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Securities Code: 6678

Date of sending by postal mail: June 9, 2023

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To our shareholders:

Masatomo Saneyoshi  
President and CEO  
**Techno Medica Co., Ltd.**  
5-5-1 Nakamachidai, Tsuzuki-ku, Yokohama-shi,  
Kanagawa

### **Notice of the 36th Annual General Meeting of Shareholders**

We are pleased to announce the 36th Annual General Meeting of Shareholders of Techno Medica Co., Ltd. (the “Company”), which will be held as indicated below.

In convening this General Meeting of Shareholders, the Company has taken measures for providing information that constitutes the content of reference documents for the General Meeting of Shareholders, etc. in electronic format (items for which the measures for providing information in electronic format are taken) and posted the information on each of the following websites on the Internet. Please access any of these websites to view the information.

The website on which informational materials for the Company’s General Meeting of Shareholders are posted:  
<https://d.sokai.jp/6678/teiji/> (in Japanese)

The Company’s website:

<https://www.technomedica.co.jp/t01/ir/material.html> (in Japanese)

(Please access the above website of the Company, click “Notice of the 2023 Annual General Meeting of Shareholders” in “General Meeting of Shareholders” of the section “Steaming of Financial Results Briefing Session and Other” to view the information.)

The Tokyo Stock Exchange’s website (Tokyo Stock Exchange Company Announcements Service):

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

(Please access the above website of the Tokyo Stock Exchange, enter “Techno Medica” in “Issue name (company name)” or the Company’s securities code “6678” in “Code” to search the Company and click “Basic information,” “Documents for public inspection/PR information,” and “Notice of General Shareholders Meeting /Informational Materials for a General Shareholders Meeting” to view the information.)

Instead of attending the Meeting on the day, you may exercise your voting rights in writing or via the Internet. Please review the attached Reference Documents for the General Meeting of Shareholders, and indicate your approval or disapproval on the dedicated website for exercising voting rights or indicate your approval or disapproval in the voting form and return the form by postal mail. Whichever method you choose, please exercise your voting rights so that your vote is received by 5:00 p.m. on Tuesday, June 27, 2023.

## Details

**1. Date and Time:** Wednesday, June 28, 2023 at 10:00 a.m. (JST)

**2. Place:** “safia,” 4th floor, Shin Yokohama Grace Hotel  
3-6-15 Shinyokohama, Kohoku-ku, Yokohama-shi

**3. Purposes:**

**Matters to be reported:** The Business Report and the Financial Statements for the 36th fiscal year (from April 1, 2022 to March 31, 2023)

**Matters to be resolved:**

**<Company’s Proposal (Proposal 1 to Proposal 3)>**

**Proposal 1:** Appropriation of Surplus

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

**Proposal 3:** Election of One Director Who Is an Audit and Supervisory Committee Member

**<Shareholder’s Proposal (Proposal 4)>**

**Proposal 4:** Appropriation of Surplus

Please refer to the attached Reference Documents for the General Meeting of Shareholders for the summaries of the shareholder’s proposal.

**4. Matters Decided upon Convocation:**

When exercising voting rights in writing (by mail), if you indicate neither approval nor disapproval for each proposal on the voting form, we will assume that you indicated your approval of the proposal in the case of the Company’s proposals (Proposals 1 to 3), and that you indicated your disapproval of the proposal in the case of the shareholder proposal (Proposal 4).

- If attending the meeting in person, please present the enclosed voting form at the reception desk.
- If any revisions are made to the items for which the measures for providing in electronic format are taken, the Company will post notice to that effect and both the information before making those revisions and the information after making those revisions on each of the above websites on the Internet.
- In accordance with a revision of the Companies Act, in principle shareholders are requested to view the items for which the measures for providing information in electronic format are taken by accessing any of the above websites, and the paper-based documents describing the items are sent only to those shareholders who request the delivery of the paper-based documents by the record date. However, for this General Meeting of Shareholders, the paper-based documents are sent to all shareholders, regardless of whether or not they have made the request. Please note that pursuant to laws and regulations and the provision of Article 16 of the Company’s Articles of Incorporation, the Company has excluded from the paper-based documents sent to shareholders the following among the items for which the measures for providing information in electronic format are taken because they are posted on each of the above websites:
  - (i) System to ensure the appropriateness of business activities and the state of implementation of the system of the Business Report
  - (ii) Notes to non-consolidated financial statements of the Financial StatementsTherefore, the Business Report and the Financial Statements described in the paper-based documents are a portion of the Business Report and the Financial Statements that were audited by the Financial Auditor in preparing the accounting audit report, and the Audit and Supervisory Committee in preparing the audit report.
- No gifts will be offered to the shareholders attending the meeting. Thank you for your understanding.
- If any major changes arise regarding the operational procedures and venue of the general meeting of shareholders due to the impact of COVID-19, the Company will post the changed details on the Company’s website (<https://www.technomedica.co.jp/>). To provide the protection against COVID-19 infection, if coughing or sneezing shareholders show up at the venue, the Company may be forced to impose restrictions on entry to the meeting.

## Reference Documents for the General Meeting of Shareholders

### <Company's Proposal (Proposal 1 to Proposal 3)>

#### **Proposal 1:** Appropriation of Surplus

The Company regards the distribution of profits to all shareholders as a key management issue. Its basic policy is to distribute results backed up by the business environment and its business performance and to determine an amount of internal reserves.

The Company has given comprehensive consideration to matters including the business performance of the fiscal year, future business development and maintaining stable dividends, and it proposes to pay the year-end dividends as follows:

- (1) Type of dividend property  
To be paid in cash.
- (2) Allotment of dividend property and their aggregate amount  
The Company proposes to pay a dividend of ¥60 per share.  
¥60 per common share of the Company  
Total dividends: ¥508,409,940
- (3) Effective date of dividends of surplus  
The effective date of dividends will be June 29, 2023.

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

At the conclusion of this meeting, the terms of office of all four Directors (excluding Directors who are Audit and Supervisory Committee Members; hereinafter the same shall apply in this proposal) will expire. Therefore, the Company proposes the election of four Directors.

The Audit and Supervisory Committee has judged that all of the proposed candidates for Director are qualified.

The candidates for Director are as follows:

No.	Name (Date of birth)	Career summary, position and responsibility in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares owned
1	Masatomo Saneyoshi (April 1, 1973)	Apr. 1995      Joined AUTONICS CO., LTD. June 1999      Joined the Company Apr. 2002      General Manager of General Affairs Office June 2009      Director and General Manager of General Affairs Office June 2013      Director and Assistant to President June 2014      President and CEO (current position)	196,900 shares
		[Reasons for nomination as candidate for Director] Masatomo Saneyoshi has broad insights cultivated through his practical business experience and administration work experience at the sales and back-office divisions. He also has experience and ability suitable for the corporate manager of the Company. Therefore, the Company has judged that he will further contribute to the improvement of corporate value, and nominated him as a candidate for Director.	
2	Masato Takeda (February 24, 1962)	Apr. 1986      Joined SANKO SHOKAI CO., LTD. Mar. 1997      Joined the Company Jan. 2004      General Manager of Nagoya Branch Office June 2009      Director, General Manager of West Japan Sales Department and General Manager of Nagoya Branch Office June 2014      Director, General Manager of West Japan Sales Department and General Manager of Osaka Branch Office and Nagoya Branch Office Aug. 2016      Director, General Manager of Sales Division and General Manager of Headquarters Sales Department (current position)	12,700 shares
		[Reasons for nomination as candidate for Director] Masato Takeda has abundant experience gained at the sales division and has played an important role in managing the sales division. Therefore, the Company has judged that he will further contribute to the improvement of corporate value, and nominated him as a candidate for Director.	

No.	Name (Date of birth)	Career summary, position and responsibility in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares owned	
3	Kazuto Tsugawa (April 16, 1952)	Apr. 1977	Joined Mitsui Toatsu Chemicals, Inc. (current Mitsui Chemicals, Inc.)	6,700 shares
		Apr. 2006	General Manager of Administration Dept. of Wakayama Works of Honshu Chemical Industry Co., Ltd.	
		June 2007	Director, General Manager of Personnel, Legal & Administration Dept. and General Manager of Administration Dept. of Wakayama Works	
		June 2011	Managing Director and General Manager of Personnel, Legal & Administration Dept.	
		June 2016	Retired from Managing Director and General Manager of Personnel, Legal & Administration Dept.	
		June 2017	Director (Full-time Audit and Supervisory Committee Member) of the Company	
		June 2018	Director and General Manager of Corporate Management Division (current position)	
<p>[Reasons for nomination as candidate for Director]  Kazuto Tsugawa has abundant knowledge gained at the administration divisions of chemical manufacturers. Therefore, the Company has judged that he will further contribute to the improvement of corporate value as a director in charge of the Company's administration division, and nominated him as a candidate for Director.</p>				
4	Yasushi Nakano (May 23, 1969)	Jan. 1993	Joined A&T Corporation	5,500 shares
		May 2004	Joined the Company	
		Apr. 2009	Manager of Medical Solution Development Department	
		Apr. 2016	General Manager of Medical Solution Development Department of Research and Development Division	
		June 2019	Director, General Manager of Research and Development Division and General Manager of Medical Solution Development Department (current position)	
<p>[Reasons for nomination as candidate for Director]  Yasushi Nakano has abundant experience gained at the research and development division and has played an important role in formulating the policy for research and development of the Company. Therefore, the Company has judged that he will further contribute to the improvement of corporate value, and nominated him as a candidate for Director.</p>				

- Notes:
1. There is no special interest between any of the candidates and the Company.
  2. The Company has concluded a liability insurance contract for officers, etc. as set forth in Article 430-3, paragraph (1) of the Companies Act with an insurance company. The outline of this insurance contract is as described on page 16 of the Business Report. If the election of candidates for Director is approved, they will continue to be included as the insured under the relevant insurance contract. The next time the relevant insurance contract is renewed, renewal is planned with the relevant content.

**Proposal 3:** Election of One Director Who Is an Audit and Supervisory Committee Member

At the conclusion of this meeting, the term of office of Jun Ozeki, Director who is an Audit and Supervisory Committee Member, will expire. Therefore, the Company proposes the election of one Director who is an Audit and Supervisory Committee Member. The consent of the Audit and Supervisory Committee has been obtained for this proposal.

The candidate for Director who is an Audit and Supervisory Committee Member is as follows:

Name (Date of birth)	Career summary, position and responsibility in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares owned
Jun Ozeki (April 3, 1956)	Apr. 1979      Joined Tokyo Regional Taxation Bureau Jan. 1984      Joined Asahi & Co. (current KPMG AZSA & Co.) May 2004      Representative Partner July 2016      Representative of CPA Ozeki Accounting Office (current position) June 2017      Outside Director (Audit and Supervisory Board Member) of the Company (current position) Mar. 2020      Outside Director, Audit and Supervisory Committee Member of UMC Electronics Co., Ltd. (current position) Apr. 2021      Representative Member of Chiyoda Tax Accountant Firm (current position) June 2021      Outside Audit and Supervisory Board Member of GOLDCREST Co., Ltd. (current position)	1,600 shares
[Reasons for nomination as candidate for outside Director and outline of expected role] Although Jun Ozeki has never been directly involved in corporate management, he has a high level of knowledge as a certified public accountant, and the Company expects that he will appropriately oversee the management of the Company, mainly in the finance and accounting divisions, and will greatly contribute to the improvement of governance functions, and therefore proposes his election as an outside Director of the Company. In addition, he plays a central role as the chairman of the Compensation and Nomination Advisory Committee of the Company, and if he is elected, the Company would like him to continue to be the chairman of the relevant committee, and oversee decisions based on a fair process for our executive personnel matters and executive compensation, from an objective and neutral point of view.		

- Notes:
1. There is no special interest between the candidate and the Company.
  2. Jun Ozeki is a candidate for outside Director.
  3. Jun Ozeki is currently an outside Director who is an Audit and Supervisory Committee Member of the Company, and at the conclusion of this meeting, his tenure will have been six years.
  4. The Company has submitted notification to the Tokyo Stock Exchange that Jun Ozeki has been designated as an independent officer as provided for by the aforementioned exchange. If his reelection is approved, the Company plans for his designation as an independent officer to continue.
  5. Pursuant to Article 427, paragraph (1) of the Companies Act, the Company has entered into an agreement with Jun Ozeki to limit his liability for damages under Article 423, paragraph (1) of the same Act. The maximum amount of liability for damages under the agreement is the minimum liability amount provided for under Article 425, paragraph (1) of the Companies Act. If his reelection is approved at this meeting, the Company plans to renew the aforementioned agreement with him.
  6. The Company has concluded a liability insurance contract for officers, etc. as set forth in Article 430-3, paragraph (1) of the Companies Act with an insurance company. The outline of this insurance contract is as described on page 16 of the Business Report. If the election of the candidate for Director is approved, he will continue to be included as the insured under the relevant insurance contract. The next time the relevant insurance contract is renewed, renewal is planned with the relevant content.

### Skill Matrix of Individual Directors

		Expertise and experience							
	Name	Corporate management/ Business planning	Production and technology /R&D	Global business	Sales/ Marketing	Personnel/ Labor	Finance/ Accounting	Legal affairs/ Risk management	Independence
1	Masatomo Saneyoshi	•	•		•	•		•	
2	Masato Takeda	•			•				
3	Kazuto Tsugawa	•		•		•	•	•	
4	Yasushi Nakano	•	•		•				
5	Shinichi Matsuo	•		•					•
6	Yosuke Yasukata							•	•
7	Jun Ozeki						•		•

Note: The above list does not represent all the knowledge of the Directors.

**<Shareholder's Proposal (Proposal 4)>**

**Proposal No. 4 is based on a proposal from a shareholder.**

**The outline of and the reason for the proposal are posted in the original text.**

**Proposal 4:** Appropriation of Surplus

I Matters that are the purpose of the general meeting of shareholders (proposed agenda)

Appropriation of Surplus

II Outline of and the reason for the proposal

1. Outline of proposal

Disposition of the surplus shall be as follows.

If the Board of Directors of the Company proposes the case of disposition of surplus at this Annual General Meeting of Shareholders, this proposal shall be additionally proposed independently of the relevant proposal.

a. Type of dividend property

Money

b. Dividend per share

The amount after deducting the amount of surplus dividend per share of the Company proposed by the Board of Directors and approved at this Annual General Meeting of Shareholders from ¥124 (or ¥124, if the Board of Directors of the Company does not propose disposition of surplus at this Annual General Meeting of Shareholders)

However, if the amount of basic earnings per share for the 36th fiscal year of the Company rounded down to the nearest whole number (hereinafter referred to as "actual EPS") exceeds ¥124 or falls below ¥124, the amount shall be the amount obtained by deducting the amount of surplus dividend per share of the Company proposed by the Board of Directors and approved at this Annual General Meeting of Shareholders from actual EPS (or actual EPS, if the Board of Directors of the Company does not propose on disposition of surplus at this Annual General Meeting of Shareholders).

c. Allotment of dividend property and the aggregate amount thereof

Dividend amount per share indicated in item b. above, per share of common stock of the Company (the total dividend amount is calculated by multiplying the dividend amount per share by the total number of common shares issued by the Company as of March 31, 2023 (excluding treasury stock))

d. Effective date of dividend of surplus

Date of this Annual General Meeting of Shareholders

e. Dividend payment commencement date

Date three weeks after this Annual General Meeting of Shareholders

2. Reasons for proposal

This proposal intends to use all of the net income of the current fiscal year as dividends.

The capital adequacy ratio of the Company is approx. 85% as of the end of March 2022 and approx. 89% as of the end of December of the same year, which is an extremely high number considering that the Company's main business is research and development, manufacturing, sales, and import and export of clinical laboratory analyzers, and medical devices. Not only does the Company have a high capital adequacy ratio, but it also holds cash-like assets at an unusually high level.

The Company is a fables company that has virtually no manufacturing equipment or bases, and the total amount of capital investment in the past 10 years was less than ¥1.0 billion. Considering this, the cash and deposits of over ¥11.2 billion currently owned by the Company is considered to be clearly excessive. Therefore, there is no need to reserve any more funds within the Company, and further increases in equity capital would only reduce

ROE. In fact, the Company's ROE was 14.8% in the fiscal period ended March 2014, however it dropped to 8.4% in the fiscal year ended March 2022.

Over the period of the fiscal year ended March 31, 2014 to the fiscal year ended March 31, 2022, during which the Company has been managed by the current management team, the growth rate of the Company's net sales only remained at low levels and profits greatly decreased. Under these circumstances, in May 2022 the Company announced its "Long-term Vision." In this plan, the Company is committed to "aiming to achieve net sales of ¥15.0 billion, operating income of ¥3.0 billion, and a return on equity (ROE) of 10% or more by 2030, while advancing further transformation of its business portfolio." To achieve these targets, the Company states that it will launch new products, strengthen existing businesses, and expand overseas operations, but it has presented no specific measures to implement these initiatives. The proposing shareholder has repeatedly asked the current management team of the Company to clarify how to allocate cash as well as where to invest funds over the long term, but has not yet received a satisfactory response. Considering the current management team's poor performance and the vague Long-term Vision, it is extremely difficult to believe that the excessive cash and deposits on the balance sheet will be effectively invested to support growth, and therefore, the proposing shareholder proposes that all of the net income of the current fiscal year be used as dividends.

At the 35th Annual General Meeting of Shareholders held in 2022, a proposal similar to this proposal was made as Proposal 5 and a proposal from a shareholder, which received support from the majority of general shareholders, except for those shareholders who have close relations with the Company, such as the founder, the current and former management teams, and business partners. This indicates that many of the general shareholders showed support for the view that increasing dividends significantly and returning surplus funds to shareholders will increase shareholder value and eventually lead to an increase in the price of the Company's stock. I would like the Company to respect the view of these general shareholders and to make the point clear that it will not accumulate equity capital in the medium- to long-term as well by adopting a dividend payout ratio of 100% or more as the capital policy of the Company, not only in the fiscal year ended March 31, 2023 but also thereafter.

#### **<Opinions of the Board of Directors on Proposal No. 4>**

#### **The Board of Directors opposes Proposal No. 4 for the following reasons.**

##### **<Reason for opposition>**

The Company regards the distribution of profits to all shareholders as a key management issue. Its basic policy is to distribute results backed up by the business environment and its business performance and to determine internal reserves. As for year-end dividends as well, the Company has given comprehensive consideration to matters including the business performance of the fiscal year, future business development and maintaining stable dividends for the decision.

In FY2021 as well, we paid a year-end dividend based on the above idea, with a dividend of ¥60 per share, for a total of ¥505 million. The dividend payout ratio was 39.8%.

We have explained in the "2030 Long-term Vision" that "we aim at a dividend payout ratio of 30% to 40% as well as seek to achieve a total return ratio of 50% in the medium to long term," and we plan to maintain stable and high dividends in the future.

In addition, even in the past few years, the amount has increased from ¥43 in FY2016 to ¥45, ¥47, ¥49, ¥51, and ¥60. During this period, operating income has fluctuated, but the Company has secured a profit of over ¥1.0 billion, and we believe that it is important to continue to pay stable high dividends. Furthermore, the Company has been acquiring treasury shares as appropriate.

In FY2022, the Board of Directors on May 10, 2023 decided to pay dividends of ¥60 per share. As a result, the dividend payout ratio will be 44.0%. In addition, on the same date, the Board of Directors also decided to acquire 400,000 shares of the Company's treasury share. Going forward, we plan to continue to pay stable high dividends and agilely implement acquisition of treasury shares.

Even during the past Lehman Crisis, the Great East Japan Earthquake, and the current crisis of the COVID-19 pandemic, we have not laid off employees or fallen into the red and have always made stable profits. We would

like to express our heartfelt appreciation for the support from shareholders, hospitals and other customers, business partners, employees, and many other stakeholders.

Thankfully, the number of shareholders remains stable, and we believe that we have received a certain level of support from a broad base of shareholders.

We also recognize that the utilization of cash and deposits is extremely significant for a company of our size from the perspective of credibility outside the company and with our business partners because we had a hard time financing in the past. We consider it necessary to hold a certain amount of cash and deposits for the purpose of maintaining the sustainable management of the Company as well as for risk management in order to continue to grow sustainably while gaining the trust of all stakeholders.

The Company has recently formulated the “2030 Long-term Vision. We are committed to aiming to achieve net sales of ¥15.0 billion, operating income of ¥3.0 billion, and a return on equity (ROE) of 10% or more by 2030. In addition, to achieve this “2030 Long-term Vision,” we have formulated a three-year Medium-term Management Plan and are working as one to carry out the plan, taking concrete action sincerely.

#### - Review of the results of the 2020 Medium-term Management Plan

Compared to our three-year targets of “net sales of ¥29.2 billion and operating income of ¥3.5 billion” set in the 2020 Medium-term Management Plan, we posted net sales of ¥28.1 billion (96% of the target) and operating income of ¥5.1 billion (146% of the target), falling short of the target of net sales but far exceeding the target of operating income.

While over the three years we faced a challenging business environment amid the COVID-19 pandemic, we put in considerable effort across our divisions and successfully continued to provide safe and secure products, without suspending our business operations, while also achieving reductions in selling and administrative expenses, among other positive results. Accordingly, we consider that our efforts under the 2020 Medium-term Management Plan contributed to the Company’s stable growth.

#### - 2023 Medium-term Management Plan

We consider the 2023 three-year Medium-term Management Plan as a plan to move forward to reach the 2030 Long-term Vision by surely implementing each of “(i) financial strategy, investment plan, and dividend policy,” “(ii) human resource strategy,” “(iii) sales strategy,” “(iv) production technology strategy,” and “(v) research and development strategy” to transform the Company’s business structure, while also striving to achieve sustainable growth.

(unit: ¥100 million)

2020 Medium-term Business Plan targets			2020 Medium-term Business Plan results			2023 Medium-term Business Plan/budget		
FY	Net sales	Operating income	FY	Net sales	Operating income	FY	Net sales	Operating income
FY2020	92	10	FY2020 results	90	16	FY2023	98	13
FY2021	95	10	FY2021 results	96	18	FY2024	100	14
FY2022	105	15	FY2022 results	93	16	FY2025	110	18
Total	292	35	Total	281	51	Total	308	45

To achieve these, we will make investments to strengthen existing businesses, launch new products, and expand overseas business operations. In addition, we also plan to make investments to improve our infrastructure, develop human resources, and implement mergers and acquisitions.

As there still remain some factors that cause concern, such as geopolitical risks, uncertainty in the financial market, and the lingering COVID-19 pandemic, there will be a considerable demand for funds in response to BCP (business continuity), as well as to SDGs (United Nations Sustainable Development Goals), ESG (Environment, Society, Corporate Governance), and the revision of CG (Corporate Governance Code).

Based on the above, we believe that it is important to pay dividends to shareholders in a sustainable and stable manner, and the Board of Directors of the Company is determined to work on the above measures single-heartedly.

Our management philosophy is “We will provide healthcare and medical products and services that are unique and of great originality and contribute to society.” Going forward, we will continue to strive to contribute to all stakeholders, from shareholders to customers, business partners, and employees to communities and society, broadly and equitably.

Therefore, we judge that this proposal seeks only short-term gains and is not consistent with our dividend policy and fund utilization policy and will not contribute to the medium- to long-term improvement of corporate value. For the above reasons, the Board of Directors of the Company opposes this proposal.