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Securities Code: 197A

September 10, 2024

To Our Shareholders

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

NOTICE OF THE 9TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

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

You are hereby notified that the 9th 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 9th 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), Wednesday, September 25, 2024.

[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:** Thursday, **September 26, 2024 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 9th Fiscal Year
(from July 1, 2023 to June 30, 2024)
- Proposals to be resolved:**
- Proposal 1:** Appropriation of Surplus
- Proposal 2:** Election of Six (6) Directors
- 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.

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- ◎ 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.
 - ◎ There will be no souvenirs for shareholders attending the General Meeting of Shareholders. We would like to ask for your kind understanding.

Reference Documents of the Ordinary General Meeting of Shareholders

Proposals and References

Proposal 1: Appropriation of Surplus

We recognize the importance of providing appropriate shareholder returns. Our basic policy is to distribute dividends from surplus in an appropriate manner, taking into consideration the balance between retained earnings and dividend payments.

In order to respond to changes in the business environment, our policy is to provide a stable and continuous return of profits to shareholders with a dividend payout ratio of approximately 30%, taking into consideration the strengthening of the corporate structure and the future business environment. In addition to our regular dividend policy, we also plan to pay special dividends to celebrate our anniversary and other events, taking into consideration our business performance and financial position.

For the year-end dividends for the 9th fiscal year, we propose to pay an ordinary dividend of 10.65 yen per share and a special dividend of 11.10 yen per share to celebrate the Company's initial listing on the Tokyo Stock Exchange Standard Market on June 20, 2024. The total dividend payment will be 21.75 yen per share.

Year-end Dividends

- (1) Type of Dividend Assets:
Cash
- (2) Matters concerning the allocation of dividend assets and the total amount thereof to shareholders:
21.75 yen per share of common stock
(ordinary dividend: 10.65 yen/ special dividend: 11.10 yen)
Total amount of dividends: 2,175,000,000 yen
- (3) Effective date of appropriation of dividends:
September 27, 2024

Proposal 2: Election of Six (6) Directors

The terms of office of all five (5) current Directors will expire at the closing of the Meeting. In order to further strengthen the management structure, the Company proposes to increase the number of Directors by one (1) and appoint six (6) Directors.

The candidates for Directors 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)	28,932,217
		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)	
2	Yoshio Uchiyama (September 9, 1959) Reappointment	October 1990	Joined Showa Ota Audit Corporation (currently Ernst & Young ShinNihon LLC)	-
		March 1994	Registered as a Certified Public Accountant	
		September 2006	Joined Sumida Corporation	
		September 2012	Joined Komatsu Store Co., Ltd.	
		April 2014	Director of KiBIRA Co., Ltd.	
		November 2015	Outside Audit & Supervisory Board Member of Daisho Corporation (incumbent)	
		November 2018	Executive Officer and Head of Administration Division of the Company	
		September 2020	Director and Head of Administration Division of the Company (incumbent)	
3	Junpei Nagai (July 14, 1987) New Appointment	April 2010	Joined Sumitomo Mitsui Banking Corporation	-
		July 2014	Joined Japan branch, Kurt Salmon US Inc. (currently Accenture Strategy)	
		August 2015	Co-Founder, Director and Chief Strategy Officer of Oscar Inc.	
		January 2017	Executive Officer and CFO of Sportsfield Co., Ltd.	
		July 2017	Director and CFO of Sportsfield Co., Ltd.	
		April 2021	Joined the Company	
		July 2021	Outside Director of KIRINZ Co.	
		January 2022	Outside Director of AdInte Co., Ltd. (incumbent)	
		July 2022	Executive Officer and Head of Corporate Planning Office of the Company (incumbent)	
		December 2023	Outside Audit & Supervisory Board Member of AGBIOTECH Co., Ltd.	
		June 2024	Outside Director of AGBIOTECH Co., Ltd. (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) <u>Reappointment</u>	<p>April 1998 Joined Bain & Company, Inc.</p> <p>June 2004 Seconded to Industrial Revitalization Corporation of Japan</p> <p>November 2006 Joined CITIC Capital Partners Limited (currently Trustar Capital Partners Japan Limited) Managing Director</p> <p>April 2016 Representative Director of the Company</p> <p>June 2017 Director of the Company (incumbent)</p> <p>September 2019 Outside Director of MP Holdings K.K. (currently MARUKI SANGYO Co., Ltd.) (incumbent)</p> <p>April 2023 Senior Managing Director and Japan Representative of Trustar Capital Partners Japan Limited</p> <p>November 2023 Representative Director of KG Holdings K.K. (incumbent)</p> <p>December 2023 Outside Director of Kaneko Shoten K.K. (incumbent)</p> <p>January 2024 Partner and Japan Representative of Trustar Capital Partners Japan Limited (incumbent)</p>	-
5	Toshinori Mishina (March 24, 1983) <u>Reappointment</u> <u>Outside</u> <u>Independent</u>	<p>April 2008 Joined Eli Lilly Japan K.K.</p> <p>March 2013 Joined PricewaterhouseCoopers Co., Ltd.</p> <p>March 2015 Joined e-solutions, inc.</p> <p>April 2016 Director of NC Medical Research, Inc.</p> <p>October 2016 Head of Life Science Department of e-solutions, inc.</p> <p>April 2020 CEO of Sciness LLC. (incumbent)</p> <p>September 2020 Outside Director of the Company (incumbent)</p> <p>March 2023 Director and COO of TOKIWA-Bio Inc.</p>	-
6	Osamu Chiba (October 24, 1963) <u>Reappointment</u> <u>Outside</u> <u>Independent</u>	<p>April 1987 Joined Mitsubishi Corporation</p> <p>October 2004 Registered as an attorney (Daini Tokyo Bar Association) Joined Akebono Law Office</p> <p>November 2011 Supervisory Director of Kenedix Residential Next Investment Corporation (currently KDX Realty Investment Corp.)</p> <p>January 2013 Partner of Akebono Law Office</p> <p>June 2016 Outside Audit & Supervisory Board Member of Maruzen Foods Industry Co., Ltd. (incumbent)</p> <p>June 2017 Outside Director (Audit & Supervisory Committee Member) of IMAGICA GROUP Inc. (incumbent)</p> <p>January 2022 Representative Attorney of Akebono Law Office (incumbent)</p> <p>September 2022 Outside Director of the Company (incumbent)</p>	-

(Notes)

1. There are no special interests between each candidate and the Company.
2. Junpei Nagai is a new candidate for director.
3. Toshinori Mishina and Osamu Chiba are candidates for outside director.
4. Reasons for the appointment of the candidates for outside directors and a summary of their expected roles
Toshinori Mishina has a wealth of experience and broad insight gained over many years in the pharmaceutical industry. We nominate him for election as an outside director in the expectation that he will utilize this experience and insight to advise the Company's overall management and strengthen the Company's management.
Osamu Chiba has only been involved in corporate management as an outside board member in the past, but in addition to his experience as a board member of listed companies, he has abundant experience and broad knowledge of corporate legal affairs as a legal expert. We nominate him for election as an outside director in the expectation that he will utilize this experience and knowledge to advise the Company's overall management and strengthen the Company's management.
5. Toshinori Mishina and Osamu Chiba are currently outside directors of the Company, and their terms of office as outside directors will be four (4) years for Toshinori Mishina and two (2) years for Osamu Chiba, respectively, at the conclusion of this General Meeting of Shareholders.
6. The Company has signed agreements with Masahiro Ito, Toshinori Mishina and 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. The maximum amount of liability for damages under the agreements is the minimum liability amount stipulated in Article 425, Paragraph 1 of the Companies Act. If the reappointment of Masahiro Ito, Toshinori Mishina, and Osamu Chiba is approved, the Company plans to continue the agreements.
7. The Company has signed the directors and officers liability insurance agreement with an insurance company as stipulated in Article 430-3, Paragraph 1 of the Companies Act. Under this agreement, the Company shall indemnify the insured, including the Company's directors, for damages and dispute expenses in the event that a claim for damages is made against the insured. However, there are certain exclusions of liability, such as the policy not providing coverage for damages arising from acts committed by the insured while aware of the violation of laws and regulations. Each candidate will be insured under the insurance agreement upon his election and assumption of office as a director. The term of the agreement is one year and will be renewed with the same terms and conditions after a resolution of the Board of Directors prior to the expiration of the term.
8. The Company has registered Toshinori Mishina and Osamu Chiba as independent directors as stipulated by the Tokyo Stock Exchange.

(Reference) Skills Matrix of Director Candidates

If Proposal 2 is approved as proposed, the skills matrix of 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	○	○	○	○	○	○		
Yoshio Uchiyama	Director	○	○				○	○	○
Junpei Nagai	Director	○					○		○
Masahiro Ito	Director	○	○						
Toshinori Mishina	Outside Director	○			○				
Osamu Chiba	Outside Director		○	○				○	

(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