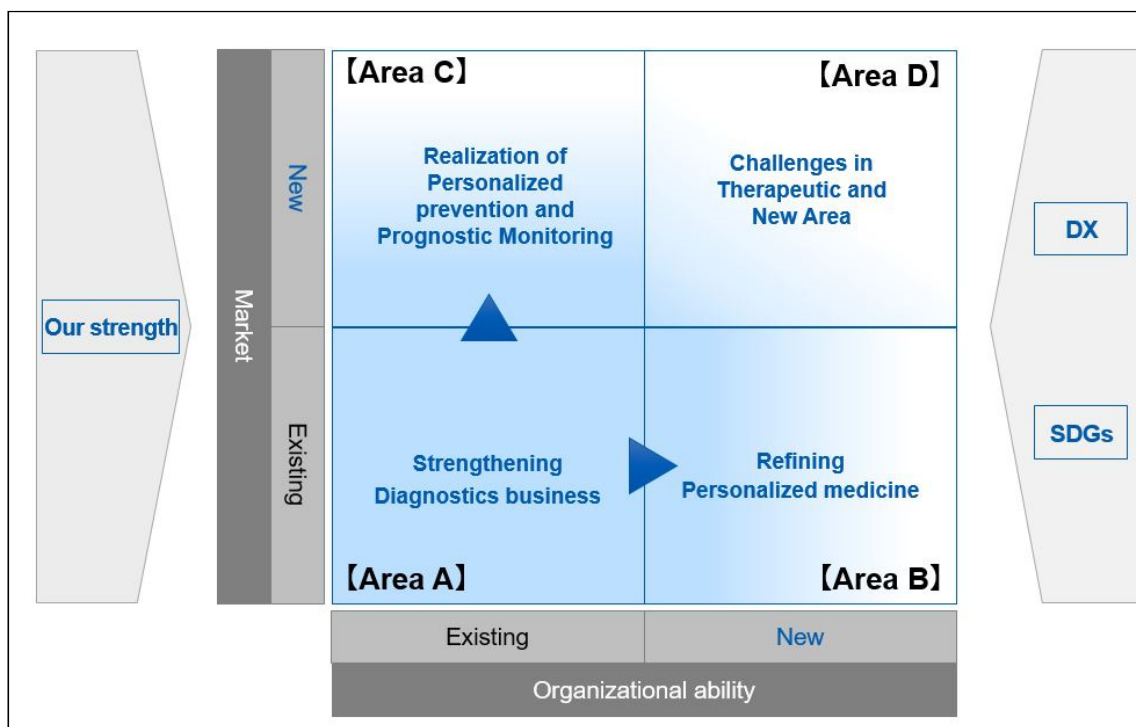
*⁸ IVD:

Tests that involve the extraction and examination of substances such as blood, urine, and cells from the human body. The Company is a comprehensive manufacturer involved in all aspects from research and development to the manufacture, sales, service and support of instruments, reagents and associated software used to conduct blood tests, immune serum tests, and urine tests in the field of “IVD.”

- 2) Accelerate business growth by leveraging our strengths

We aim to augment growth and profitability by deepening our diagnostics business and pursuing added value through innovation. Additionally, we will strive to further enhance our corporate value and accelerate growth by exploring new domains outside of diagnostics. The global customer network we have developed over many years is a company asset. We will introduce NPS® (Net Promoter Score)* as a customer loyalty indicator to keep driving innovation that contributes to greater customer value.

* NPS® is a registered trademark of Bain & Company, Fred Reichheld, and Satmetrix Systems.



* Based on Lead and Disrupt by Charles A. O'Reilly, et al.

- 3) Strengthen our human capital to accelerate growth as a sustainable company, and take on the challenge of reducing environmental impact

Human capital is an important source of value creation driving our growth and development. Strengthening human capital that is aligned with our materiality and corporate strategy promotes innovation and drives new value creation. Therefore, we will improve engagement through consistent investment in people and realization of an attractive workplace.

We prioritize efforts to address materiality, including by resolving medical issues through products and services and realizing an attractive workplace while considering the environment. We strive to promote these initiatives throughout the entire Group, instilling confidence among a diverse range of stakeholders and aiming to achieve sustainable management.

[Company website] Corporate Strategy

<https://www.sysmex.co.jp/en/corporate/activities/corporate-strategy.html>

- (4) Priority business issues to be addressed

In April 2023 the Group commenced a new mid-term management plan (from the fiscal year ended March 31, 2024 through fiscal year ending March 31, 2026). Aiming to realize our long-term vision for 2033, we have set out priority actions to be taken going forward, and we will continuously promote the execution of specific measures. We will focus on the immunochemistry field, which is expected to grow going forward, and reinforce our competitive capabilities in the hematology field, which is the Group's greatest source of earnings. We will also firmly capture growth opportunities in emerging markets by developing new products and services suited to market needs. In addition, to realize discontinuous growth, we will promote initiatives for

expanding our business domains, including the addition of the medical robotics business and the regenerative and cellular medicine business.

In addition, we will promote business process reforms globally, aiming to create new value and to strengthen our corporate structure. To this end, we will continue our initiatives for next-generation core systems and digital infrastructure renewal. We aim to achieve digital transformation (DX) to improve the overall productivity of the Group and create new solutions for customers.

In addition, as the sustainability of the global environment is becoming an urgent issue, as a company that operates globally, we recognize that reducing environmental impact in our business activities is an important priority. We have formulated Sysmex Eco-Vision 2033 as a long-term environmental management policy, and we will continue working to reduce CO₂ emissions and water consumption throughout the life cycle of our products, as well as promote environmentally conscious green procurement. We will prioritize efforts to address priority issues (materiality), including by resolving medical issues through products and services and realizing an attractive workplace while considering the environment. We strive to promote these initiatives throughout the entire Group, instilling confidence among a diverse range of stakeholders and aiming to achieve sustainable management.

In addition, during FY2024 which is the 2nd year of the medium-term management plan, we reviewed the management plan to complete our objectives and added “Promoting corporate and social change with DX” as a measure to create new opportunities and implement a more specific action plan.

(i) Enhance competitiveness and expand markets through innovation in existing business domains

In the field of immunochemistry, we are expanding reagent parameters for the HISCL™-5000/HISCL™-800 Automated Immunoassay System. We are also promoting the early commercialization of business aimed at assisting in the diagnosis of Alzheimer’s disease. In the hematology field, we are aiming to enhance growth and profitability by accelerating the global rollout of the XR™-Series Automated Hematology Analyzer.

In addition, we will introduce products that meet market needs in emerging markets, where population growth, economic development, and improved healthcare quality are expected, and contribute to improving access to healthcare and strengthening healthcare infrastructure. In particular, we consider India an important market, and we will accelerate business planning, product development, and market introduction in an effort to expand our market share in emerging markets. Meanwhile, in the hemostasis test^{*9} field, we aim to further enhance customer value based on a collaborative structure for mutual supply of instruments and reagents through a global OEM agreement concluded with Siemens Healthcare Diagnostics Inc.

^{*9} Hemostasis test:

This is the testing of blood plasma after blood cell components have been removed from blood. The test is conducted to examine liver function, the tendency of patients to have thrombosis, how easily a patient bleeds, and to diagnose haemophilia.

(ii) Accelerate commercialization centered on genetic testing in the domain of personalized medicine

In the domain of personalized medicine, which is expected to grow significantly, the Company is developing new parameters that utilize its strength in liquid biopsy^{*10} technologies (genes, cells and proteins). The Company aims to commercialize and launch technologies to the market that will spearhead personalized medicine, using research products and technologies that we already own. In addition, the Company is working to create new diagnostic solutions for hematopoietic tumors, cancer, hereditary diseases, and age-related diseases by combining our

existing testing technologies and utilizing data science.

*10 Liquid biopsy:

A general term for technology that uses body fluid samples such as blood to diagnose medical problems and predict the curative effect, in contrast to conventional biopsy where diseased tissue is collected for diagnosis. This method allows tests to be conducted with minimal invasion when compared to biopsy tests but requires high-sensitivity detection technology.

(iii) Create a new business model in the domains of prevention and self-medication

As society's demand for prevention and self-medication continues to rise, we will promote the development of products and services that enable at-home testing and less invasive testing specifically for elderly patients, against the backdrop of a transition to individual-focused medical care and decentralization of healthcare. We will work on providing early medical support from both individual time-series data and statistical data for groups and make full use of our existing assets, such as hematology, to improve testing for mass infectious diseases and malaria, with a focus on preventing infections. Our ultimate goal is to achieve universal health coverage.

(iv) Accelerate business growth in the therapeutic domain, centered on the medical robotics business

In Japan, we will steadily expand our business in the surgical domain with the hinotori™ Surgical Robot System. Additionally, we will promote activities to acquire overseas regulatory approval that will enable us expand globally. Leveraging the technology and know-how cultivated in the IVD domain, we will work to create new businesses in domains that straddle the boundaries of diagnosis and treatment, such as regenerative and cellular medicine and gene therapy, as well as promote open innovation aimed at bringing innovative digital technology into society and healthcare. To this end, we will also focus on creating new businesses that utilize medical data.

(v) Realize a circular resource value chain and transform with a view to solving social issues

In order to achieve carbon neutrality by 2040, we will shift our focus to environmentally conscious materials for packaging and consumables, and promote the elimination of plastic. We will also create green innovation through 4R^{*11} in all value chains, and transform toward a circular value chain that eliminates resource waste, through open innovation with customers, alliance partners, other companies and suppliers. Furthermore, we will work on priority issues for our sustainable growth, based on the Company's materiality, such as solving medical issues, improving quality, enhancing environmental consideration, and strengthening governance. By helping to resolve social issues through our business activities, we will continue to promote sustainable management.

*11 4R:

Reduce, Reuse, Recycle and Replace.

(vi) Enhance corporate value by strengthening human capital and management base

We will expand our human capital portfolio to align with our corporate strategy by attracting and cultivating next-generation leaders and highly specialized professionals to support sustained growth. We will also work to promote smart work and cultivate a fair and attractive corporate culture to enhance engagement. Furthermore, we will continue to enhance Group management by strengthening internal control mechanisms and optimizing risk management functions. In addition, as part of strengthening our management base, we will continue to strengthen initiatives with an awareness of the cost of capital, including analysis and monitoring of ROIC and the main relevant indicators, and proposing and executing improvement measures.

(vii) Promote corporate and social change with DX

In addition to improving our corporate business processes and productivity using DX that we have been working on so far, we will promote healthcare DX using AI to advance the transformation of our entire society through innovative solutions. By developing our proprietary AI, which is highly specialized in the healthcare field to support behavioral modification for such as disease management^{*12}, laboratory support and test screening, we will achieve greater diagnosis precision and optimized treatment that will contribute towards reducing the burden placed on medical staff and improving the lives of people.

^{*12} Disease management:

The provision of the best medical care for each patient to prevent the incidence of disease, recurrence and deterioration.

I-4. Principal lines of business (as of March 31, 2025)

The Group conducts the development, manufacture, sales, servicing, and import and export of diagnostic instruments and reagents, mainly in the medical field.

In addition to diagnostic instruments and reagents, the Group proposes solutions for diverse issues affecting medical institutions, by combining a wide range of products and services including software, diagnostic instrument maintenance, and academic support.

(1) Diagnostics business

■ Hematology (blood cell count testing)

Net sales: 303.2 billion yen

Composition ratio: 59.6%

For small and medium-sized institutions, the Company offers three-part white blood cell differential models that can measure basic parameters, as well as five-part white blood cell differential models that provide a high degree of clinical significance and a large amount of information. In addition, we offer a wide-ranging lineup, including transport systems that can be used for rapid, high-volume testing in large-scale labs.

In Japan in 2021, we launched a new five-part white blood cell differential flag-ship model, as well as a compact model providing three-part white blood cell differentiation. In 2022, we launched sample transportation system modules equipped with the world's first automated measurement function for quality control materials. We have been rolling out these models globally since 2023.

In 2024, we also completed the construction of a new plant in India to strengthen our production and supply system for diagnostic instruments and reagents.

■ Hemostasis test

Net sales: 82.3 billion yen

Composition ratio: 16.2%

Demand for hemostasis testing has increased and grown more diverse due to a rise in thrombotic diseases stemming from lifestyle diseases, as well as to the development of new blood preparations. We handle products offering a wide range of processing capacities that can be selected based on the needs of various facilities, and we are promoting them globally. Furthermore, we started direct sales of our own brand in the U.S. and EU countries from April 2024.

■ Urinalysis

Net sales 40.8 billion yen

Composition ratio 8.0%

In the urinalysis testing^{*13} field, in 1995 we developed the world's first automated urine particle analyzer using the flow cytometry^{*14} method. Since then, we have been adding to our portfolio of urine chemistry^{*15} products by making use of alliances as we work to expand our lineup in response to diverse urinalysis needs. In 2020, we signed a distributorship agreement with Siemens Healthineers for the North American market, and we plan to further expand into this market.

^{*13} Urinalysis testing:

A test that analyzes formed elements such as blood cells and cells contained in urine.

^{*14} Flow cytometry:

A method in which minute particles are dispersed in a fluid, and a thin stream of this fluid is directed to flow so

that individual particles can be optically analyzed.

***15 Urine chemistry:**

Tests to analyze the content of urine for the presence of sugar, proteins and blood cells using test strips dipped in urine.

■ **Immunochemistry**

Net sales: 25.8 billion yen

Composition ratio: 5.1%

We are working to develop our business in Asia, including Japan and China, through sales of a fully automated immunoassay system, which performs highly sensitive, high-speed assays on minute sample quantities. In addition to reagents to test for infectious diseases and tumor markers^{*16}, we have developed proprietary markers to test for measuring the progression of hepatic fibrosis and atopic dermatitis. In 2023, we launched a reagent to test for Alzheimer's disease, and we are now working to develop new testing parameters and to develop parameters tailored to regional needs, including China.

***16 Tumor markers:**

Substances that are specifically produced by tumor cells and detected in urine and blood. The fixed quantity and detection of these substances help to diagnose cancer and are used to determine the clinical course.

■ **Life Science**

Net sales: 21.3 billion yen

Composition ratio: 4.2%

Cancer gene profiling

We developed a system for use in cancer gene profiling^{*17} in collaboration with the National Cancer Center Japan. In 2019, this became the first such system to be covered under Japanese health insurance and be used in clinical settings.

Cancer lymph node metastasis testing

With our proprietary automated system that uses the OSNA method^{*18}, we provide products for in vitro diagnostics that can objectively and quickly detect cancer lymph node metastasis^{*19}.

***17 Cancer gene profiling:**

The analysis of important gene information for cancer treatment, including mutation, amplification, and fusion of multiple genes in cancer tissue.

***18 OSNA method:**

Technology developed by Sysmex that enables one-step gene amplification without requiring the extraction and purification of nucleic acids, which is part of the pre-treatment stage.

***19 Cancer lymph node metastasis:**

One of the ways cancer spreads. Cancer cells that have multiplied in an internal organ travel through the lymph ducts to the nearest lymph node where they repeatedly metastasize to reach and multiply in other internal organs in the body. When this happens, an effective way to prevent recurrence is to surgically remove (dissect) the lesion as well as the lymph node where the cancer has spread.

(2) Medical robotics business

■ Medical robotics

Net sales: 5.3 billion yen

Composition ratio: 1.1%

In 2020, Medicaroid Corporation, a joint venture between the Company and Kawasaki Heavy Industries, Ltd., obtained manufacturing and marketing approval for the first made-in-Japan robotic-assisted surgery system. In 2024, the system is now covered by insurance for respiratory surgery in addition to its use in the urological surgery field, and we are working hard to further expand its use in other medical fields. We also acquired approval to market the system in Singapore in 2023 and Malaysia in 2024 towards expanding our business in the global market.

The Company began its launch in Japan in December 2020 as the global general distributor for this product. Compact enough to fit in standard Japanese operating rooms, this system is equipped with user-friendly robot arms and a high-definition 3D videoscope. Furthermore, the system has been designed to be network compatible, to support more accurate treatment by medical workers.

[Company website] Products & Solution
https://www.sysmex.co.jp/en/products_solutions/

II. Current status of the Company

II-1. Officers of the Company

(i) Members of the Managing Board (as of March 31, 2025)

Position in the Company	Name	Duties and important concurrent positions
Chairperson	Hisashi Ietsugu	Group CEO
President	Kaoru Asano	
Member of the Managing Board	Kenji Tachibana	Senior Executive Officer, Senior Managing Director Corporate Management, Regulatory Affairs & Quality Assurance and DX Strategy Development
Member of the Managing Board	Iwane Matsui	Senior Executive Officer, Senior Managing Director Global Marketing and MR Business
Member of the Managing Board	Tomokazu Yoshida	Senior Executive Officer, Managing Director, CTO R&D
Member of the Managing Board	Takashi Ono	Senior Executive Officer, Managing Director ES Strategy and Business Strategy Development
Member of the Managing Board	Kazuo Ota	
Member of the Managing Board	Haruo Inoue	Member of the Managing Board (Outside) of UNIRITA Inc.
Member of the Managing Board	Yuka Fujioka	Member of the Managing Board (Outside) of Maruichi Steel Tube Ltd.
Member of the Managing Board (Full-time Audit and Supervisory Committee Member)	Tomoo Aramaki	
Member of the Managing Board (Audit and Supervisory Committee Member)	Kazumasa Hashimoto	
Member of the Managing Board (Audit and Supervisory Committee Member)	Michihide Iwasa	

- Notes:
1. Member of the Managing Board Kazuo Ota, Member of the Managing Board Haruo Inoue, Member of the Managing Board Yuka Fujioka, Member of the Managing Board (Audit and Supervisory Committee Member) Kazumasa Hashimoto, and Member of the Managing Board (Audit and Supervisory Committee Member) Michihide Iwasa are Outside Members of the Managing Board.
 2. Member of the Managing Board (Audit and Supervisory Committee Member) Kazumasa Hashimoto has considerable knowledge regarding finance and accounting as a member of management at a financial institution.
 3. Tomoo Aramaki has been appointed as full-time Audit and Supervisory Committee Member to enhance the effectiveness of audits and strengthen auditing and supervisory functions by enhancing information gathering and ensuring sufficient coordination with the Internal Audit Office and other bodies.
 4. The Company has designated Member of the Managing Board Kazuo Ota, Member of the Managing Board Haruo Inoue, Member of the Managing Board Yuka Fujioka, Member of the Managing Board (Audit and Supervisory Committee Member) Kazumasa Hashimoto, and Member of the Managing Board (Audit and Supervisory Committee Member) Michihide Iwasa as Independent Members of the Managing Board as defined by the Tokyo Stock Exchange, and has notified the exchange.

(ii) Status of Executive Officers (Excluding Those Serving Concurrently as a Member of the Managing Board) (As of March 31, 2025)

Name	Duties and important concurrent positions
Kensuke Iizuka	Senior Executive Officer in charge of Corporate Strategy, Human Resources and Next Generation Medical Business Development, Executive Vice President of Corporate Business Planning Division
Frank Buescher	Senior Executive Officer, CEO of Sysmex Asia Pacific Pte Ltd. Deputy in charge of DX Strategy Development
Mitsuhisa Kanagawa	Senior Executive Officer in charge of Instrument Production and SCM
Peng Zuo Hui	Executive Officer, Chairman of Sysmex Shanghai Ltd.
Alain Baverel	Executive Officer, CEO of Sysmex Europe SE
Reiko Watanabe	Executive Officer, Executive Vice President of Medical & Scientific Affairs Div.
Kaoru Watanabe	Executive Officer, Supervision of JEA Deputy in charge of Medical Robotics (MR) Business
Takaaki Nagai	Executive Officer, Deputy in charge of Instrument Production and SCM, Executive Vice President of Production Design Center
Kinya Uchihashi	Executive Officer in charge of Reagent Production and Executive Vice President of Reagent Production Div.
Andy Hay	Executive Officer, President of Sysmex America Inc.
Naohiko Matsuo	Executive Officer, Deputy in charge of Business Strategy Development, Executive Vice President of ICH Business Division and LS Business Division
Kenji Tsujimoto	Executive Officer, Executive Vice President of Next Generation Medical Business Development Division

(iii) Remuneration Etc., for Members of the Managing Board

A. Matters related to the method of determining remuneration, etc., for members of the Managing Board

Remuneration for members of the Managing Board (excluding members of the Audit and Supervisory Committee and Outside Members of the Managing Board) divides broadly into three categories: fixed remuneration, performance-linked remuneration and non-monetary remuneration. This framework allows the Company to adjust individual remuneration in line with performance and vary the percentage of remuneration received in each category by individual. Remuneration for Outside Members of the Managing Board consists solely of the fixed-remuneration portion of remuneration for members of the Managing Board.

The Company resolves the policy regarding the content of individual remuneration, etc., for members of the Managing Board (excluding members of the Audit and Supervisory Committee) at a meeting of the Managing Board. When making this resolution, the Managing Board first asks the Remuneration Committee to consider the content of the resolution then receives a response from the committee.

The policy on determining the content of remuneration, etc., for members of the Managing Board (excluding members of the Audit and Supervisory Committee and Outside Members of the Managing Board) is as follows.

a. Policy regarding fixed remuneration

Fixed remuneration comprises remuneration for members of the Managing Board and remuneration for business execution. Position-specific factors (related to the scale and responsibility of members of the Managing Board, as well as the degree of their impact on Group management) are used to determine disbursements.

b. Policy regarding performance-linked remuneration

Performance-linked remuneration is linked to consolidated operating performance for the Group, using profit attributable to owners of parent as an indicator. This indicator refers to net earnings for the fiscal year (sales net of expenses and profit or loss), which the Company considers an appropriate indicator for performance-linked remuneration.

Performance-linked remuneration amounts are determined by multiplying profit attributable to owners of parent by a performance-linked remuneration factor within 3.0% to determine the total performance-linked remuneration amount, which is disbursed on an individual basis in accordance with performance. The trend for profit attributable to owners of parent, including for the fiscal year under review, is as presented in the section “Status of assets and profit or loss in the current and past three fiscal years” in the materials for the 58th Ordinary General Meeting of Shareholders.

c. Policy regarding non-monetary remuneration

As non-monetary remuneration, the Company uses an officer shareholding association system to facilitate monthly purchases of the Company’s shares for a specific amount (remuneration as a medium to long-term incentive) and other share remuneration (such as stock options). By encouraging officers to acquire and hold the Company’s shares, the Company aims to provide them with a shareholders’ perspective, thereby increasing their medium- to long-term incentive to enhance corporate value and enhance corporate performance and to augment personnel retention. Position-specific factors (related to the scale and responsibility of members of the Managing Board, as well as the degree of their impact on Group management) are used as standards for determining share purchase amounts and numbers.

B. Matters regarding the resolutions of the General Meeting of Shareholders on remuneration, etc. for members of the Managing Board

The date of the resolution of the General Meeting of Shareholders regarding remuneration, etc. for the officers of the Company was June 24, 2016. The details of the resolution are that the limit

for the annual amount of remuneration for members of the Managing Board (excluding members of the Audit and Supervisory Committee) shall be 1,000 million yen (including an annual amount of up to 50 million yen for Outside Members of the Managing Board), and that the limit for the annual amount of remuneration for members of the Managing Board (members of the Audit and Supervisory Committee) shall be 80 million yen. As of the end of the General Meeting of Shareholders, the number of members of the Managing Board (excluding members of the Audit and Supervisory Committee) was 10 (two of whom are Outside Members of the Managing Board), and the number of members of the Managing Board (members of the Audit and Supervisory Committee) was three.

C. Matters regarding delegation for determining the remuneration, etc., of members of the Managing Board

The individual remuneration of members of the Managing Board (excluding members of the Audit and Supervisory Committee) is determined by the Remuneration Committee, to which this task is delegated by the Managing Board. The decision-making process and the appropriateness of the amount of remuneration are verified by the Audit and Supervisory Committee, which consists of three committee members (two of whom are Outside Members of the Managing Board).

The Remuneration Committee of the Company is chaired by an Outside Member of the Managing Board, and the committee is composed so that the majority of its members are Outside Members of the Managing Board. By having the Remuneration Committee carry out deliberations, the Company ensures fairness and objectivity.

Composition of the Remuneration Committee

Committee Chairperson: Outside Member of the Managing Board, Kazuo Ota

Committee Members: Chairperson and Group CEO Hisashi Ietsugu, President Kaoru Asano, Member of the Managing Board and Senior Executive Officer, Senior Managing Director Kenji Tachibana, Outside Member of the Managing Board Haruo Inoue, Outside Member of the Managing Board (Audit and Supervisory Committee Member) Kazumasa Hashimoto, Outside Member of the Managing Board (Audit and Supervisory Committee Member) Michihide Iwasa

D. Reason for determination by the Managing Board that the content of individual remuneration, etc., of members of the Managing Board for the business year under review is in accordance with the determination policy

The individual remuneration amounts of the Company are set within the limit for remuneration approved by the General Meeting of Shareholders, with fixed remuneration and medium- to long-term incentive remuneration determined in accordance with the standards specified in internal regulations, and performance-linked remuneration determined by the Remuneration Committee in accordance with a delegation resolution made by the Managing Board. Since the amounts of individual remuneration for members of the Managing Board have been determined following these procedures, the Managing Board has judged that the details of the determined amounts are appropriate.

E. Total amount of remuneration, etc. for the business year under review

Category	Total amount of remuneration, etc. (Millions of yen)	Total amount of remuneration, etc. by type (Millions of yen)			Number of eligible officers (Persons)
		Fixed remuneration	Performance-linked remuneration	Non-monetary remuneration	
Member of the Managing Board (excluding Audit and Supervisory Committee Members) (of which Outside Members)	827 (21)	239 (21)	558 (-)	29 (-)	11 (5)
Member of the Managing Board (Audit and Supervisory Committee Members) (of which Outside Members)	35 (14)	35 (14)	- (-)	- (-)	3 (2)
Total (of which are Outside Members)	862 (36)	274 (36)	558 (-)	29 (-)	14 (7)

- Notes:
- At the 49th Ordinary General Meeting of Shareholders held on June 24, 2016, a resolution was passed to limit annual remuneration for members of the Managing Board (excluding members of the Audit and Supervisory Committee) to within 1,000 million yen (however, not including employee salary). Moreover, at the 52nd Ordinary General Meeting of Shareholders held on June 21, 2019, a resolution was passed to provide a separate allowance for granting share acquisition rights up to an annual amount of 800 million yen as remuneration, etc. for stock options for members of the Managing Board (excluding members of the Audit and Supervisory Committee and Outside Members of the Managing Board). As of the end of the General Meeting of Shareholders, the number of members of the Managing Board (excluding members of the Audit and Supervisory Committee and Outside Members of the Managing Board) was seven.
 - At the 49th Ordinary General Meeting of Shareholders held on June 24, 2016, a resolution was passed to limit annual remuneration for members of the Managing Board (members of the Audit and Supervisory Committee) to 80 million yen.
 - The total amount of performance-linked remuneration includes the planned payment amount.
 - As of the end of the business year under review, the number of members of the Managing Board (excluding members of the Audit and Supervisory Committee) is nine (of whom three are Outside Members of the Managing Board), and the number of members of the Managing Board (members of the Audit and Supervisory Committee) is three (of whom two are Outside Members of the Managing Board). The above includes two members (who are both Outside Members of the Managing Board) of the Managing Board (excluding members of the Audit and Supervisory Committee) who retired at the end of the 57th Ordinary General Meeting of Shareholders held on June 21, 2024.

The above report is presented according to the following.

- Amounts presented in millions of yen are rounded down to the nearest million yen.
- Percentages are shown rounded up to one decimal place.

Consolidated statement of financial position (IFRS)

(Millions of yen)

Account items	Fiscal year under review (As of March 31, 2025)	(Reference) Previous fiscal year (As of March 31, 2024)	Account items	Fiscal year under review (As of March 31, 2025)	(Reference) Previous fiscal year (As of March 31, 2024)
Assets			Liabilities		
Current assets	364,821	343,459	Current liabilities	122,826	118,084
Cash and cash equivalents	89,570	75,507	Trade and other payables	31,865	33,602
Trade and other receivables	163,007	157,067	Lease liabilities	9,250	8,659
Inventories	81,811	79,123	Other current financial liabilities	1,403	1,028
Other short-term financial assets	654	1,310	Income taxes payable	12,784	12,476
Income taxes receivable	1,246	934	Provisions	1,164	1,159
Other current assets	28,531	29,515	Contract liabilities	18,098	16,591
Non-current assets	300,447	275,461	Accrued expenses	22,355	21,643
Property, plant and equipment	130,211	116,693	Accrued bonuses	14,709	12,611
Goodwill	14,205	17,221	Other current liabilities	11,194	10,311
Intangible assets	92,146	86,786	Non-current liabilities	77,908	67,938
Investments accounted for using equity method	339	472	Long-term loans payable	32,359	28,600
Trade and other receivables	26,978	21,435	Lease liabilities	23,126	18,080
Other long-term financial assets	12,034	14,034	Other non-current financial liabilities	56	76
Retirement benefit asset	0	458	Retirement benefit liabilities	2,127	2,239
Other non-current assets	6,880	4,339	Provisions	1,054	674
Deferred tax assets	17,651	14,018	Other non-current liabilities	11,608	10,350
			Deferred tax liabilities	7,575	7,917
			Total liabilities	200,734	186,023
			Equity		
			Equity attributable to owners of parent	463,776	432,045
			Share capital	14,887	14,729
			Capital surplus	20,960	20,830
			Retained earnings	402,820	365,985
			Treasury shares	(12,318)	(12,315)
			Other components of equity	37,425	42,814
			Non-controlling interests	758	851
Total assets	665,268	618,920	Total equity	464,534	432,897
			Total liabilities and equity	665,268	618,920

Note: Previous fiscal year data is provided for reference (not included in the scope of the audit).

Consolidated statement of income (IFRS)

(Millions of yen)

Account items	Fiscal year under review (from April 1, 2024 to March 31, 2025)	(Reference) Previous fiscal year (from April 1, 2023 to March 31, 2024)
Net sales	508,643	461,510
Cost of sales	236,665	219,013
Gross profit	271,977	242,497
Selling, general and administrative expenses	150,848	133,798
Research and development expenses	31,455	31,402
Impairment losses	3,211	2,210
Other operating income	2,070	4,203
Other operating expenses	948	905
Operating profit	87,583	78,382
Finance income	1,078	937
Finance expenses	3,518	2,386
Share of profit (loss) of investments accounted for using equity method	(2,071)	(2,849)
Foreign exchange gain (loss)	(3,850)	516
Profit before tax	79,221	74,600
Income tax expense	25,645	24,826
Profit	53,576	49,774
Profit attributable to		
Owners of parent	53,669	49,639
Non-controlling interests	(93)	135
Profit	53,576	49,774

Note: Previous fiscal year data is provided for reference (not included in the scope of the audit).