

June 8, 2026

To our Shareholders and Investors,

PIOLAX, INC.
Satoshi Yamada, Representative
Director and President

Piolax's opinion on the ISS report regarding Proposal No. 3 of the 110th Ordinary General Meeting of Shareholders

We are informed that Institutional Shareholder Services, Inc. (hereafter referred to as "ISS"), a voting advisory firm, has issued a report (hereafter referred to as "Report") recommending against the election of Candidate No. 2, Ms. Sakae Komiyama, in Proposal No. 3 Election of three Directors who are Audit and Supervisory Committee Members (hereinafter referred to as "Proposal") to be submitted to the 110th Ordinary General Meeting of Shareholders to be held on June 25, 2026.

While our opinion on this Proposal is stated in the convocation notice, we would like to provide additional explanation as set forth below. We kindly request that

you review and understand our views before exercising your voting rights.

We also note that Glass, Lewis & Co., another proxy advisory firm, has recommended voting in favor of the election of Mr. Sakae Komiyama.

1. Contents of the ISS's recommendation against the Proposal

The Report opposes the election of Candidate No. 2, Ms. Sakae Komiyama, in Proposal No. 3 Election of three Directors who are Audit and Supervisory Committee Members, saying that her election would violate the ISS's independence criteria because she worked for Ernst & Young ShinNihon LLC (hereinafter referred to as "EY"), our company's accounting auditor, until March 2014.

2. Our opinion

For the following reasons, we have determined that Ms. Sakae Komiyama does not lack independence and is qualified to serve as an Outside Director who is an Audit and Supervisory Committee Member of Piolax.

[Independence]

(1) Absence of relationship with Piolax while working for EY and passage of a considerable period of time after leaving EY

Piolax's accounting auditor is EY, and Ms. Sakae Komiyama has ever worked for its predecessor, Ota Showa Audit Cooperation. During that time, she was not engaged in our company's accounting audits. More than 10 years have passed since she left the audit firm in

March 2014, and she has not been involved in any aspect of the audit firm's operations or financial policies since then. We believe that a sufficient period of time (cooling-off period) has passed to resolve any conflict of interest between her and the audit firm, and there is no risk of a conflict of interest between her past work and her duties as Outside Director who is an Audit and Supervisory Committee Member of our company.

(2) No relationship with the audit firm's auditors in charge of Piolax

While Ms. Sakae Komiyama worked for Ota Showa Audit Cooperation (current EY), she had never worked in the same department as auditors in charge of Piolax.

(3) No business relationship even after leaving the audit firm

After Ms. Sakae Komiyama left Ota Showa Audit Cooperation (current EY), she has no business relationship with the audit firm as an individual such as undertaking part of audit certification services and other services performed by it.

(4) Satisfaction of "Independence Criteria for Outside Directors"

When appointing Ms. Sakae Komiyama as a candidate for Director who is an Audit and Supervisory Committee Member, our voluntary Nomination and Compensation Advisory Committee (which is chaired by an Outside Director and a majority of the members are Independent Outside Directors) deliberated based on our company's "Independence Criteria for Outside Directors," and the Board of Directors resolved it with the consent of the Audit and Supervisory Committee.

She satisfies the requirements for independent directors/auditors pursuant to the rules of the Tokyo Stock Exchange and has filed a notification with the Exchange.

[Qualifications]

As described below, Ms. Sakae Komiyama has excellent qualifications as an independent director and is an indispensable human resource for building our company's governance system.

(1) Our governance structures

Piolax was originally an owner-affiliated company and was listed on the First Section of the Tokyo Stock Exchange in September 2004. Now as a company listed on the Prime Market, we have been working on appropriate cooperation with shareholders and other stakeholders, aiming to achieve sustainable growth and create medium- to long-term corporate value.

With the transition to a company with the Audit and Supervisory Committee in June 2016, we have created an environment to decisively take risks for corporate strategies and future growth based on our fiduciary responsibility and accountability to shareholders. We have also established a system for receiving objective supervision from Independent Outside Directors to revitalize the Board of Directors.

In April 2019, we set up a voluntary Nomination and Compensation Advisory Committee to enhance the effectiveness of the Board of Directors' supervisory function. All the Independent Outside Directors serve as the committee members.

(2) Requirements for Outside Directors who are Audit and Supervisory Committee Members

As responsible for corporate governance, Directors who are Audit and Supervisory Committee Members are expected to contribute to the sustainable growth of the company and the enhancement of corporate value over the medium to long term with a fair and unbiased attitude. Given the progress of our globalization through business expansion and the growth of our medical device business, there is an increasing expectation for talents who have sufficient knowledge in finance and accounting, as well as gender diversity.


(3) Reasons for appointment of Ms. Sakae Komiyama as candidate

- Ms. Sakae Komiyama, a candidate for Director and Audit and Supervisory Committee Member, has served as a member of the Board of Governors and the Audit Committee of the Government Pension Investment Fund for more than ten years. She currently also serves as an Outside Director and Audit and Supervisory Committee Member of Hokkoku Financial Holdings, Inc. (current CCI Group Co., Ltd.), as well as an Audit & Supervisory Board Member of the Japan Agency for Medical Research and Development. She has experience and knowledge in auditing the management as one of the few female members under the strict governance system at the top level in Japan. At a time when strict adherence to corporate governance is even more important, we believe that her knowledge is essential in building even stronger corporate governance.
- Ms. Sakae Komiyama has many years of experience as a certified public accountant at multiple audit firms, having conducted accounting audits of numerous listed companies. We expect that she will continue to contribute to improving the effectiveness of our corporate accounting oversight by making the most of her experience, not only in accounting audits but also in management and accounting guidance.
- When working for the audit firms, Ms. Sakae Komiyama conducted audits of companies in manufacturing, finance, wholesale, real estate, and other industries and accumulated knowledge of various businesses. She has provided useful advice for the development of our medical device business.
- Our company have plants, branches, and subsidiaries around the world, and the importance of accounting audits is becoming extremely high due to various risks. In these situations, we expect that we will continue to receive her expertise and advice on compliance, as she has experience in uncovering illegal practices and accounting frauds during audits at the audit firms.
- When working in the accounting department of a general business company, Ms. Sakae Komiyama was involved in listing the company on the Tokyo Stock Exchange. We are taking advice from her on establishing and operating business management systems.

We would like to ask our shareholders and investors to exercise their voting rights after careful consideration of the above explanation.

[Reference]

Brief profile of Ms. Sakae Komiyama for Proposal No. 3 Election of three Directors who are Audit and Supervisory Committee Members

2	 <p>Sakae Komiyama (October 3, 1965)</p> <p>Re-election</p> <p>Outside</p> <p>Independent</p>	<p>October 1988 Joined Eiwa Audit Corporation (current KPMG AZSA LLC)</p> <p>October 1992 Joined Tomy Co., Ltd. (current Tomy Company, Ltd.)</p> <p>March 2000 Joined Ota Showa Audit Corporation (current Ernst & Young ShinNihon LLC)</p> <p>April 2014 Joined Imanishi Tax and Accounting Corporation (incumbent)</p> <p>July 2015 Auditor, Government Pension Investment Fund</p> <p>October 2017 Governor and Auditor, Government Pension Investment Fund (incumbent)</p> <p>August 2020 Outside Director (Audit and Supervisory Committee member), Piolax, Inc. (incumbent)</p> <p>June 2022 Outside Corporate Auditor, NARUMIYA INTERNATIONAL Co., Ltd.</p> <p>October 2022 Auditor, Medical Science Lab</p> <p>May 2024 Outside Director (Audit and Supervisory Committee member), NARUMIYA INTERNATIONAL Co., Ltd.</p> <p>June 2025 Outside Director (Audit and Supervisory Committee member), Hokkoku Financial Holdings, Inc. (current CCI Group, Inc.) (incumbent)</p> <p>September 2025 Auditor, Japan Agency for Medical Research and Development (incumbent)</p> <p>(Significant concurrent positions)</p> <p>Employee, Imanishi Tax and Accounting Corporation</p> <p>Outside Director (Audit and Supervisory Committee member), CCI Group, Inc.</p> <p>Auditor, Japan Agency for Medical Research and Development</p>	—	19/19	14/14
<p>Reason for the election of Director and Expected Role</p> <p>Ms. Sakae Komiyama has been serving as an Outside Director who is an Audit and Supervisory Committee member of the Company since August 2020 and has conducted audits on the business execution of the Company and provided appropriate advice and suggestions on the occasions of important management decisions.</p> <p>Ms. Komiyama has never been directly involved in corporate management. However, the Company expects that Ms. Komiyama will continue to make use of her insight and experience gained over the years in areas related to accounting and tax as a certified public accountant to conduct audits on and provide oversight on the business execution of the Company from an objective standpoint. Accordingly, the Company proposes that she be a candidate for Outside Director who is an Audit and Supervisory Committee member.</p> <p>Ms. Sakae Komiyama worked at the predecessor (EY Ota Showa Audit Corporation) of Ernst & Young ShinNihon LLC, the Accounting Auditor of the Company, in the past. However, she was not in charge of the Company while in office, and a reasonable number of years have passed since she resigned from EY Ota Showa Audit Corporation in 2014. Accordingly, she is judged to be independent in light of the Company's independence criteria.</p>					