Securities Code: 197A
September 9, 2026

To Our Shareholders

Masaki Nonaka
President and CEO
TAUNS Laboratories, Inc.
761-1, Kamishima, Izunokuni-shi,
Shizuoka, Japan

NOTICE OF
THE 11TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

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

You are hereby notified that the 10th Ordinary General Meeting of Shareholders (the “Meeting”) of TAUNS Laboratories, Inc. (the "Company") will be held as follows.

In convening the Meeting, the Company has taken measures for electronic provision of information, which constitutes the contents of the Reference Documents and other documents for the Meeting (matters subject to measures for electronic provision). The information is posted on the following websites on the Internet, so please access one of these websites to confirm the information.

[Company website]
https://www.tauns.co.jp/investors/stock/meeting/
(Please access the above website and see "The 11th Ordinary General Meeting of Shareholders.")

[Tokyo Stock Exchange Website (TSE Listed Company Search)]
https://www2.jpx.co.jp/tseHpFront/JJK010010Action.do?Show=Show
(Please access the above TSE website and search for the Company by entering "TAUNS" in the "Issue name (company name)" field or "197A" in the "Code" field. On the search results page, select "Basic information" and then "Documents for public inspection/PR information," and click "Notice of General Shareholders Meeting /Informational Materials for a General Shareholders Meeting" under “Filed information available for public inspection” to review the information.)

If you are unable to attend the Meeting, you can exercise your voting rights via the Internet or in writing (by post). Please review the attached Reference Documents of the Ordinary General Meeting of Shareholders and exercise your voting rights by 5:30 p.m. (Japan Standard Time), Thursday, September 24, 2026.

[For the exercise of voting rights via the Internet]
Please access the website designated by the Company for exercising voting rights (https://www.web54.net), use the "Voting Rights Exercise Code" and "Password" indicated on the Voting Rights Exercise Form sent together with this Notice of the Meeting, and follow the on-screen instructions to enter your approval or disapproval of the proposals by the above-mentioned deadline.

[For the exercise of voting rights in writing (by post)]
Please indicate your approval or disapproval of the proposals on the Voting Rights Exercise Form and return it to us by the above-mentioned deadline.

General Information of the Meeting

1. Date and Time: Friday, **September 25, 2026,** at **10:00 a.m.**, Japan Standard Time
(The reception desk will open at 9:30 a.m., Japan Standard Time)

2. Place: **3F Arcadia, Numazu Riverside Hotel**
100-1 Agetsuchi-cho, Numazu-shi, Shizuoka, Japan

3. Meeting Agenda:

Matters to be reported: Business Report and Financial Statements for the 11th Fiscal Year (from July 1, 2025 to June 30, 2026)

Proposals to be resolved:

Proposal 1: Appropriation of Surplus

Proposal 2: Partial Amendments to the Articles of Incorporation

Proposal 3: Election of Two (2) Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

Proposal 4: Election of Three (3) Directors Who Are Audit and Supervisory Committee Members

Proposal 5: Determination of the Amount of Remuneration, etc. for Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

Proposal 6: Determination of the Amount of Remuneration, etc. for Directors Who Are Audit and Supervisory Committee Members

4. Matters Determined with Respect to the Convocation (Information on the Exercise of Voting Rights)

(1) If you exercise your voting rights in writing (by post) and do not indicate your approval or disapproval of the proposals on the Voting Rights Exercise Form, this will be deemed to be an indication of approval of the respective proposal.

(2) If you exercise your voting rights multiple times via the Internet, the last vote submitted shall be considered the valid exercise of voting rights.

(3) If you exercise your voting rights both via the Internet and in writing (by post), the vote submitted via the Internet shall be considered the valid exercise of voting rights, regardless of the date and time of receipt.

(4) If you wish to exercise your voting rights by proxy, another shareholder with voting rights may attend the Meeting as your proxy. Please note, however, that a written document evidencing the proxy's authority must be submitted.

◎ If you are attending the Meeting, please submit the Voting Rights Exercise Form at the reception desk on the day of the Meeting.

◎ If the matters subject to the measures for electronic provision require modification, a notice will be posted on each of the above-mentioned Internet websites, together with the matters before and after the modification.

◎ Documents provided to shareholders who have requested written delivery do not include the following items, in accordance with laws and regulations and Article 15, Paragraph 2 of the Company's Articles of Incorporation. Therefore, these documents constitute part of the materials audited by the auditors and accounting auditors in preparing the audit report.

1) Matters concerning the Company's share subscription rights to stocks, etc., and the system for ensuring the proper conduct of business and the operational status of such system in the Business Report.

2) Statement of changes in net assets and Notes to financial statements in the Financial Statements.

Reference Documents of the Ordinary General Meeting of Shareholders

Proposals and References

Proposal 1: Appropriation of Surplus

As set forth in the Shareholder Return Policy announced in our Mid-Term Management Plan (Fiscal Year Ending June 2026 to Fiscal Year Ending June 2030), published in August 2025, our basic policy during the period covered by the medium-term management plan is to implement a progressive dividend starting from an annual dividend of ¥28 per share.

In accordance with this policy, we propose to pay a year-end dividend for the fiscal year under review of ¥14 per share, as set forth below.

Year-end Dividends

(1) Type of Dividend Assets:
Cash

(2) Matters concerning the allocation of dividend assets and the total amount thereof to shareholders:
14 yen per share of common stock
Total amount of dividends: 1,493,683,604 yen
The annual dividend for the current fiscal year, including the interim dividend, will be 28 yen per share of common stock.

(3) Effective date of appropriation of dividends:
September 28, 2026

Proposal 2: Partial Amendments to the Articles of Incorporation

1. Reasons for the Amendments
(1) To accommodate the diversification of the Company's business activities, the Company proposes to add new business purposes to the Articles of Incorporation.
(2)In order to strengthen the auditing and supervisory functions of the Board of Directors and accelerate decision-making, the Company proposes to transition to a company with an Audit and Supervisory Committee. Accordingly, the Company proposes to establish new provisions concerning Directors who are Audit and Supervisory Committee Members and the Audit and Supervisory Committee, and to make related amendments, including the deletion of provisions concerning Corporate Auditors and the Board of Corporate Auditors.
(3) In connection with the above additions, amendments and deletions of provisions, the Company proposes to make the necessary consequential changes, including changes to article numbers, revisions to wording and other related amendments.

2. Details of the Amendments
The details of the proposed amendments are as set forth below.
These amendments to the Articles of Incorporation shall become effective upon the conclusion of this Annual General Meeting of Shareholders.

(Underlined portions indicate proposed amendments.)

Current Articles of Incorporation	Proposed Amendments
Chapter I General Provisions	Chapter I General Provisions
Article 1 (Text omitted)	Article 1 (Unchanged)
(Purpose) Article 2	(Purpose) Article 2
(1) Investment in, holding and management of shares, bonds and other securities	(Deleted)
(2) Development, marketing approval/marketing, manufacturing, sale, import and export of pharmaceuticals, in vitro diagnostics, cosmetics, chemical products, industrial chemicals, agricultural chemicals, veterinary medicines, quasi-drugs, poisonous substances and deleterious substances	(1) Development, marketing approval/marketing, manufacturing, sale, import and export of pharmaceuticals, in vitro diagnostics, cosmetics, chemical products, industrial chemicals, agricultural chemicals, veterinary medicines, quasi-drugs, poisonous substances and deleterious substances
(3) Development, marketing approval/marketing, manufacturing, sale, import and export of medical physical and chemical measuring instruments, industrial measuring instruments, medical devices, veterinary medical devices, sanitary materials, measuring instruments, alcoholic beverages, feed, dyes and pigments	(2) Development, marketing approval/marketing, manufacturing, sale, import and export of medical physical and chemical measuring instruments, industrial measuring instruments, medical devices, veterinary medical devices, sanitary materials, measuring instruments, alcoholic beverages, feed, dyes and pigments
(4) Design of medical facilities, and design guidance, development, manufacturing, sale, import and export of related equipment and devices	(3) Design of medical facilities, and design guidance, development, manufacturing, sale, import and export of related equipment and devices
(5) Sale and brokerage of laboratory animals for medical use and companion animals	(4) Sale and brokerage of laboratory animals for medical use and companion animals
(6) Contract services for clinical testing, animal health testing and food hygiene testing	(5) Contract services for clinical testing, animal health testing and food hygiene testing
(7) Development, manufacturing, sale, import and export of daily necessities and household goods	(6) Development, manufacturing, sale, import and export of daily necessities and household goods
(8) Development, manufacturing, sale, import and export of food products and processed food products	(7) Development, manufacturing, sale, import and export of food products and processed food products
(Newly established)	(8) Management, processing and provision of information concerning medical care and health
(Newly established)	(9) Information processing services, and development, sale and maintenance of computer hardware and software
(Newly established)	(10) Development and sale of programs related to artificial intelligence
(Newly established)	(11) Consulting services related to each of the preceding items
(Newly established)	(12) Investment in, holding and management of shares, bonds and other securities
(9) All businesses incidental or related to each of the preceding items	(13) All businesses incidental or related to each of the preceding items
Article 3 (Text omitted)	Article 3 (Unchanged)
(Corporate Bodies) Article 4 In addition to the General Meeting of Shareholders and Directors, the Company shall have the following corporate bodies:	(Corporate Bodies) Article 4 In addition to the General Meeting of Shareholders and Directors, the Company shall have the following corporate bodies:
(1) Board of Directors	(1) Board of Directors
(2) Audit & Supervisory Board Member(s)	(2) Audit and Supervisory Committee
(3) Audit & Supervisory Board	(Deleted)
(4) Accounting Auditor	(3) Accounting Auditor

Article 5 (Text omitted)	Article 5 (Unchanged)
Chapter II Shares	Chapter II Shares
Articles 6 to 11 (Text omitted)	Articles 6 to 11 (Unchanged)
Chapter III General Meeting of Shareholders	Chapter III General Meeting of Shareholders
Articles 12 to 18 (Text omitted)	Articles 12 to 18 (Unchanged)
Chapter IV Directors and Board of Directors	Chapter IV Directors and Board of Directors
(Number of Directors) Article 19 The number of Directors of the Company shall be not more than nine (9).	(Number of Directors) Article 19 1 The number of Directors of the Company (excluding Directors who are Audit and Supervisory Committee Members) shall be not more than four (4).
(Newly established)	2 The number of Directors who are Audit and Supervisory Committee Members of the Company shall be not more than five (5).
(Method of Election of Directors) Article 20 1 Directors shall be elected by resolution of the General Meeting of Shareholders.	(Method of Election of Directors) Article 20 1 Directors shall be elected by resolution of the General Meeting of Shareholders, separately distinguishing Directors who are Audit and Supervisory Committee Members from other Directors.
2 Resolutions for the election of Directors shall be adopted by a majority of the voting rights of shareholders present at a meeting where shareholders holding one-third or more of the voting rights exercisable by shareholders are present.	2 Resolutions for the election of Directors shall be adopted by a majority of the voting rights of shareholders present at a meeting where shareholders holding one-third or more of the voting rights exercisable by shareholders are present.
3 The election of Directors shall not be conducted by cumulative voting.	3 The election of Directors shall not be conducted by cumulative voting.
(Term of Office of Directors) Article 21 1 The term of office of Directors shall expire at the conclusion of the Annual General Meeting of Shareholders for the last business year ending within two (2) years after their election.	(Term of Office of Directors) Article 21 1 The term of office of Directors (excluding Directors who are Audit and Supervisory Committee Members) shall expire at the conclusion of the Annual General Meeting of Shareholders for the last business year ending within one (1) year after their election.
(Newly established)	2 The term of office of Directors who are Audit and Supervisory Committee Members shall expire at the conclusion of the Annual General Meeting of Shareholders for the last business year ending within two (2) years after their election.
2 The term of office of Directors elected due to an increase in the number of Directors or to fill a vacancy shall expire when the term of office of the incumbent Directors expires.	3 The term of office of a Director who is an Audit and Supervisory Committee Member elected as a substitute for a Director who is an Audit and Supervisory Committee Member and retired before the expiration of the term of office shall expire when the term of office of the retired Director who was an Audit and Supervisory Committee Member expires.

(Newly established)	4 The effect of advance election of a substitute Director who is an Audit and Supervisory Committee Member shall continue until the commencement of the Annual General Meeting of Shareholders for the last business year ending within two (2) years after such election.
(Representative Director and Directors with Titles) Article 22 1 The Board of Directors shall select Representative Director(s) by its resolution. 2 The Board of Directors shall appoint one President and Director by its resolution.	(Representative Director and Directors with Titles) Article 22 1 The Board of Directors shall select Representative Director(s) from among Directors (excluding Directors who are Audit and Supervisory Committee Members) by its resolution. 2 The Board of Directors shall appoint one President and Director from among Directors (excluding Directors who are Audit and Supervisory Committee Members) by its resolution.
Article 23 (Text omitted)	Article 23 (Unchanged)
(Convocation Notice of Board of Directors Meetings) Article 24 1 Notice of convocation of a meeting of the Board of Directors shall be dispatched to each Director and each Audit & Supervisory Board Member no later than three (3) days prior to the date of the meeting; provided, however, that this period may be shortened in urgent cases. 2 If all Directors and Audit & Supervisory Board Members consent, a meeting of the Board of Directors may be held without following the convocation procedures.	(Convocation Notice of Board of Directors Meetings) Article 24 1 Notice of convocation of a meeting of the Board of Directors shall be dispatched to each Director no later than three (3) days prior to the date of the meeting; provided, however, that this period may be shortened in urgent cases. 2 If all Directors consent, a meeting of the Board of Directors may be held without following the convocation procedures.
Articles 25 to 26 (Text omitted) (Newly established)	Articles 25 to 26 (Unchanged) (Delegation of Decisions on Important Business Execution) Article 27 The Company may, pursuant to Article 399-13, Paragraph 6 of the Companies Act, delegate all or part of decisions on important business execution (excluding the matters listed in the items of Paragraph 5 of the same Article) to Directors by resolution of the Board of Directors.
(Minutes of Board of Directors Meetings) Article 27 The substance of the proceedings and results of meetings of the Board of Directors, and other matters prescribed by laws and regulations, shall be stated or recorded in the minutes, and the Directors and Audit & Supervisory Board Members present shall affix their names and seals or electronic signatures thereto.	(Minutes of Board of Directors Meetings) Article 28 The substance of the proceedings and results of meetings of the Board of Directors, and other matters prescribed by laws and regulations, shall be stated or recorded in the minutes, and the Directors present shall affix their names and seals or electronic signatures thereto.
Article 28 (Text omitted)	Article 29 (Unchanged)
(Remuneration, etc. of Directors) Article 29	(Remuneration, etc. of Directors) Article 30

Remuneration, bonuses and other financial benefits received from the Company as consideration for the performance of duties by Directors (hereinafter referred to as “Remuneration, etc.”) shall be determined by resolution of the General Meeting of Shareholders.	Remuneration, bonuses and other financial benefits received from the Company as consideration for the performance of duties by Directors (hereinafter referred to as “Remuneration, etc.”) shall be determined by resolution of the General Meeting of Shareholders, separately distinguishing Directors who are Audit and Supervisory Committee Members from other Directors.
Article 30 (Text omitted)	Article 31 (Unchanged)
Chapter V Audit & Supervisory Board Members and Audit & Supervisory Board	(Deleted)
(Number of Audit & Supervisory Board Members) Article 31 The number of Audit & Supervisory Board Members of the Company shall be not more than four (4).	(Deleted)
(Method of Election of Audit & Supervisory Board Members) Article 32 1 Audit & Supervisory Board Members shall be elected by resolution of the General Meeting of Shareholders. 2 Resolutions for the election of Audit & Supervisory Board Members shall be adopted by a majority of the voting rights of shareholders present at a meeting where shareholders holding one-third or more of the voting rights exercisable by shareholders are present.	(Deleted)
(Term of Office of Audit & Supervisory Board Members) Article 33 1 The term of office of Audit & Supervisory Board Members shall expire at the conclusion of the Annual General Meeting of Shareholders for the last business year ending within four (4) years after their election. 2 The term of office of an Audit & Supervisory Board Member elected as a substitute for an Audit & Supervisory Board Member who retired before the expiration of the term of office shall expire when the term of office of the retired Audit & Supervisory Board Member expires.	(Deleted)
(Full-time Audit & Supervisory Board Member) Article 34 The Audit & Supervisory Board shall select full-time Audit & Supervisory Board Member(s) by its resolution.	(Deleted)
(Convocation Notice of Audit & Supervisory Board Meetings) Article 35	(Deleted)

1 Notice of convocation of a meeting of the Audit & Supervisory Board shall be dispatched to each Audit & Supervisory Board Member no later than three (3) days prior to the date of the meeting; provided, however, that this period may be shortened in urgent cases. 2 If all Audit & Supervisory Board Members consent, a meeting of the Audit & Supervisory Board may be held without following the convocation procedures.	
(Method of Resolution of Audit & Supervisory Board Meetings) Article 36 Resolutions of the Audit & Supervisory Board shall be adopted by a majority of the Audit & Supervisory Board Members, unless otherwise provided by laws and regulations.	(Deleted)
(Minutes of Audit & Supervisory Board Meetings) Article 37 The substance of the proceedings and results of meetings of the Audit & Supervisory Board, and other matters prescribed by laws and regulations, shall be stated or recorded in the minutes, and the Audit & Supervisory Board Members present shall affix their names and seals or electronic signatures thereto.	(Deleted)
(Audit & Supervisory Board Regulations) Article 38 Matters concerning the Audit & Supervisory Board shall be governed by the Audit & Supervisory Board Regulations established by the Audit & Supervisory Board, in addition to laws and regulations and these Articles of Incorporation.	(Deleted)
(Remuneration, etc. of Audit & Supervisory Board Members) Article 39 Remuneration, etc. of Audit & Supervisory Board Members shall be determined by resolution of the General Meeting of Shareholders.	(Deleted)
(Exemption from Liability of Audit & Supervisory Board Members) Article 40 1 Pursuant to Article 426, Paragraph 1 of the Companies Act, the Company may, by resolution of the Board of Directors, exempt Audit & Supervisory Board Members (including former Audit & Supervisory Board Members) from liability for damages arising from negligence in the performance of their duties, to the extent permitted by laws and regulations.	(Deleted)

2 Pursuant to Article 427, Paragraph 1 of the Companies Act, the Company may enter into agreements with Audit & Supervisory Board Members to limit their liability for damages arising from negligence in the performance of their duties; provided, however, that the maximum amount of liability under such agreements shall be the amount prescribed by laws and regulations.	
(Newly established)	Chapter V Audit and Supervisory Committee
(Newly established)	(Convocation Notice of Audit and Supervisory Committee Meetings) Article 32 1 Notice of convocation of a meeting of the Audit and Supervisory Committee shall be dispatched to each Audit and Supervisory Committee Member no later than three (3) days prior to the date of the meeting; provided, however, that this period may be shortened in urgent cases. 2 If all Audit and Supervisory Committee Members consent, a meeting of the Audit and Supervisory Committee may be held without following the convocation procedures.
(Newly established)	(Method of Resolution of Audit and Supervisory Committee Meetings) Article 33 Resolutions of the Audit and Supervisory Committee shall be adopted by a majority of the Audit and Supervisory Committee Members present at a meeting where a majority of the Audit and Supervisory Committee Members entitled to participate in the vote are present.
(Newly established)	(Minutes of Audit and Supervisory Committee Meetings) Article 34 The substance of the proceedings and results of meetings of the Audit and Supervisory Committee, and other matters prescribed by laws and regulations, shall be stated or recorded in the minutes, and the Audit and Supervisory Committee Members present shall affix their names and seals or electronic signatures thereto.
(Newly established)	(Audit and Supervisory Committee Regulations) Article 35 Matters concerning the Audit and Supervisory Committee shall be governed by the Audit and Supervisory Committee Regulations established by the Audit and Supervisory Committee, in addition to laws and regulations and these Articles of Incorporation.
Chapter VI Accounting Auditor	Chapter VI Accounting Auditor
Articles 41 to 42 (Text omitted)	Articles 36 to 37 (Unchanged)

(Remuneration, etc.) Article 43 Remuneration, etc. of the Accounting Auditor shall be determined by the Representative Director with the consent of the Audit & Supervisory Board.	(Remuneration, etc.) Article 38 Remuneration, etc. of the Accounting Auditor shall be determined by the Representative Director with the consent of the Audit and Supervisory Committee.
Chapter VII Accounting	Chapter VII Accounting
Articles 44 to 47 (Text omitted)	Articles 39 to 42 (Unchanged)
(Newly established)	Supplementary Provisions
(Newly established)	(Transitional Measures Concerning Exemption from Liability of Audit & Supervisory Board Members) 1 Pursuant to Article 426, Paragraph 1 of the Companies Act, the Company may, by resolution of the Board of Directors, exempt persons who were Audit & Supervisory Board Members from liability for damages arising from negligence in the performance of their duties, to the extent permitted by laws and regulations. 2 These Supplementary Provisions shall be deleted as of September 25, 2036.

Proposal 3: Election of Two (2) Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

Subject to the approval and adoption of Proposal No. 2, "Partial Amendments to the Articles of Incorporation," the Company will transition to a company with an Audit and Supervisory Committee. Accordingly, all six (6) incumbent Directors will retire from office upon the expiration of their terms of office at the conclusion of this Annual General Meeting of Shareholders.
Therefore, the Company proposes the election of two (2) Directors (excluding Directors who are Audit and Supervisory Committee Members).
The effectiveness of the resolution of this proposal shall be subject to the approval and adoption of Proposal No. 2, "Partial Amendments to the Articles of Incorporation," as originally proposed and the amendments to the Articles of Incorporation becoming effective pursuant to such resolution.
The candidates for Directors (excluding Directors who are Audit and Supervisory Committee Members) are as follows:

No.	Name (Date of birth)	Brief personal record and important concurrent positions		Number of shares of the Company held
1	Masaki Nonaka (June 11, 1975) Reappointment	October 1999	Joined Showa Ota Audit Corporation (currently Ernst & Young ShinNihon LLC)	31,232,217
		April 2003	Joined The Japan Research Institute, Limited	
		September 2005	Joined Japan branch, American Life Insurance Company (currently MetLife Insurance K.K.)	
		June 2006	Joined Mizuho Capital Partners Co., Ltd. (currently MCP Partners Co., Ltd.)	
		July 2007	Head of Business Development Department and Director in charge of Overseas of the Company	
		April 2014	President and CEO of the Company (incumbent)	

No.	Name (Date of birth)	Brief personal record and important concurrent positions		Number of shares of the Company held
4	Masahiro Ito (July 11, 1973) Reappointment	April 1998	Joined Bain & Company, Inc.	—
		June 2004	Seconded to Industrial Revitalization Corporation of Japan	
		November 2006	Joined CITIC Capital Partners Limited (currently Trustar Capital Partners Japan Limited) Managing Director	
		April 2016	Representative Director of the Company	
		June 2017	Director of the Company (incumbent)	
		September 2019	Outside Director of MP Holdings K.K. (currently MARUKI SANGYO Co., Ltd.) (incumbent)	
		April 2023	Senior Managing Director and Japan Representative of Trustar Capital Partners Japan Limited	
		November 2023	Representative Director of KG Holdings K.K. (incumbent)	
		December 2023	Outside Director of Kaneko Shoten K.K. (incumbent)	
		January 2024	Partner and Japan Representative of Trustar Capital Partners Japan Limited (incumbent)	
		November 2024	Director of KG Holdings K.K. (incumbent)	

(Notes)

1. None of the candidates has any special interest in the Company.
2. The Company has entered into an agreement with Mr. Masahiro Ito pursuant to Article 427, Paragraph 1 of the Companies Act to limit his liability for damages under Article 423, Paragraph 1 of the Companies Act. Under such agreement, the maximum amount of liability for damages is limited to the minimum liability amount prescribed in Article 425, Paragraph 1 of the Companies Act. If the reappointment of Mr. Masahiro Ito is approved, the Company intends to continue such agreement.
3. 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. Under this insurance policy, losses, including damages and litigation expenses, incurred in connection with claims for damages brought against the insured persons, including the Company's Directors, are covered. However, certain exclusions apply, including cases arising from acts performed with the insured person's knowledge that such acts were in violation of laws or regulations. If each candidate is elected and assumes office as Director, he will be included as an insured person under such insurance policy. The policy term is one year, and the Company intends to renew the policy with substantially the same terms upon resolution of the Board of Directors prior to its expiration.

Proposal 4: Election of Three (3) Directors Who Are Audit and Supervisory Committee Members

Subject to the approval and adoption of Proposal No. 2, "Partial Amendments to the Articles of Incorporation," the Company will transition to a company with an Audit and Supervisory Committee. Accordingly, the Company proposes the election of three (3) Directors who are Audit and Supervisory Committee Members.

The submission of this proposal has obtained the consent of the Board of Corporate Auditors.

The effectiveness of the resolution of this proposal shall be subject to the approval and adoption of Proposal No. 2, "Partial Amendments to the Articles of Incorporation," as originally proposed and the amendments to the Articles of Incorporation becoming effective pursuant to such resolution.

The candidates for Directors who are Audit and Supervisory Committee Members are as follows:

No.	Name (Date of birth)	Brief personal record and important concurrent positions		Number of shares of the Company held
1	Caroline F. Benton (August 2, 1961) New Appointment Outside Independent	May 2008 April 2013 April 2015 April 2019 April 2019 April 2019 October 2020 April 2021 December 2021 April 2023 August 2024 April 2025	Professor of Institute of Business Sciences, University of Tsukuba Vice President of Global Affairs of the University of Tsukuba Executive Director (Global Affairs) University of Tsukuba Administrative Council Member of Nara Institute for Science and Technology Trustee of Tsukuba Global Academy (incumbent) Councilor of the Education and Research Council, Inter-University Research Institute Corporation Research Organization of Information and Systems (incumbent) Outside Corporate Auditor of the Company (incumbent) Member of the National Research and Development Agency Council, Ministry of Education, Culture, Sports, Science and Technology (incumbent) Outside Director of GAKKEN HOLDINGS Co., Ltd. Staff of President's Office of University of Tsukuba and Professor of Faculty of Business Sciences, Graduate School of Business Sciences, University of Tsukuba (incumbent) Supporter of Program for Forming Japan's Peak Research Universities, Japan Society for the Promotion of Science (incumbent) Executive Director of Nara Institute for Science and Technology (incumbent)	9,022
2	Toshinori Mishina (March 24, 1983) New Appointment Outside Independent	April 2008 March 2013 March 2015 April 2016 October 2016 April 2020 September 2020 March 2023 July 2026	Joined Eli Lilly Japan K.K. Joined PricewaterhouseCoopers Co., Ltd. Joined e-solutions, inc. Director of NC Medical Research, Inc. Head of Life Science Department of e-solutions, inc. CEO of Sciness LLC. (incumbent) Outside Director of the Company (incumbent) Director and COO of TOKIWA-Bio Inc. President and CEO of Orinas Biosciences, Inc.	23,085
3	Osamu Chiba (October 24, 1963) New Appointment Outside Independent	April 1987 October 2004 November 2011 January 2013 June 2016 June 2017 January 2022 September 2022 August 2025 June 2026	Joined Mitsubishi Corporation Registered as an attorney (Daini Tokyo Bar Association) Joined Akebono Law Office Supervisory Director of Kenedix Residential Next Investment Corporation (currently KDX Realty Investment Corp.) Partner of Akebono Law Office Outside Audit & Supervisory Board Member of Maruzen Foods Industry Co., Ltd. (incumbent) Outside Director (Audit & Supervisory Committee Member) of IMAGICA GROUP Inc. Representative Attorney of Akebono Law Office (incumbent) Outside Director of the Company (incumbent) Supervisory Director of Kenedix Private Investment Corporation (incumbent) Corporate Auditor of IMAGICA GROUP Inc. (incumbent)	6,352

(Notes)

1. None of the candidates has any special interest or conflict of interest with the Company.
2. Ms. Caroline F. Benton, Mr. Toshinori Mishina, and Mr. Osamu Chiba are candidates for Outside Director.
3. Reasons for Nomination of the Candidates for Outside Director and Summary of the Roles Expected of Them

Ms. Caroline F. Benton has never been involved in corporate management other than serving as an outside officer. However, in addition to her experience as an officer of listed companies, she possesses extensive experience and broad insight in the management of a national university corporation, as well as expertise in business and knowledge management strategy. Accordingly, the Company expects that she will contribute to strengthening the Board of Directors' decision-making function and its audit and supervisory functions, and therefore requests her election as an Outside Director.

Mr. Toshinori Mishina possesses extensive experience and specialized knowledge in business strategy and business development in the pharmaceutical and healthcare industries. In addition, he has acquired practical expertise in management, finance, and accounting through his own corporate management experience. Accordingly, the Company expects that he will contribute to strengthening the Board of Directors' decision-making function and its

audit and supervisory functions, and therefore requests his election as an Outside Director.
Mr. Osamu Chiba has never been involved in corporate management other than serving as an outside officer. However, in addition to his experience as an officer of listed companies, he possesses extensive experience and broad insight in corporate legal affairs as a legal professional. Accordingly, the Company expects that he will contribute to strengthening the Board of Directors' decision-making function and its audit and supervisory functions, and therefore requests his election as an Outside Director.
4. Ms. Caroline F. Benton currently serves as an Outside Corporate Auditor of the Company. Her tenure as an Outside Corporate Auditor will be six (6) years as of the conclusion of this Annual General Meeting of Shareholders.
5. Mr. Toshinori Mishina and Mr. Osamu Chiba currently serve as Outside Directors of the Company. Their respective tenures as Outside Directors will be six (6) years for Mr. Mishina and four (4) years for Mr. Chiba as of the conclusion of this Annual General Meeting of Shareholders.
6. The Company has entered into agreements with Ms. Caroline F. Benton, Mr. Toshinori Mishina, and Mr. Osamu Chiba to limit their liability for damages under Article 423, Paragraph 1 of the Companies Act pursuant to Article 427, Paragraph 1 of the Companies Act. Under such agreements, the maximum amount of liability is limited to the minimum liability amount prescribed in Article 425, Paragraph 1 of the Companies Act. If the election of Ms. Caroline F. Benton, Mr. Toshinori Mishina, and Mr. Osamu Chiba is approved, the Company intends to enter into agreements with each of them containing substantially the same terms.
7. The Company has entered into a Directors and Officers Liability Insurance (D&O Insurance) policy with an insurance company as provided for in Article 430-3, Paragraph 1 of the Companies Act. Under this policy, damages, litigation expenses, and other losses incurred by insured persons, including the Company's directors, arising from claims for damages made against them are covered. However, certain exclusions apply, including cases arising from acts conducted with knowledge that such acts were in violation of laws or regulations. If any of the candidates is elected and assumes office as a Director who is an Audit and Supervisory Committee Member, he or she will become an insured under such policy. The policy term is one year, and the Company intends to renew the policy with substantially the same terms upon resolution of the Board of Directors prior to the expiration of the policy period.
8. The Company has designated Ms. Caroline F. Benton, Mr. Toshinori Mishina, and Mr. Osamu Chiba as Independent Officers pursuant to the regulations of the Tokyo Stock Exchange. If their election is approved, the Company intends to continue to designate each of them as an Independent Officer.

(Reference) Skills Matrix of Director Candidates

Subject to the approval and adoption of Proposals No. 2, No. 3 and No. 4 as originally proposed, the expertise and experience possessed by the Company's Directors will be as follows.

Name	Position in the Company	Knowledge and experience expected of directors							
		Corporate management / Strategy	Global business	Sales/ Marketing	Research & Development	Production	Finance/ Accounting	Legal affairs/ Compliance/ Risk management	Personnel/ HR development
Masaki Nonaka	President and CEO	○	○	○	○	○	○		
Masahiro Ito	Director	○	○						
Caroline F. Benton	Outside Director (Audit and Supervisory Committee Member)	○	○						○
Toshinori Mishina	Outside Director (Audit and Supervisory Committee Member)	○			○		○		
Osamu Chiba	Outside Director (Audit and Supervisory Committee Member)		○	○				○	

(Note) The above table is a list of the knowledge and experience we particularly expect each person to have.
The above table does not represent all of the knowledge and experience that each person has.

(Reference) Independence Criteria for Outside Directors

Outside directors are considered to be independent if none of the following applies.
(1) The Company or its subsidiaries' executive person (a director other than an outside director, executive officer, corporate officer or other employee; the same shall apply hereinafter)
(2) A major shareholder of the Company (a person who directly or indirectly holds 10% or more of the total voting rights) or its executive person
(3) The Company's principal lender (financial institutions and other major creditors that are essential to the Company's financing and on which the Company relies to the extent that there is no alternative) or its executive person
(4) A person who is a major business partner of the Company (a person who pays the Company more than 2% of the Company's annual sales in the most recent fiscal year) or its executive person
(5) A person whose major business partner is the Company (a person who receives payment from the Company more than 2% of the annual consolidated net sales of the relevant business partner in the most recent fiscal year) or its executive person
(6) A consultant, accounting expert, or legal expert who receives remuneration exceeding 10 million yen per year from the Company other than Directors' remuneration
(7) An executive person of organizations that receive annual donations more than 10 million yen from the Company
(8) The Company's independent auditor or a person belonging to an auditing firm that is the independent auditor of the Company
(9) An executive person of other companies with whom the outside directors or outside audit & supervisory board members have a relationship of mutual appointment
(10) In the event that a person included in (1) to (9) above holds an important position (i.e., a director other than an outside director, executive officer, corporate officer or other important employee), his or her spouse or relative within the second degree of consanguinity or affinity
(11) (1) includes cases in the past 10 years, (2) includes cases in the past 5 years, and (3) through (10) includes cases in the past 3 years

Proposal 5: Determination of the Amount of Remuneration, etc. for Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

Subject to the approval and adoption of Proposal No. 2, "Partial Amendments to the Articles of Incorporation," the Company will transition to a company with an Audit and Supervisory Committee.
The amount of remuneration, etc. for the Company's Directors has been set at no more than ¥240 million per year (excluding the salary portion for Directors who concurrently serve as employees) pursuant to a resolution adopted at the 6th Annual General Meeting of Shareholders held on September 28, 2021, and has remained unchanged to date. In connection with the transition to a company with an Audit and Supervisory Committee, the current remuneration framework for Directors will be abolished, and, in accordance with Article 361, Paragraphs 1 and 2 of the Companies Act, the amount of remuneration, etc. for Directors (excluding Directors who are Audit and Supervisory Committee Members) will be newly established at no more than ¥240 million per year (including no more than ¥40 million per year for Outside Directors) (excluding the salary portion for Directors who concurrently serve as employees), taking into consideration their responsibilities, recent economic conditions, and various other relevant factors. The Company proposes that the specific amount, timing, method of payment, and other details of remuneration for each Director (excluding Directors who are Audit and Supervisory Committee Members) be determined by resolution of the Board of Directors.
An overview of the policy for determining the details of individual remuneration, etc. for Directors is described on page 36 of the Business Report. If this proposal is approved and adopted, the Company intends to revise such policy as necessary to reflect the review of the remuneration structure and the transition to a company with an Audit and Supervisory Committee. The revised policy will be as set forth in the section entitled "[Reference] Policy for Determining the Details of Executive Remuneration, etc. after Revision" below. The Company believes that the contents of this proposal are consistent with the revised policy and are reasonable, having been determined after considering the deliberations and recommendations of the Nomination and Remuneration Advisory Committee, together with various other relevant circumstances.

The Company currently has six (6) Directors, including two (2) Outside Directors. If Proposal No. 2, "Partial Amendments to the Articles of Incorporation," and Proposal No. 3, "Election of Two (2) Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)," are approved and adopted as originally proposed, the number of Directors (excluding Directors who are Audit and Supervisory Committee Members) eligible to receive remuneration pursuant to the resolution under this proposal will be two (2).

The effectiveness of the resolution on this proposal shall be conditional upon (i) the approval and adoption of Proposal No. 2, "Partial Amendments to the Articles of Incorporation," as originally proposed, and (ii) the amendments to the Articles of Incorporation becoming effective pursuant to such resolution.

Proposal 6: Determination of the Amount of Remuneration, etc. for Directors Who Are Audit and Supervisory Committee Members

Subject to the approval and adoption of Proposal No. 2, "Partial Amendments to the Articles of Incorporation," the Company will transition to a company with an Audit and Supervisory Committee.
Accordingly, in accordance with Article 361, Paragraphs 1 and 2 of the Companies Act, the Company proposes that the amount of remuneration, etc. for Directors who are Audit and Supervisory Committee Members be set at no more than ¥70 million per year, taking into consideration their responsibilities, recent economic conditions, and various other relevant factors. The Company further proposes that the specific amount, timing, method of payment, and other details of remuneration for each Director who is an Audit and Supervisory Committee Member be determined through consultation among the Directors who are Audit and Supervisory Committee Members.
The Company believes that the contents of this proposal are reasonable, as they have been determined by the Board of Directors after comprehensively taking into account the responsibilities of such Directors, recent economic conditions, and various other relevant circumstances.
If Proposal No. 2, "Partial Amendments to the Articles of Incorporation," and Proposal No. 4, "Election of Three (3) Directors Who Are Audit and Supervisory Committee Members," are approved and adopted as originally proposed, the number of Directors who are Audit and Supervisory Committee Members eligible to receive remuneration pursuant to the resolution under this proposal will be three (3).
The effectiveness of the resolution on this proposal shall be conditional upon (i) the approval and adoption of Proposal No. 2, "Partial Amendments to the Articles of Incorporation," as originally proposed, and (ii) the amendments to the Articles of Incorporation becoming effective pursuant to such resolution.

(Reference) Policy for Determining the Details of Executive Remuneration, etc. After Revision

1. Policy for Determining Executive Remuneration
The remuneration of the Company's Directors (excluding Outside Directors and Directors who are Audit and Supervisory Committee Members) shall consist, within the limits approved by the shareholders at the General Meeting of Shareholders, of (i) a fixed remuneration component, namely Base Remuneration, determined according to the director's position, and (ii) a short-term incentive (STI), namely Performance-Linked Remuneration, which is linked to the Company's business performance.
The remuneration structure shall be designed so that, under standard performance conditions, Base Remuneration accounts for approximately 50% and Performance-Linked Remuneration accounts for approximately 50% of total remuneration.
The remuneration of the Company's Outside Directors and Directors who are Audit and Supervisory Committee Members shall consist solely of Base Remuneration and shall contain no performance-based component.

(a) Base Remuneration
Base Remuneration shall be paid in cash as fixed monthly compensation. The amount applicable to each position shall be prescribed in the executive remuneration regulations approved by the Board of Directors following deliberation and recommendations by the Nomination and Remuneration Advisory Committee.
The Base Remuneration prescribed in the executive remuneration regulations shall be subject to periodic

benchmarking surveys. Taking into consideration factors such as industry characteristics and company size, the appropriateness of remuneration levels for each position shall be reviewed by the Nomination and Remuneration Advisory Committee. Following such review, deliberation, and recommendation by the Committee each September, the Board of Directors shall determine the annual Base Remuneration applicable from October onward.

(b) Performance-Linked Remuneration (STI)
Performance-Linked Remuneration (STI) shall be calculated in accordance with standards prescribed in the executive remuneration regulations approved by the Board of Directors following deliberation and recommendations by the Nomination and Remuneration Advisory Committee, and shall be linked to the Company's performance for each fiscal year.
The standard remuneration amount used as the basis for calculation shall vary according to the director's position. The performance achievement coefficient (relative to plan), which is applied to the standard remuneration amount, shall be determined based on net sales and net income for the fiscal year from the perspective of pursuing revenue growth and profitability in the Company's core business operations.
The weighting ratio shall be 40% for net sales and 60% for net income for the fiscal year, and the achievement coefficient for each metric shall be determined within a range of 0% to 200%, depending on the degree of achievement relative to the business plan.

2. Procedures for Determining Individual Executive Remuneration

The Base Remuneration and Performance-Linked Remuneration (STI) of each Director (excluding Directors who are Audit and Supervisory Committee Members) shall be determined by the Board of Directors within the limits approved by the shareholders at the General Meeting of Shareholders, following deliberation and recommendations by the Nomination and Remuneration Advisory Committee, a majority of whose members are Outside Directors.
The Base Remuneration of each Director who is an Audit and Supervisory Committee Member shall be determined, within the limits approved by the shareholders at the General Meeting of Shareholders, through consultation among the Directors who are Audit and Supervisory Committee Members, following deliberation and recommendations by the Nomination and Remuneration Advisory Committee.