



Kazuhiro Hatano
CEO

Linical Co., Ltd. (2183)



Company Information

Market	TSE Standard Market
Industry	Service
CEO	Kazuhiro Hatano
HQ Address	Shin-Osaka Brick Building, 6-1 Miyahara 1-chome, Yodogawa-ku, Osaka, Japan
Year-end	End of March
HP	https://www.linical.co.jp/en/

Stock Information

Share Price	Number of shares issued (excluding treasury shares)	Total market cap	ROE Act.	Trading Unit	
¥295	22,586,431 shares	¥6,663million	-7.0%	100shares	
DPS Est.	Dividend yield Est.	EPS Est.	PER Est.	BPS Act.	PBR Act.
¥16.00	5.4%	¥-75.27	-x	¥267.76	1.1x

* Stock price is as of closing on December 18, 2025. These figures were taken from the brief report on financial results in the second quarter of the fiscal year ending March 2026. Number of shares issued is the term-end figure stated in the summary of financial results excluding treasury shares.

* ROE is based on FY3/25 results.

Consolidated Earnings Trend

Fiscal Year	Sales	Operating Income	Ordinary Income	Parent Net Income	EPS	DPS
March 2022 Act.	11,555	1,085	1,183	790	35.00	14.00
March 2023 Act.	12,516	1,256	1,283	1,004	44.47	14.00
March 2024 Act.	12,307	725	790	338	14.98	15.00
March 2025 Act.	10,437	-583	-498	-539	-23.87	16.00
March 2026 Est.	9,350	-1,350	-1,400	-1,700	-75.27	16.00

*Unit: Million yen.

*Estimates are those of the company.

This Bridge Report reviews on the overview of Linical Co., Ltd.'s earnings results for the second quarter of the fiscal year ending March 2026 and its forecast for the fiscal year ending March 2026.

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Key Points

- **In the cumulative second quarter of the fiscal year ending March 2026, sales dropped 10.4% year on year and an operating loss of 511 million yen was posted (in the same period of the previous year, an operating loss of 192 million yen was posted). Sales grew in Japan, Europe, Taiwan and China, but declined in the U.S. and South Korea, so consolidated sales decreased. Profits were earned in Taiwan and China, but there were operating losses in Japan, the U.S., Europe, and South Korea, so a consolidated operating loss was posted.**
- **As the second quarter ended, they revised the forecast for the fiscal year ending March 2026 downwardly. The revised forecast calls for a 10.4% year-on-year decline in sales and an operating loss of 1,350 million yen (an operating loss of 583 million yen in the fiscal year ended March 2025). In Japan, while the business environment is harsh as new medicine development is slowing down and the unavailability of some medicines in Japan is worsening, they did not make new deals enough to compensate for large-scale projects where development was suspended in the previous fiscal years, so it is forecast that sales will not reach the forecast for the current fiscal year. In Europe and the U.S., they were not able to compensate for the decline in sales after the end of a large-scale project, so it is projected that sales will not reach the initial forecast. In South Korea, existing projects are delayed and they are not receiving orders for new projects as forecast. On the other hand, they have not changed the plan to pay a common dividend of 16 yen/share, unchanged from the previous fiscal year.**
- **The financial results in the first half of the fiscal year ending March 2026 were unfavorable, but there were some favorable items. In Asia, order backlog increased significantly between the end of March 2025 and November 14, 2025. This is because the Taiwanese subsidiary undertook several new projects, including global tests, conducted in Taiwan and the U.S. The biotech companies in Taiwan have been keenly interested in the U.S. market, and have been pursuing more new projects by utilizing the strengths of Linical, which has bases in the U.S. The company aims to receive orders via Australia for entering the U.S. market, which is the largest in the world or by responding to the needs of biotech companies in Japan and other Asian countries, who will start clinical trials in North America, for development, while the marketing teams in Japan, Asia, Europe, and the U.S. cooperatively promote biotech firms in Europe and the U.S. to do business in Japan and Asia. We can't take our eyes off their strategies in Asia.**

1. Company Overview

The company is a global contract research organization (CRO) based in Japan, which provides a comprehensive range of services ranging from the initial phase of clinical trials to post-marketing studies as a professional in development of pharmaceutical products. Linical Co., Ltd. provides contract research organization (CRO) services that support the drug development processes of pharmaceutical companies on an outsourced consignment basis, and sales and marketing functions for pharmaceutical products and post market launch clinical research and surveys on a consigned basis in the Contract Medical Affairs Business (CMA). In addition, the company offers meticulous services to meet the requests from clients and optimal solutions as a global CRO. They give full support with proposals for planning of early small-scale trials, late-stage trials, and applications for approval, which can be achieved because the scale is medium, and contribute to healthcare as a partner required for developing new treatment methods, including pharmaceutical products. In the past

5 years, they have dealt with over 600 clinical trials, the retention rate of clients exceeds 85%, and they registered cases for over 80% of trials. Then, they offer services in about 30 countries.

Linical has conducted various efforts to eradicate oncology, central nervous system and other diseases globally since its founding, and it has deployed its CRO Business in therapeutic areas where there is strong demand for new drug development. Linical is a leading company in the field of clinical trials for cancer treatment, and has a vast amount of experience in the field of central nervous system (CNS) diseases. In addition, since the inauguration of business, they have focused on immune system diseases, and have plenty of experience of Phases I to IV trials and profound knowledge of rare diseases and common diseases, and made clinical trials of clients successful. As an awarded CRO, the company possesses expertise for supporting a variety of therapeutic areas.

[Management philosophy]

The management philosophy is “Linical promotes the greater wellbeing of all our stakeholders—patients, clients and employees— we strive constantly to offer professional, high-quality services to support all aspects of new drug development.”



The blue color represents “Integrity&Honesty,”
the red color “Unending Enthusiasm,” and
the yellow color “Continuing Spirit of Inquiry.”

This corporate logo depicts the company’s hope of pursuing the wellbeing of patients around the world through business, and the company has the mission to “wings to new drugs.”

[Corporate History]

Linical Co., Ltd. was established in June 2005 by nine members who worked at Fujisawa Pharmaceutical Co., Ltd. (Currently known as Astellas Pharma Inc.) on the development of immunosuppressant drugs. Established with the objective of becoming the ideal drug development outsourcing (CRO) company from Osaka, Linical focused its efforts upon the realms of central nervous system diseases (CNS) and oncology since its founding, and received one of its first orders from Otsuka Pharmaceutical Company shortly after its establishment. Thereafter, the Company fortified its staffing as part of its efforts to strengthen its order taking capabilities. In addition, Linical is benefitting from the bountiful experiences of its employees in the realm of oncology pharmaceutical product development and experiences having worked at foreign pharmaceutical companies. Consequently, Linical is successfully expanding orders in the near term.

With its advance into the site management organization (SMO, clinical trial facility support organization) business, Aurora Ltd. was turned into a subsidiary in January 2006. However, all shares held in Aurora were later sold in May 2007 in order to focus management resources upon the CRO Business. In July 2008, Linical USA, Inc. was established in California, United States to provide support to Japanese pharmaceutical companies seeking to enter the United States market. Also, in October of the same year, Linical listed its shares on the Mothers Market of the Tokyo Stock Exchange, and subsequently moved its listing to the First Section of the Tokyo Stock Exchange in March 2013. In May 2013, Linical Taiwan Co., Ltd. and Linical Korea Co., Ltd. were established in Taiwan and Korea respectively. In April 2014, Linical teamed up with its Linical Korea to acquire the Korean CRO company P-pro. Korea Co., Ltd. On October 29, 2014, all of the shares of Nuvisan CDD Holding GmbH, which conducts CRO Business in Europe, were acquired and it was converted to a 100% owned subsidiary effective on December 1, 2014. In order to strengthen the collaboration within the Group, the company name of Nuvisan CDD was changed to Linical Europe GmbH. In addition, Linical U.K. Ltd. was established in March 2016, and a local subsidiary called Linical Poland SP. Z.O.O. was also established in October of the same year. Moreover, LINICAL Czech Republic s.r.o was established in September 2017. In addition, Accelovance, Inc. was acquired in April 2018 and its company name was changed to Linical Accelovance America, Inc. In addition, Linical Hungary Kft. was established in March 2019, and Linical China Co., Ltd. was established in May 2019. Furthermore, the company further strengthened their system for undertaking global joint clinical trials, through the enhancement of their business in the European region by integrating the European subsidiary of Linical Accelovance America, Inc. (LAA) into LINICAL Europe GmbH in December 2019, and the establishment of a Shanghai branch in February 2020. In April 2020, Linical Benelux BV and Linical Accelovance Europe BV were merged to form Linical Netherlands BV, and Linical China Co., Ltd. and Linical Accelovance China Ltd. are scheduled to be integrated in the fiscal year ending March 2023. The company grew steadily through overseas mergers and acquisitions, and achieved record sales consecutively in fiscal year ended

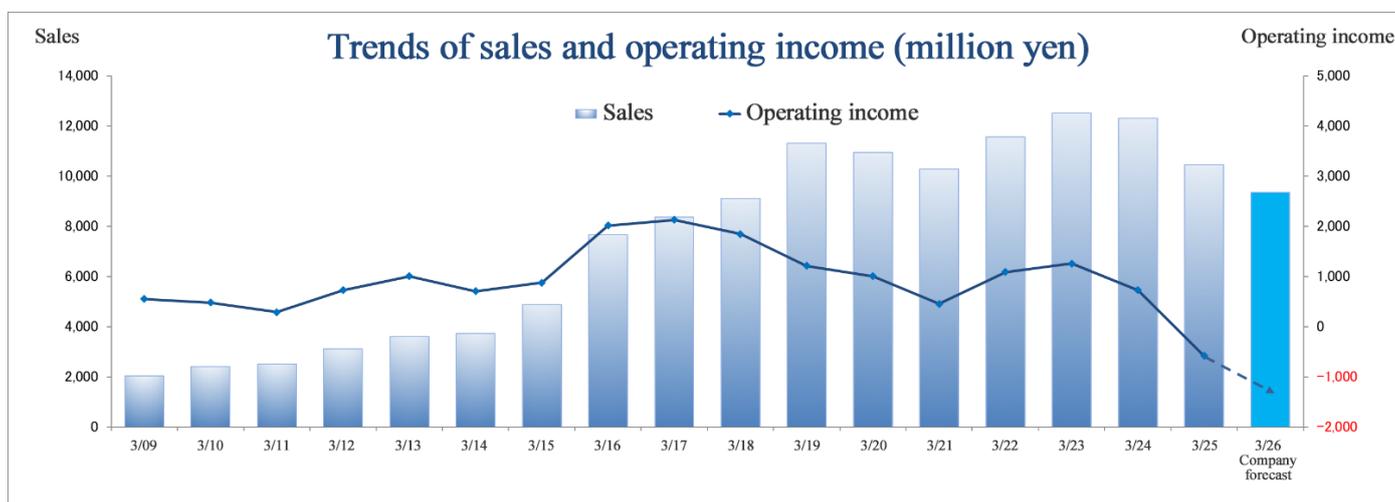
March 2022 and fiscal year ended March 2023. In the fiscal year ended March 2024, profit declined due to the decrease in sales in Japan and Europe, and in the fiscal year ending March 2025, too, sales and profit declined due to the drop in sales in Japan and other Asian countries.

[International Certification]

All business establishments of the Linical Group obtained the certification of the international standard ISO/IEC 27001 regarding an information security management system (ISMS).



(Source: Linical)



Produced by Investment Bridge Co., Ltd. with reference to disclosed material.

Mainly the overseas business is growing after the overseas M&A in South Korea, Europe, and the U.S.

[Strengths]

Global one-stop full services

They have established an international development system, to offer services in Europe, the U.S., and Asia, mainly Japan. They offer comprehensive services, including the planning of development of pharmaceutical products, monitoring, pharmaceutical affairs, and data management, in a one-stop manner.

To create, develop, and improve medicines thoroughly

They deal with all processes, including the development of new medicines and lifecycle management after approval, as professionals in development of pharmaceutical products.

A track record of conducting highly difficult tests

They concentrate on the fields of cancer, the central nervous system, immunological diseases, etc. in which unmet medical needs are significant and clinical trials are very difficult, and have plentiful experiences. Currently, they are expanding their business in the fields of regenerative medicine, ophthalmology, dermatology, etc.

[Business Description]

As a global CRO founded in Japan, the company operates primarily in Japan, and also in Asia, Europe and the U.S, providing a comprehensive range of services ranging from the drug discovery stage to clinical development to post-marketing drug development.

The company has extensive experience and achievements in the trending areas of drug development, notably in oncology, neurology, and immunology.

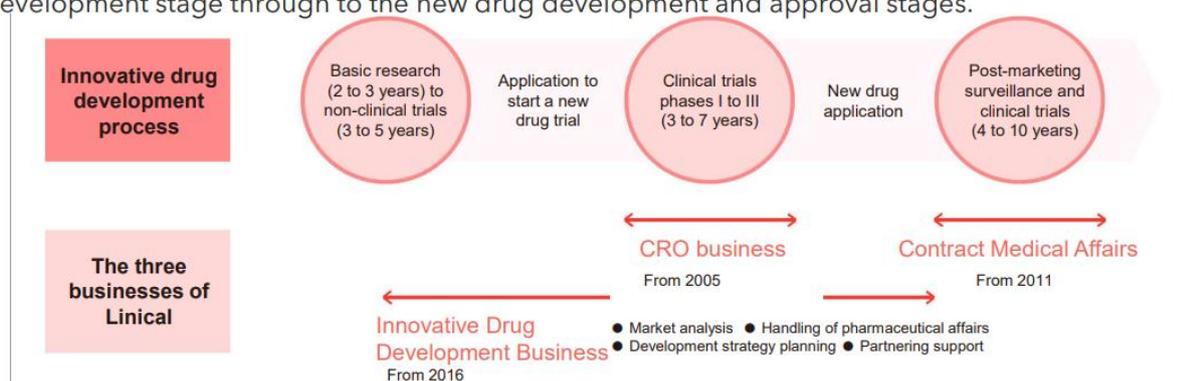
A CRO is an organization that receives requests from pharmaceutical companies and others to act on their behalf and provide support for clinical trials conducted during the development phase of a pharmaceutical product. It is an organization with high expertise in clinical trials and is a professional in the field of drug development. The scope of work includes monitoring activities to ensure that clinical trials are conducted in compliance with regulatory requirements and the clinical trial protocol, including data management and medical writing activities.

Linical mainly conducts contract research organization (CRO) business, post market launches clinical trial and clinical research and marketing support activities in the Contract Medical Affairs Business, and new drug development support business. As a true partner, the company contributes to the maximization of the value of the medical drugs by helping the procedure from the non-clinical tests to clinical development and after-release surveys and clinical trial, and making it possible to shorten the time needed to start selling the drugs and prolong the life-cycle of the products. On top of that, the company supports not only pharmaceutical companies but also the bio-ventures in various ways including exit strategies.

The Three Businesses of Linical



- We specialize in clinical development and cover the entire process from the innovative drug development stage through to the new drug development and approval stages.



- 1. CRO Business:** Implementing on client's behalf and supporting operations related to clinical trials conducted in the drug development stage
- 2. Contract Medical Affairs business:** We support post-marketing clinical research and marketing activities
- 3. Innovative Drug Development Business:** We provide consulting services that give total support for a wide range of pharmaceutical development activities including market analysis, the formulation of pharmaceutical affairs and development strategies, the selection of marketing partners, and the conclusion of contracts.

(Source: Linical)

CRO Business (Contract Research Organization)

The CRO Business undertakes part of the clinical trial operations conducted by pharmaceutical companies, including monitoring, data management, medical writing, pharmacovigilance, statistical analysis, and quality control. The company employs highly skilled and experienced staff with the aim of supporting high-quality, highly efficient clinical trials that will lead to the rapid launch of new drugs on the market. The company has opened facilities in Asia (Korea, Taiwan, Singapore, China), Europe and the United States to be able to respond to growing demand for global studies. They offer one-stop services, including the design of clinical development plans, monitoring, data management, statistical analysis, pharmacovigilance, and support for application for approvals for pharmaceutical products and medical apparatus. Among the new drug development projects spanning from 10 to 20 years, Linical is specialized in the processes of "Phase II" and "Phase III" that require 3 to 7 years targeting patients who are particularly important in clinical trials, and it provides "monitoring" services that are the core of the clinical trials in the contract-based business style in conjunction with "quality control" and "consulting." It collects highly reliable data and supports the rapid and reliable development of new drugs.

In addition, the company offers high-quality services in the fields of schedule management, standard procedure documents for clinical trials, compliance with GCP, the reliability of data and case reports, etc. Furthermore, the company has engaged in clinical trials in the fields where unmet medical needs are significant as many patients are waiting for the advent of new medicines, which are difficult to develop, since its establishment, and concentrates on the projects regarding cancer, immunity, and the central nervous system.

* Global jointly conducted clinical trials

“Global jointly conducted clinical trials” refers to conducting clinical trials simultaneously in multiple countries or regions in order to develop new drugs on a global scale and aim for early launch.

*GCP (Good Clinical Practice)

“GCP” is the international rule the companies are supposed to obey when they conduct the clinical trial. It is enacted by Ministry of Health, Labor and Welfare as a ministerial ordinance so that they can conduct it properly in Japan.

Contract Medical Affairs Business

In the contract medical affairs business, the company provides support for the organizational structure and construction of corporate and doctors-led clinical research, as well as planning for surveys, monitoring, and auditing services for post-release clinical trials and investigations. The Clinical Trials Act is enacted, and the environment surrounding clinical research is changing drastically. Under this circumstance, to obtain information in a timely manner and be the best partner for the medical affairs department of pharmaceutical companies, Linical provides full-service support including data management and statistical analysis with a focus on monitoring and research administration works of clinical trials. It has a policy to respond to the latest regulations and contribute to the creation of evidence in the challenging areas based on the know-how cultivated in the past development works.

Innovative Drug Development Business

Following the existing CRO Business and Contract Medical Affairs Business, Linical is cultivating the third business called Innovative Drug Development Business. In the innovative drug development business, the company provides consulting services to support entry into the Japanese market. This business is mainly operated by employees who are involved with licensing, business development, clinical trials development, development pharmacy, and marketing at major domestic pharmaceutical companies and have abundant results and experiences in determining developed products, introduction and derivation negotiation, and clinical development. In the Innovative Drug Development Business, 3 types of consulting services: a) market analysis of developed products, b) support for PMDA consultations, and c) licensing support, are provided. With these experiences as a weapon, they support pharmaceutical companies and bio technology companies inside and outside Japan in the broad therapeutic field.

[Services]

Strategy for drug development

Protocol Development and Study Design	The company has a track record in protocol development and study design, resulting in numerous successful clinical developments. It formulates a plan according to the project's needs and develop a roadmap for high-quality, efficient testing while mitigating risks.
Regulatory Consulting	The company is an expert in global drug development and provides world-class consulting services in pharmaceutical affairs. It proposes the most appropriate strategies and assists in the most cost-effective and fastest response in the pharmaceutical process.
Regulatory Affairs	The pharmaceutical affairs team at the company has extensive expertise and experience in supporting early to late-phase clinical development. Furthermore, they understand both regulatory and clinical affairs and provide comprehensive support for drug and medical device development, including regulatory application strategies, support for meetings with regulatory authorities, as well as coordination during the initiation of clinical trials. The company has extensive experience working with clients in the U.S, Europe, and Asia.
Quality Assurance	The company places the highest emphasis on quality. It offers services worldwide, from developing SOP to QA consulting to auditing.
Medical Writing	Medical writing is essential for clear communication and consistency in the preparation of documents related to clinical trials, as well as to ensure the safety of subjects and deal with regulatory reviews. The company aims to provide additional value through high-quality medical writing by utilizing its high level of expertise to meet the client's requirements.

Clinical trials

Feasibility and Study Set-up	To conduct feasibility studies and select medical facilities to initiate clinical trials more swiftly. With a practical and strategic approach based on extensive field experience, the company works closely with clients
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BRIDGE REPORT



	to understand their objectives, propose innovative solutions, and initiate clinical trials to ensure prompt completion of incorporation.
Project Management	The experienced project team of the company works as a partner with clients, assisting them until the completion to ensure that the trials are on schedule, within a budget, and obtain data of the expected quality. Furthermore, the company accompanies clients on projects to ensure that their needs are satisfied, responding quickly to their requests while leveraging its previous experience.
Pharmacovigilance	The pharmacovigilance of the company is a global team of experts. They provide rapid and accurate support to clients in responding to safety information.
Clinical Monitoring	Monitoring is essential for protecting the human rights and safety of subjects as well as ensuring regulatory compliance, data quality, and the integrity of clinical trial results. Since its establishment, the company has specifically dedicated itself to monitoring and is renowned for its quality among its clients.
Data Management and Biostatistics	The data management and biostatistics of the company are aimed at providing both deep insights and efficiency at every stage of the process. The professionals of the company perform everything ranging from consulting to full-service data management to statistical design.
Patient Recruitment	Finding suitable subjects for clinical trials is not easy, and the inclusion of cases is the major factor in the success or failure of a clinical trial, which can lead to significant delays in the trials and losses. It is essential for the success of a clinical trial that the recruitment plan for subjects is carefully considered.
Training	The CRA training offered by the company provides more practical training, with lectures given by skilled professionals and clinical trial managers (CTMs) from clinical sites, enabling trainees to become excellent clinical development monitors with exceptional monitoring skills.

[Therapeutic Expertise]**Oncology**

As a CRO with strong expertise in the field of cancer, the company has contributed to the development of many new drugs. The oncological field typically involves serious cases, so it requires careful yet prompt responses with a focus on safety information reporting. The company has conducted numerous Phase I to IV clinical trials globally in the oncological field, with extensive track records on solid tumors, blood cancers, and rare cancers. By consistently assigning experienced managers and clinical research associates (CRAs) and delivering high-quality work, the company has secured repeat orders.

Field of the Central Nervous System

The company is a CRO with an extensive track record, possessing a specialized division dedicated to handling clinical trials in the challenging central nervous system (CNS) field. Within the company's Central Nervous System Division, leaders and clinical research associates (CRAs) with broad knowledge and deep understanding of neurological and psychiatric disorders are developed to conduct clinical trials in the central nervous system field, to cure neurodegenerative diseases such as dementia and Parkinson's disease, various neuromuscular disorders involving motor dysfunction, and a range of psychiatric disorders, including depression, sleep disorders, and schizophrenia.

Immunology and Vaccines

Since its establishment, the company has accumulated extensive experience and expertise in immunology and vaccine trials, including substantial experience in Phase I through Phase IV clinical trials in the immunological field. To deliver clients' new drugs to patients as quickly as possible, the company rigorously manages trial schedules and budgets, consistently providing efficient, high-quality services. It has a proven track record across a wide range of diseases, including autoimmune disorders, respiratory and pulmonary disorders, allergic disorders, prophylactic vaccines, therapeutic vaccines, outbreaks, and epidemics.

Endocrinologic and metabolic fields

The area of metabolic disorders is growing in the field of clinical trials, with a high demand for developing novel therapies, yet there are many challenges including patient recruitment and efficiency. To address this, trials in this field require attentive CRO partners well-versed in regulatory strategy and safety management. The company possesses global regulatory expertise and operational capabilities, and can provide collaborative project teams. It delivers tailored solutions to accelerate the start of trials, mitigate risks, and provide high-quality data. Furthermore, the company gives the highest priority to "Patients First."

Other therapeutic areas

The company supports various other therapeutic areas, including rare diseases, pediatrics, and biosimilars. It possesses expertise to provide solutions for the complex challenges in pediatric clinical development. Furthermore, it contributes to advancing promising treatments for rare diseases worldwide. Additionally, the company fully leverages its accumulated clinical development expertise and experience to support biosimilar development.

[Global expansion]

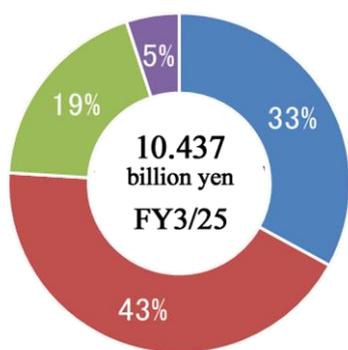
The company is a global CRO based in Japan, with a focus on Japan, it is operating its offices around the world, including Asia, Europe and the U.S. The company currently has employees in about 20 countries/regions. The company is providing services in about 30 countries including affiliated partners. Experts in each function, who are familiar with local regulations and customs, work together globally to provide detailed services customized to each and every project.

■ Our Global Network



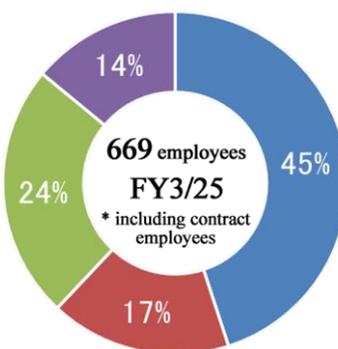
(Source: Linical)

Net Sales : Overseas ratio 67%



■ Japan ■ US ■ EU ■ Asia

Number of employees : Overseas ratio 55%

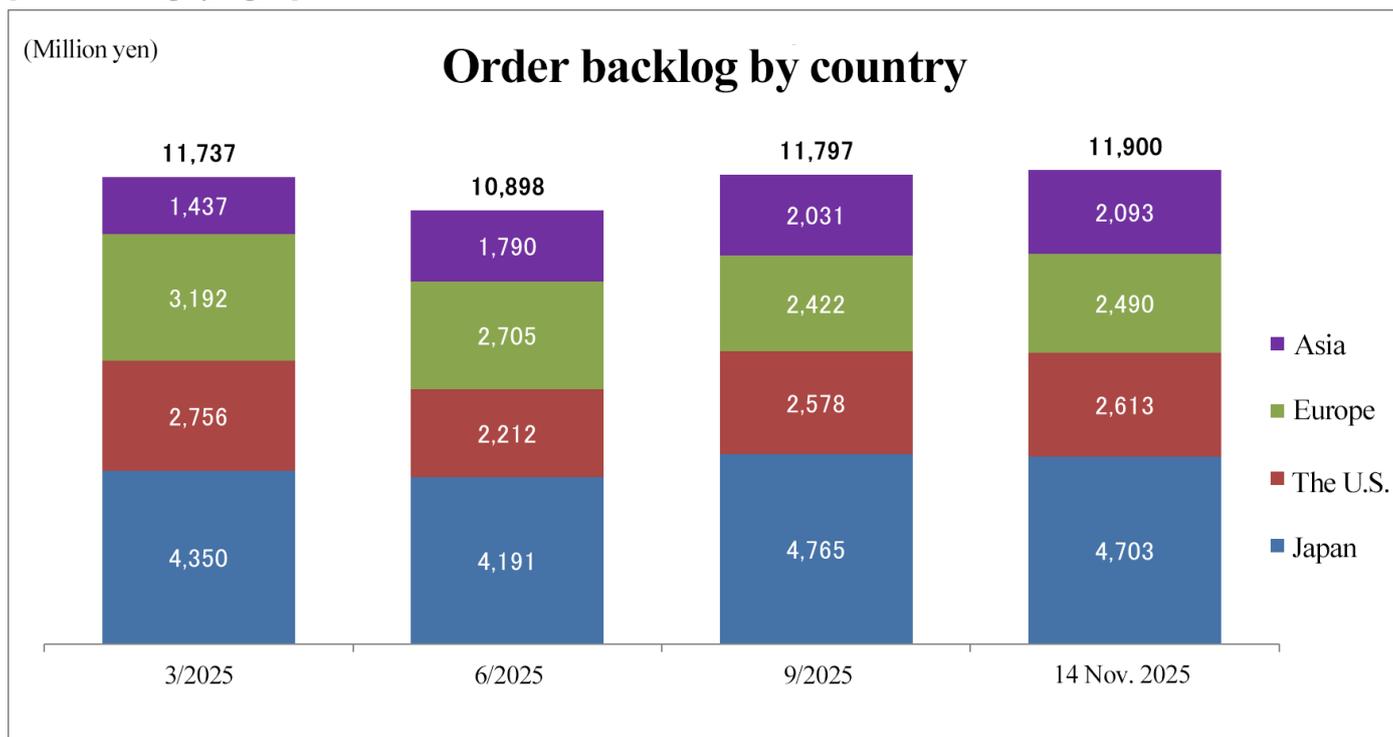


■ Japan ■ US ■ EU ■ Asia

(Source: Linical)

In the fiscal year ended March 2025, the overseas ratio was 67% for sales and 55% for the number of employees.

[Order backlog by region]



*Produced by Investment Bridge Co., Ltd. with reference to disclosed material.

The total price of clinical trials and studies after the release of new medicines undertaken by the CRO business division of the Linical Group is determined by their difficulty levels, which depend on the number of cases and target diseases in the clinical trial period spanning 1 to 3 years. In the trial period, they conclude an outsourcing contract with a client and earn sales in accordance with the contract. Order backlog refers to the balance of the amount of orders received for undertaking of tasks for which contracts have been already concluded. It shows sales that will be earned in the next one to five years and is an indicator that serves as the basis for the corporate group's future earnings forecasts.

The order backlog as of November 14, 2025 stood at 11.9 billion yen, up 1.4% from the end of the fiscal year ended March 2025.

[Selected as the Best CRO in the U.S.]

■ Global Excellence Awards

Global Health & Pharma (GHP) Magazine in the U.S. commends international CRO service providers.

Best International CRO 2023

Best Global CRO 2024

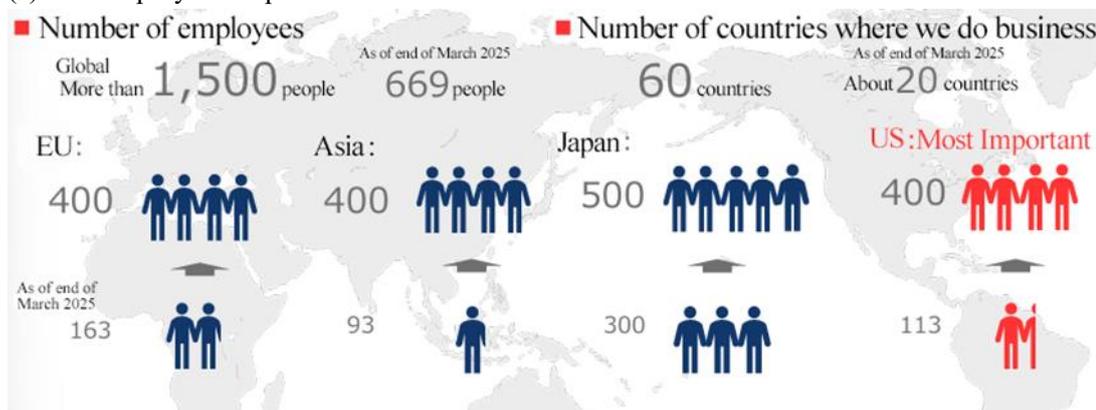


(Source: Linical)

2. Management Strategy

[Medium and Long term Goal]

- (1) To build a system with more than 1,500 employees where there will be 500 in Japan, 400 in Asia, 400 in Europe, and 400 in the U.S.
- (2) To maintain and improve profitability while making growth investments (including M&A) in all main business regions
- (3) The company will expand its business to about 60 countries around the world.



(Source: Linical)

[Growth strategies]

In order to expand the overseas business further, they will enhance the provision of high-quality services and the financial base.

① Corporate governance

In order to improve profitability while expanding services, they will reform and strengthen their organizational structure.

To enhance communication among business bases
◆ To swiftly share the information on progress and issues at each base, and fortify their cooperative system
To secure and train personnel
◆ To enhance measures for retaining personnel, while recruiting and training excellent personnel so as to offer highly technical services
Linkage among services
◆ To strengthen the linkage among different services, including clinical monitoring, innovative drug development business, and data management, and offer services swiftly and flexibly

② Marketing

They will improve the capability of giving meticulous proposals to clients, to differentiate themselves from leading global CROs.

Reform of the marketing organization
◆ They will accumulate know-how while standardizing procedures, so as to conduct organized marketing activities globally.
Enrichment of marketing strategies for each client
◆ While targeting mainly emerging biopharmaceutical companies in Europe and the U.S., they will enrich marketing strategies to meet the needs that vary among clients, including major pharmaceutical companies and Japanese pharmaceutical companies.
Training of global sales staff
◆ To secure personnel who can engage in marketing activities based on global cooperation

③ Investment in IT

By utilizing digital technologies, they will respond to the needs for streamlining of clinical trials and improve the efficiency of business administration.

Utilization of AI for clinical trial operations
◆ To discuss the adoption of systems and develop personnel who are versed in both technology and clinical development, in order to utilize AI for clinical trial operations
Promotion of DX for each function

◆To develop digital tools and a system environment, which will be shared by group companies, and improve productivity through DX

Cementing of cooperative relationships

◆To strengthen the network of partners for system development, who are required for distributed clinical trials and AI utilization

◎ Utilization of AI in clinical trials

To discuss the adoption of tools for using AI in each phase of clinical trials.

Design of Clinical Trials
◆AI models extract information from clinical trial documents.
◆Evaluate the impact of each component of the protocol on the results.
Case Registration
◆AI searches medical records and identifies potential patients who meet clinical trial criteria.
◆Enables faster and more accurate enrollment in clinical trials.
Data Analysis
◆AI analyzes extensive clinical trial data.
◆Enables mining patient records to identify patterns and predict responses for each individual.
Risk Monitoring
◆AI monitors clinical trial data in real time.
◆Issues alert upon detecting safety concerns.
Regulatory
◆AI checks for inconsistencies and errors in data to ensure the compliance with regulations.

3. Cumulative 2Q of Fiscal Year ending March 2026 Earnings Results

(1) Consolidated results

	FY3/25 1H	Ratio to sales	FY3/26 1H	Ratio to sales	YoY
Sales	5,426	100.0%	4,859	100.0%	-10.4%
Gross profit	1,314	24.2%	1,071	22.1%	-18.4%
SG&A	1,507	27.8%	1,583	32.6%	+5.0%
Operating income	-192	-3.6%	-511	-10.5%	-
Ordinary income	-239	-4.4%	-543	-11.2%	-
Interim Profit attributable to owners of parent	-280	-5.2%	-927	-19.1%	-

*Unit: million yen

*The figures include figures calculated by Investment Bridge Co., Ltd., and may differ from actual figures. (Abbreviated hereafter)

Sales declined 10.4% year on year, and an operating loss of 511 million yen was recorded.

In the cumulative second quarter of the fiscal year ending March 2026, sales dropped 10.4% year on year to 4,859 million yen and an operating loss of 511 million yen was posted (in the same period of the previous year, an operating loss of 192 million yen was posted). Sales grew in Japan, Europe, Taiwan and China, but declined in the U.S. and South Korea, so consolidated sales decreased. Profits were earned in Taiwan and China, but there were operating losses in Japan, the U.S., Europe, and South Korea, so a consolidated operating loss was posted.

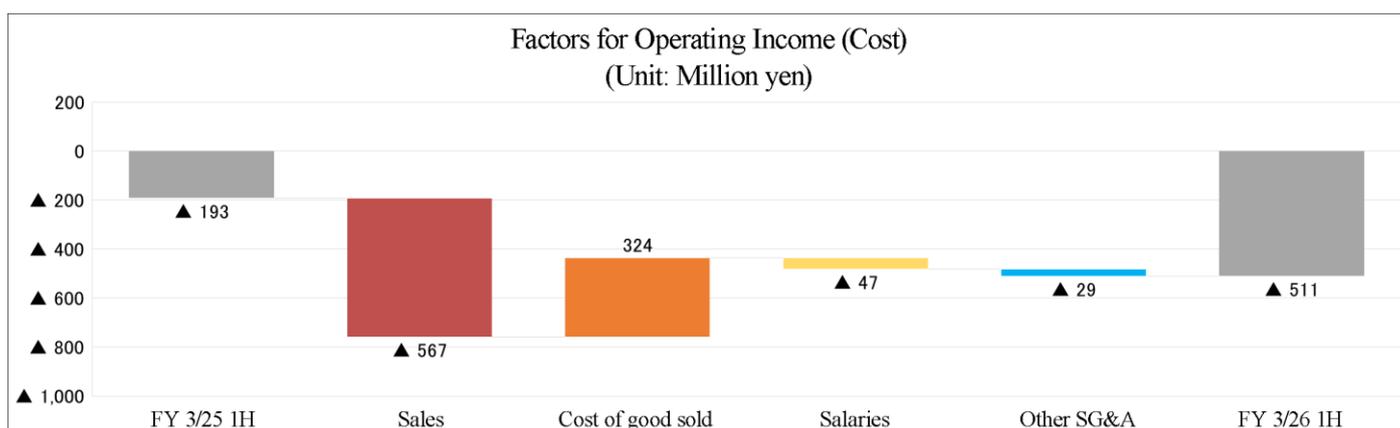
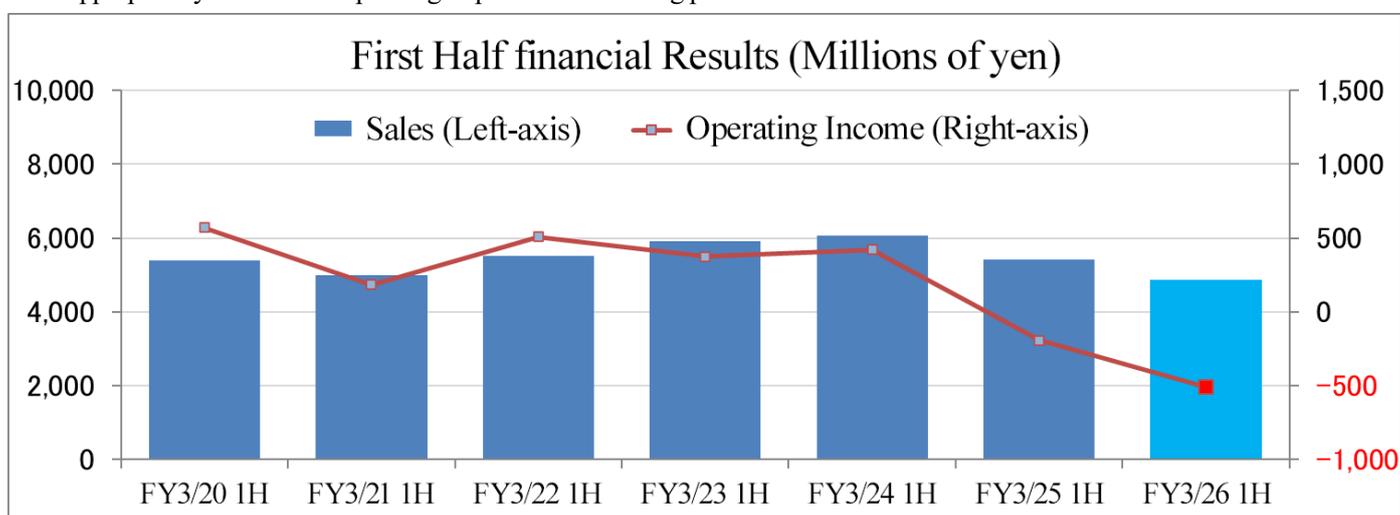
In Japan, sales increased and operating loss shrank, as they undertook several new projects from pharmaceutical companies inside and outside Japan, earning sales. In the U.S., sales declined and an operating loss was posted, as they failed to make up for the drop in sales due to the end of large-scale projects. They received informal orders for large-scale international joint clinical trials, but FDA's examination of clinical trial plans was delayed, affecting sales. In Europe, sales grew thanks to the extension of the periods of existing projects and the revision to contracts for adding more man-hours, but operating loss augmented due to the augmentation of outsourcing

expenses, etc.

Gross profit margin was 22.1%, down 2.1 points year on year. SG&A expenses increased 5.0% year on year. Ordinary loss amounted to 543 million yen, exceeding operating loss, as they posted an exchange loss of 68 million yen. In addition, considering the current business environment, future business trends, etc. and carefully studying the collectability of deferred tax assets, they decreased deferred tax assets by 408 million yen in the first half of the current fiscal year, posting them in the section of income taxes-deferred, so interim net loss attributable to shareholders of the parent company amounted to 927 million yen (in the same period of the previous year, they posted an interim net loss attributable to shareholders of the parent company of 280 million yen).

Changes in Segments to be Reported

The corporate group had previously reported two segments: CRO and contract medical affairs business. However, in the first quarter of this year, they switched to a single-segment reporting structure with the CRO business. This change was made following an organizational restructuring implemented in April 2025 and the results of a review of the segments from the perspectives of management resource allocation by the Board of Directors and performance evaluation. It was determined that adopting a single CRO segment would more appropriately reflect the corporate group's decision-making process.



*Produced by Investment Bridge Co., Ltd. with reference to disclosed material.

(2) Performance trend in each region

	FY 3/25 2Q Cumulative Total		FY 3/26 2Q Cumulative Total			
	Sales	Operating income	Sales	Increase/decrease rate	Operating income	Increase/decrease rate
Japan	1,892	-215	1,975	+4.4%	-114	-
U.S.	2,513	410	1,923	-23.5%	-76	-
Europe	1,565	-54	1,709	+9.2%	-142	-
Korea	375	-73	327	-12.8%	-58	-
Taiwan	42	-28	98	+130.9%	14	-
China	115	-7	143	+24.7%	50	-
Adjustment	-1,077	-223	-1,318	-	-184	-
Total	5,426	-192	4,859	-10.4%	-511	-

*Unit: million yen

*Amortization of goodwill is recorded as an adjustment. "Sales" means the value before exclusion of internal transactions.

[Japan]

In Japan, sales decreased significantly in the previous fiscal year due to the impact on the cancellation and contract revisions involving shortened durations of several large-scale existing projects. The company has received orders for multiple large-scale projects from domestic and international pharmaceutical companies in Japan, with order intake showing signs of recovery, resulting in a year-on-year sales growth, while operating loss has narrowed. Although Japan continues to face a challenging market environment due to the serious social issue of unavailability of some medicines in Japan, the company is securing orders by maintaining domestic and international sales activities in collaboration with its European, American, and Asian business sections. It will continue striving to improve performance by implementing measures to enhance employee utilization rates and strictly managing expenses.

[Korea]

In South Korea, sales decreased year on year due to the impact of the medical strike that occurred in the previous fiscal year on the progress of existing projects and the undertaking of new projects, as well as interruptions in several existing projects due to customers' reasons. However, operating loss was reduced by controlling incurred costs. The company will continue working with its sections in Japan and Asia to advance sales activities aimed at securing orders from domestic and international companies.

[China]

Sales increased year on year in China, resulting in an operating profit. With growing interest from medium-sized Japanese pharmaceutical companies in the Chinese market, the company will continue its sales activities.

[Taiwan]

In Taiwan, sales increased year on year due to the acquisition of orders for new projects, and the business achieved an operating profit. The company has secured multiple new projects from Taiwan biotech and other companies that are developing domestically and internationally and expects further contribution to sales.

[United States]

Their business in the United States has secured preliminary agreements for multiple large-scale international joint clinical trials, including those in the U.S., Europe, and Australia, and is proceeding with contract finalization procedures. While some completed contracts have been reflected in order backlog and contributed to sales, a drop in sales after the completion of major projects could not be compensated, resulting in a significant year-on-year decreases in both sales and profits. The company will continue to focus on expanding transactions with existing customers in the promising U.S. market and securing new projects from promising biotech companies to achieve sustainable growth.

[Europe]

In Europe, although sales increased year on year, operating loss expanded due to higher outsourcing costs. The company will continue

to focus on sales activities in collaboration with other locations, including the United States, to expand orders, while striving to improve profitability by increasing capacity utilization rates.

[Goodwill balance and remaining amortization period (at the end of FY 3/25)]

	Goodwill			Related intangible assets other than goodwill *2		
	Balance at end of term	Remaining Amortization Period (year)	Annual Amortization *3	Balance at end of term	Remaining Amortization Period (year)	Annual Amortization *3
Korea	Termination of depreciation in FY 3/19			Termination of depreciation in FY 3/19		
Europe*1	1,195	8-9	147	6 57	2 5.7	3 10
United states*1	1,949	9	220	22	2	11
Total	3,144	—	368	85	—	24

*Unit: million yen

*1 Goodwill generated by the acquisition of Linical Accelovance America, Inc., has been apportioned pro rata to its European subsidiary.

*2 Intangible assets other than goodwill recognized by purchase price allocation.

*3 Figures have been converted at the exchange rate as of the end of the fiscal year ended March 2025.

(3) Change in order backlog

	End of FY 3/25 (A)	FY 3/26 1H	As of November 14, 2025 (B)	Difference from the end of the previous term (B-A)/(A)
Japan	4,350	4,765	4,703	+8.1%
United States	2,756	2,578	2,613	-5.2%
Europe	3,192	2,422	2,490	-22.0%
Asia	1,437	2,031	2,093	+45.7%
Total	11,737	11,797	11,900	+1.4%

*Unit: million yen

As of November 14, 2025, order backlog was 11.9 billion yen, up 1.4% from the end of the fiscal year ended March 2025.

In Japan, despite the continued challenging business environment due to unavailability of some medicines in Japan and other factors, order backlog has increased from the end of the fiscal year in March 2025 as a result of the undertaking of multiple new projects and contract revisions. Furthermore, the establishment of the base in Australia is beginning to show results, such as securing orders from Japanese pharmaceutical companies for trials in Australia and Asia managed by the company's base in Japan.

In Asia, order backlog increased significantly from the end of the fiscal year ended March 2025, as the Taiwanese subsidiary secured multiple new projects, including global trials conducted in Taiwan and the United States. Taiwanese biotech companies have shown strong interest in the U.S. market from the beginning, leveraging the strengths of their U.S.-based operations to pursue new projects. In South Korea, order backlog increased from the end of the fiscal year ended March 2025 due to the acquisition of new domestic orders and the signing of multiple new contracts for data management and statistical analysis services conducted through group companies. The sales teams in Asia and Japan and those in Europe and the U.S. will collaborate to attract Western biotech companies to Japan and Asia and to secure orders by also addressing the development needs of Japanese and Asian biotech companies by initiating clinical trials via Australia or directly in North America, targeting the world's largest market in the United States.

In the United States, the company received preliminary approval for multiple large-scale international joint clinical trials across the U.S., Europe, and Australia, and contracts for some of these trials were completed, but order backlog decreased from the end of the fiscal year ended March 2025 due to delays in the start of other trials preventing contract completion and the postponement of trials for which preliminary approval had been obtained. Please note that, as mentioned above, multiple projects among the received orders that are still pending contract conclusion are not included in the above order backlog. These will be added to the order backlog once the contracts are completed. Additionally, the company has received numerous inquiries for projects, including global ones centered on biotech, and

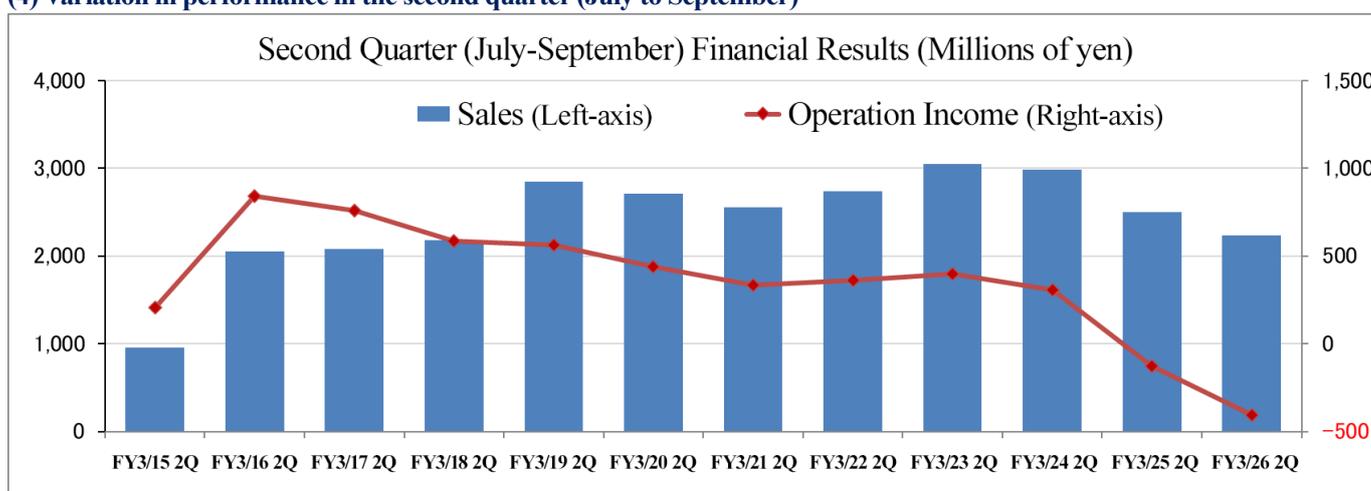
BRIDGE REPORT



is focusing its sales efforts on building up its order backlog.

In Europe, while order backlog increased due to contract modifications such as the extension of periods of existing projects and additional man-hours, as well as the recognition of the European portion of the large-scale international joint clinical trials secured by the U.S. mentioned above, order backlog decreased from the end of the fiscal year ended March 2025. This resulted from existing projects progressing smoothly and generating revenue, while the securing of new projects did not proceed, due to the postponement of trials for which preliminary approval had been obtained. On the other hand, among the large-scale international joint clinical trials mentioned above, there are projects that are in the process of concluding contracts and are not included in the above order backlog. By further strengthening global synergies, primarily in the U.S. business, the company aims to expand the acquisition of orders for new projects, including those in Europe.

(4) Variation in performance in the second quarter (July to September)



Unfortunately, the trend of decrease in revenue and profit continued in the second quarter (July to September) of the fiscal year ending March 2026.

(5) Financial Conditions and Cash Flow (CF)

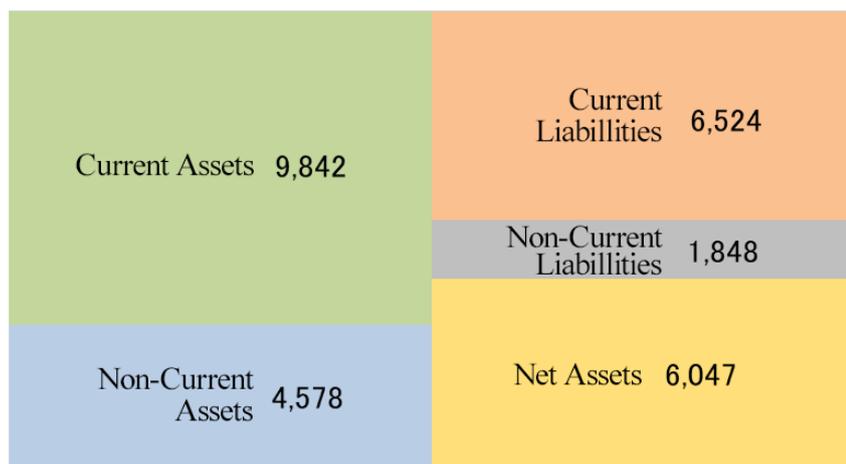
Financial Conditions

	March 2025	September 2025		March 2025	September 2025
Cash	7,039	5,400	ST Interest-Bearing Liabilities	1,000	1,000
Receivables and contract assets	2,774	2,525	Advances received	2,420	2,203
Advance payment	841	1,011	Deposits payable	2,755	1,843
Current Assets	11,627	9,842	LT Interest-Bearing Liabilities	1,327	1,107
Tangible Assets	395	370	Liabilities	9,521	8,372
Intangible Assets	3,239	3,074	Net Assets	7,253	6,047
Investments and Others	1,512	1,132	Total Liabilities and Net Assets	16,775	14,420
Noncurrent Assets	5,148	4,578	Total Interest-Bearing Liabilities	2,327	2,107

* Unit: million yen

* Interest-bearing liabilities=Borrowings + Lease Obligations

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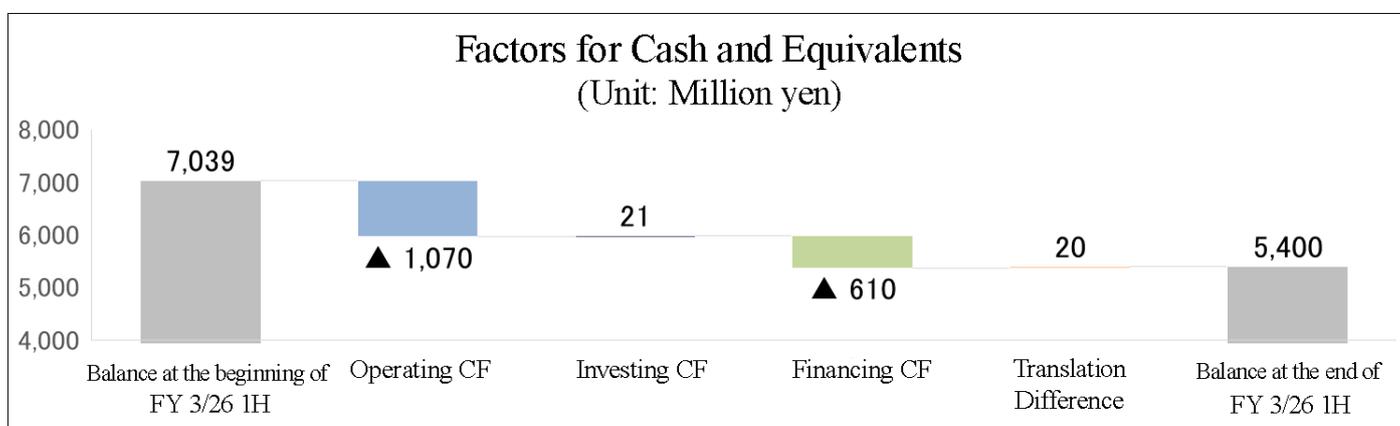
*Produced by Investment Bridge Co., Ltd. with reference to disclosed material.

Total assets as of the end of September 2025 stood at 14,420 million yen, down 2,354 million yen from the end of the previous fiscal year. Major factors increasing assets are advances paid and investment securities, while factors in decreasing assets include cash and deposits, goodwill, and deferred tax assets. Major factors in increasing liabilities and net assets are liabilities for retirement benefits and exchange conversion adjustment accounts, while factors in decreasing liabilities and net assets include advances paid, deposits payable, long-term debts, and retained earnings. The equity ratio as of the end of September 2025 was 41.9%, down 1.3 percentage points from the end of the previous fiscal year.

Cash Flow

	FY3/25 1H	FY3/26 1H	YoY	
Operating cash flow (A)	541	-1,070	-1,612	-
Investing cash flow (B)	-12	21	33	-
Free cash flow (A+B)	528	-1,049	-1,578	-
Financing cash flow	-662	-610	51	-
Cash and Equivalents at the end of interim period	7,213	5,400	-1,813	-25.1%

* Unit: million yen



*Produced by Investment Bridge Co., Ltd. with reference to disclosed material.

Regarding cash flows, a cash outflow from operating activities was posted due to the augmentation of interim net loss before taxes and other adjustments, the rise in advances paid, decreases in advances received and deposits received, etc. On the other hand, a cash inflow from investment activities was posted due to the increase in revenues through the profit allocated by investment funds, but free cash

flow turned negative. The cash outflow from financial activities shrank, due to a decrease in the repayment of long-term debts. As a result, the cash position as of the end of September 2025 was down 25.1% year on year.

4. Fiscal Year ending March 2026 Earnings Forecasts

(1) Consolidated results

	FY 3/25 Act.	Ratio to sales	FY 3/26 Est.	Ratio to sales	YoY
Sales	10,437	100.0%	9,350	100.0%	-10.4%
Operating income	-583	-	-1,350	-	-
Ordinary income	-498	-	-1,400	-	-
Profit attributable to owners of parent	-539	-	-1,700	-	-

*Unit: million yen

A 10.4% decrease in revenue from the previous fiscal year, with an operating loss of 1,350 million yen.

As the second quarter ended, they revised the forecast for the fiscal year ending March 2026 downwardly. The revised forecast calls for a 10.4% year-on-year decline in sales and an operating loss of 1,350 million yen (an operating loss of 583 million yen in the fiscal year ended March 2025).

In Japan, while the business environment is harsh as new medicine development is slowing down and the unavailability of some medicines in Japan is worsening, they did not make new deals enough to compensate for large-scale projects where development was suspended in the previous fiscal years, so it is forecast that sales will not reach the forecast for the current fiscal year. In Europe and the U.S., they were not able to compensate for the decline in sales after the end of a large-scale project, so it is projected that sales will not reach the initial forecast.

On the other hand, they have not changed the plan to pay a common dividend of 16 yen/share, unchanged from the previous fiscal year.

Revision to the forecast

	Sales	Operating Income	Ordinary Income	Net Income
Initial forecast of the company	11,200	300	320	150
Forecast revised on Nov. 14	9,350	-1,350	-1,400	-1,700
Amount of increase or decrease	-1,850	-1,650	-1,720	-1,850
Rate of increase or decrease	-16.5%	-	-	-

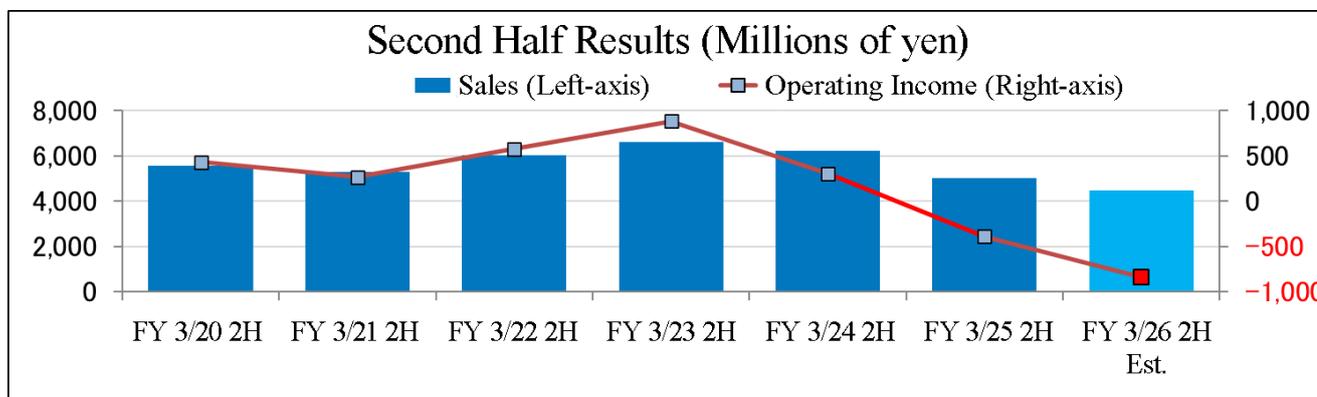
*Unit: million yen

In Japan, they have received several orders for large-scale projects in Japan from pharmaceutical companies inside and outside Japan, the number of orders received is recovering, and sales are expected to grow year on year, but in the harsh business environment where new medicine development is slowing down and the unavailability of some medicines is worsening, they did not make new deals enough to compensate for large-scale projects where development was suspended in the previous fiscal years, so it is forecast that sales will not reach the forecast for the current fiscal year. In Europe and the U.S., they were not able to compensate for the decline in sales after the end of a large-scale project, so it is projected that sales will not reach the initial forecast, although they are proceeding with the procedures for concluding contracts for large-scale international joint clinical trials in the U.S., Europe, Australia, etc. and some concluded contracts are contributing to sales. In South Korea, existing projects are delayed and they are not receiving orders for new projects as forecast. As they have received multiple business inquiries in Europe, the U.S., and South Korea and the number of orders received in Japan is recovering, they will take every possible measure for improving their business performance.

Considering the current business environment, future business trends, etc. and carefully studying the collectability of deferred tax assets, they decreased deferred tax assets by 408 million yen in the interim period of the current fiscal year, posting them in the section of

income taxes-deferred.

(2) Earnings forecast for the second half of the fiscal year



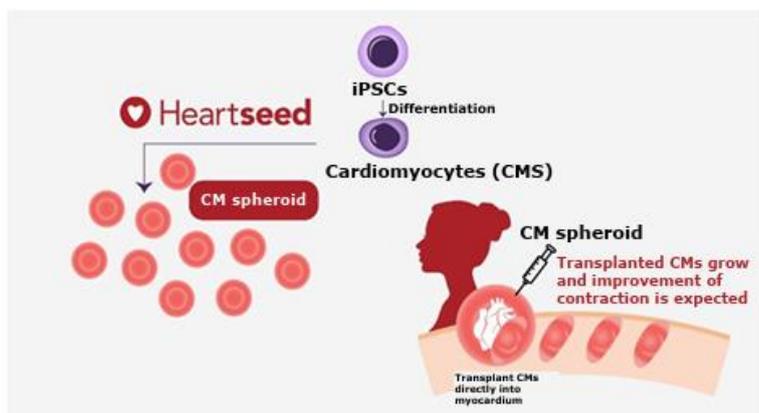
*Produced by Investment Bridge Co., Ltd. with reference to disclosed material.

Unfortunately, sales and profit are declining in the second half of the fiscal year.

(3) Efforts in New Fields

© Case 1: Existing Customers: Regenerative Medicine (iPS Cell-Derived)

Heartseed is a biotech venture founded by Professor Emeritus Keiichi Fukuda of Keio University. It is developing HS-001 with the aim of treating patients with severe heart failure by establishing “cardiac regenerative medicine,” a treatment involving the transplantation of microtissues (cardiomyocytes) derived from allogeneic iPS cells into the heart. The company provides comprehensive support as a CRO for domestic Phase I/II clinical trials, undertaking duties for regulatory affairs (including PMDA, consultation and protocol preparation), monitoring, data management/statistical analysis, safety management, auditing, and vendor management (clinical trial product transportation, external testing, and diagnostic imaging).



Cited with permission from the website of Heartseed Inc.

(Source: Linical)

© Case 2: Potential Customers: Gene Delivery Pharmaceuticals

An increasing number of overseas biotech startups are using viral vector systems as gene delivery platforms and designing and manufacturing HSV-based vectors. A vector is a DNA or RNA molecule used to artificially transport foreign genetic material into other cells.

<Characteristics of HSV Vectors>

- ◆ Its application as a gene therapy vector is rapidly advancing, and it is regarded as a promising carrier for a gene therapy delivery vehicle for various diseases.
- ◆ It has a high transduction efficiency across a wide range of cell types, including dividing and non-dividing cells.
- ◆ Because the viral genome is extremely large (~150 kb), a single vector can carry multiple large therapeutic genes.

◆ It is used for a variety of applications, including gene delivery to the nervous system, oncolytic agents, and the development of vaccines against cancer, HSV, and other infectious diseases.

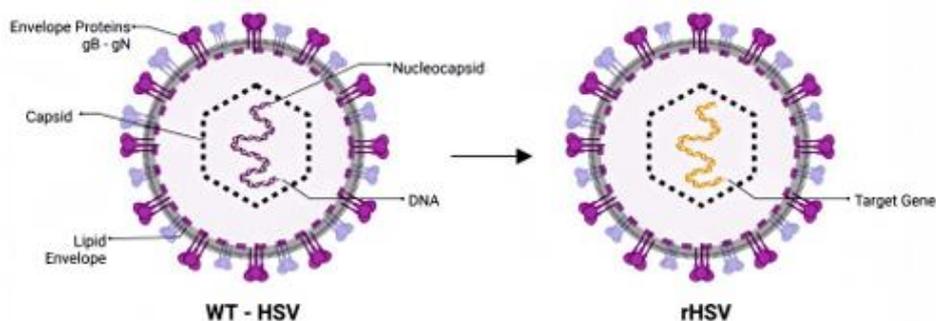
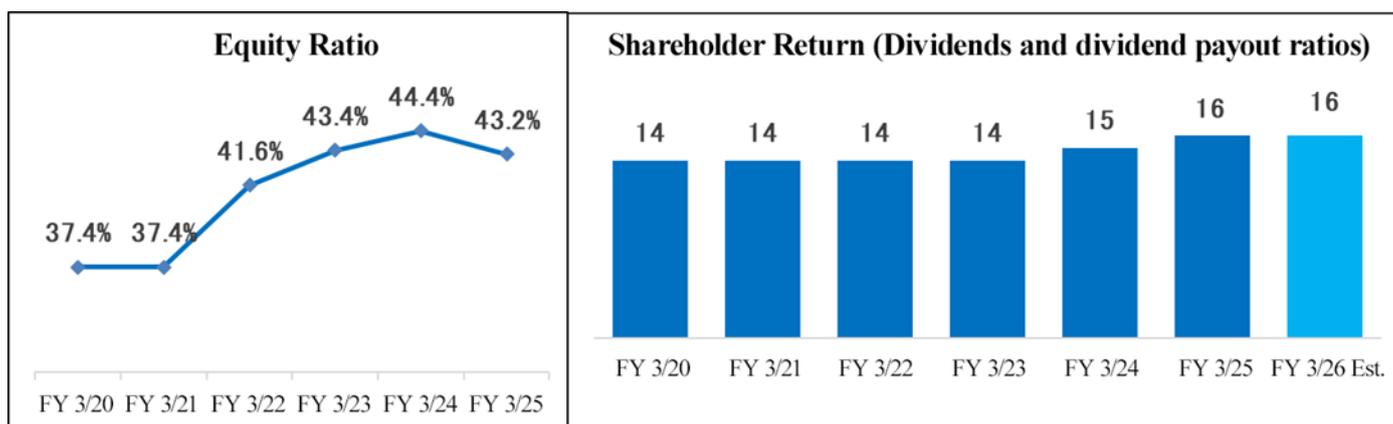


Figure source : <https://www.cd-bioparticles.net/hsv-vectors>

(Source: Linical)

(4) Dividend Policy

The company is also actively working to strengthen its financial base. In order to secure the financial resources necessary for investments to expand overseas operations, the company will ensure sustainable growth in earnings per share by increasing revenue through its growth strategy, maintaining high operating rates, and thoroughly managing costs. At the same time, the company aims to increase its current ratio and equity ratio, enable flexible financing, and strive to balance shareholder returns and securing funds for growth.



5. Conclusions

As the second quarter ended, they revised the forecast for the fiscal year ending March 2026 downwardly. The revised forecast calls for a 10.4% year-on-year decline in sales and an operating loss of 1,350 million yen (an operating loss of 583 million yen in the fiscal year ended March 2025). In Japan, they have received several orders for large-scale projects in Japan from pharmaceutical companies inside and outside Japan, the number of orders received is recovering, and sales are expected to grow year on year, but in the harsh business environment where new medicine development is slowing down and the unavailability of some medicines is worsening, they did not make new deals enough to compensate for large-scale projects where development was suspended in the previous fiscal years, so it is forecast that sales will not reach the forecast for the current fiscal year. In Europe and the U.S., they were not able to compensate for the decline in sales after the end of a large-scale project, so it is projected that sales will not reach the initial forecast, although they are proceeding with the procedures for concluding contracts for large-scale international joint clinical trials in the U.S., Europe, Australia, etc. and some concluded contracts are contributing to sales. In South Korea, existing projects are delayed and they are not receiving orders for new projects as forecast.

Amid such harsh business environment, order backlog increased significantly between the end of March 2025 and November 14, 2025 in Asia, showing a favorable trend. This is because the Taiwanese subsidiary undertook several new projects, including global tests, conducted in Taiwan and the U.S. The biotech companies in Taiwan have been keenly interested in the U.S. market, and have been

pursuing more new projects by utilizing the strengths of Linical, which has bases in the U.S. They also received new orders in South Korea, and concluded contracts for several new projects, including data management and statistical analysis, via group companies. The company aims to receive orders via Australia for entering the U.S. market, which is the largest in the world or by responding to the needs of biotech companies in Japan and other Asian countries, who will start clinical trials in North America, for development, while the marketing teams in Japan, Asia, Europe, and the U.S. cooperatively promote biotech firms in Europe and the U.S. to do business in Japan and Asia. It is noteworthy whether they can receive more orders steadily in Asia.

In addition, they plan to proactively use AI in clinical trials. They will discuss the adoption of tools for utilizing AI in each phase of a clinical trial, including the design of the trial, the registration of cases, data analysis, risk monitoring, and regulatory affairs. From now on, it will be indispensable to use AI in clinical trials, and the effect of use of AI would influence the growth potential of their business. In the medium/long term, we would like to pay attention to the progress of utilization of AI in clinical trials with expectations.

<Reference: Regarding Corporate Governance>

◎ Organization type, and the composition of directors and auditors

Organization type	Company with an Audit & Supervisory Committee
Directors who are not Audit Committee Members	3 directors, including 2 outside ones
Directors who are Audit Committee Members	3 directors. All of them are outside directors

◎ Corporate Governance Report

Last updated on June 30, 2025

<Basic Policy>

(1) Management Philosophy

Our management philosophy is “To promote the greater wellbeing of all our stakeholders — patients, business partners, shareholders, and employees — we strive constantly to offer professional, high-quality services to support all aspects of new drug development.” We aim to contribute to the development, evolution and diffusion of new therapeutic technologies including new pharmaceuticals, and ultimately to the healthy lives of human beings, by continuously developing and maintaining the knowledge and experience of our executives and employees, as well as the know-how and systems of our organization.

(2) Basic Approach on Corporate Governance

Based on the above management philosophy, our company will contribute to the birth and growth of new disease prevention and therapeutic technologies, including new pharmaceuticals, with our know-how and technologies in pharmaceutical development. As a partner of healthcare companies and medical institutions, including domestic and foreign bio-venture firms, pharmaceutical companies, and medical device manufacturers, our company will contribute to the development of healthcare and meet the expectations of patients and the entire society.

Since our business activities impact people's lives, our executives and employees are required to have high ethical standards as well as expertise. Thus, we thoroughly comply with the Corporate Code of Conduct, including strict compliance with laws. In addition, we strive to improve corporate value and business development by enhancing internal control and ensuring the soundness and transparency of management.

<Regarding the implementation of the principles of the corporate governance code>

Major principles for not implementing and the reasons

Principles	Reasons for not implementing the principles
[Supplementary Principle 4-1 (2) Medium-term Management Plan]	The Medium-term Management Plan of the company is reviewed by the Management Board, with progress checked and analyzed at each meeting, reviewing the medium-term targets and policies as necessary and appropriate. The Board of Directors deliberates and approves the Medium-term Management Plan while receiving reports on progress and analysis results, while monitoring and supervising the plan. Our company is in the process of revising our medium-term management plan, and will also review the way to present and explain it in order to foster shared

	understanding with shareholders and investors.
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<Disclosure Based on the Principles of the Corporate Governance Code (Excerpts)>

Principles	Disclosure contents
[Principle 3-1: Enhancement of Information Disclosure]	<p>(i) Our ideal state (including our management philosophy), management strategies and plans Our company has established the following as our management philosophy: “To consistently deliver professional-quality services at every stage of pharmaceutical development, and to pursue the happiness of our stakeholders, including pharmaceutical companies, medical institutions, patients, as well as shareholders and employees.” Based on this philosophy, our company aims to achieve sustainable growth and enhance corporate value over the medium/long term. To this end, we are currently revising our medium-term management plan and will also review the manner in which we provide explanations so as to foster a shared understanding with shareholders and investors. Our management strategies and plans are disclosed in materials such as annual securities reports.</p> <p>(ii) Basic views and policies on corporate governance based on each principle of the Code Our basic approach to corporate governance is described in "1. Basic Approach" of this report. An overview of our corporate governance, including these views, is available on our website.</p> <p>(iii) Policies and procedures for determining the remuneration of senior management and directors The remuneration for our company’s directors is paid within the total amount approved through the resolution at a General Meeting of Shareholders. Policies for determining the remuneration for each director are resolved by the Board of Directors. With respect to the determination policies and procedures, the Board of Directors seeks advice from the Compensation Committee, which is composed of three or more members, a majority of whom are outside directors. Through deliberation and recommendations by this committee, objectivity, transparency, and fairness are ensured. In the fiscal year ended March 2025, the Compensation Committee met a total of four times, with all members attending each meeting. The main agenda items included deliberations on the amount of performance-linked remuneration for directors and other executives upon consultation from the Representative Director, as well as deliberations on policies for determining the remuneration for each director, including remuneration levels and structure, related regulations, and individual remuneration amounts. Details regarding executive remuneration are disclosed in our annual securities report under “4. Status of Corporate Governance (4) Remuneration of Executives.”</p> <p>(iv) Policies and procedures for the appointment and dismissal of the senior management and the nomination of director candidates by the Board of Directors (1) Policies and Procedures for Appointment and Dismissal With respect to the appointment and nomination of internal directors and executive officer candidates, our company appoints and nominates such individuals through the resolution of the Board of Directors based on the criteria set forth in items (a) and (b) below, after giving comprehensive consideration to whether the candidates possess the insight and integrity appropriate for the senior management, are capable of making accurate and prompt decisions, and have the requisite knowledge, experience, and abilities. In making such determinations, our company also takes into account the overall balance of the Board of Directors and the management team as a whole, including outside directors. Regarding reappointment, our company determines whether the individual has consistently achieved the expected performance and results, and resolves the matter of reappointment or non-reappointment through the resolution of the Board of Directors.</p> <p>① With respect to the appointment and reappointment of candidates for outside directors who</p>

	<p>are not Audit and Supervisory Committee members, our company appoints and reappoints such candidates through the resolution of the Board of Directors based on the criteria and qualifications set forth in Principle 4-9.</p> <p>② With respect to the appointment and reappointment of candidates for directors who are Audit and Supervisory Committee members, in addition to the criteria and qualifications set forth in Principle 4-9, at least one candidate is required to possess sufficient knowledge and experience in finance and accounting. Taking into consideration the balance of the Audit and Supervisory Committee so as to ensure the proper functioning of management oversight, such candidates are appointed and reappointed through the resolution of the Board of Directors after obtaining the consent of the Audit and Supervisory Committee. To enhance the objectivity, transparency, and fairness of the appointment and reappointment process, the Nomination Committee composed of three or more members, a majority of whom are outside directors, verifies and deliberates on candidates' performance and results through interviews and other means, and submits its recommendations to the Board of Directors. The Board of Directors makes its resolutions based on these recommendations. In the fiscal year ended March 2025, the Nomination Committee met a total of three times, with all members attending each meeting. The main agenda items included deliberations on the reappointment of executive directors, executive officers (including CXOs), and executives of subsidiaries.</p> <p>(2) Criteria for the Appointment and Dismissal of the President (CEO)</p> <p>The Board of Directors recognizes the appointment and dismissal of the Representative Director, President and Executive Officer (CEO) as one of its most important decision-making matters. Such decisions are made after comprehensive consideration of factors including the individual's ability to respond to changes in the overall business environment, to formulate and proactively implement management strategies, and to contribute to the continuous improvement of business performance. These decisions are carried out through the process of deliberation and recommendation by the Nomination Committee. With respect to the development of successor candidates for the Representative Director, President and Executive Officer (CEO), our company is implementing measures such as knowledge-based training, planned job rotations, and overseas assignments.</p> <p>(v) Explanations of Individual Appointments, Dismissals, and Nominations When the Board of Directors Appoints or Dismisses Senior Management and Nominates Director Candidates Based on (iv) Above</p> <p>① With respect to the appointment of director candidates (including candidates for directors who are Audit and Supervisory Committee members), our company discloses each candidate's career history and the reasons for nomination in the Notice of Convocation of the General Meeting of Shareholders. In the event that a dismissal occurs, our company will make timely and appropriate disclosure.</p> <p>② With respect to executive officers, including CXOs, any material changes such as dismissals are disclosed on our company's website and through other appropriate means.</p>
<p>[Principle 5-1: Policy for Constructive Dialogue with Shareholders]</p>	<p>Our company aims to achieve sustainable growth in corporate value, which is a common objective shared by both our company and our shareholders, through constructive dialogue with shareholders (including institutional and individual investors as potential shareholders). In order to strengthen accountability, our company continuously promotes enhanced information disclosure and works to facilitate dialogue with investors in Japan and overseas. Specifically, our company engages in ongoing, constructive, transparent, and fair dialogue regarding matters such as business performance, management strategy, capital policy, risks, and the corporate governance framework through the following initiatives.</p> <p>① Dialogue with shareholders is overseen by the Executive Officer and CFO. Taking into consideration the purpose and expected effectiveness of meetings as well as the attributes of shareholders, our company determines the appropriate participants and methods of dialogue,</p>

	<p>primarily involving the senior management including the Representative Director, President and Executive Officer & CEO and the Executive Officer & CFO.</p> <p>② Investor relations activities are led by the Finance Department and the Corporate Communications Office, which collect necessary information from relevant internal departments and enhance dialogue with shareholders through the preparation of clear and easy-to-understand materials and explanations.</p> <p>③ In addition to the Annual General Meeting of Shareholders, financial results briefings, and briefings for individual investors, our company provides opportunities for dialogue through individual meetings with domestic and overseas institutional investors, disclosure of IR information on our company’s website (including information in English), and individual responses to inquiries from individual investors via telephone and email. Questions, requests, participant information from briefings, and survey results are reflected in IR activities.</p> <p>④ Shareholder interests and concerns identified through dialogue are consolidated by the Executive Officer & CFO and utilized in management analysis and in reviewing our company’s approach to information disclosure.</p> <p>⑤ In conducting IR activities and dialogue with shareholders, our company appropriately manages insider information in accordance with internal regulations. Our company has also established a quiet period during which it refrains from engaging in dialogue regarding financial results, from the day following the quarterly closing date until the announcement of the financial results.</p>
<p>[Measures for achieving a business management conscious of cost of capital and share price (under consideration)]</p>	<p>While defining Earnings per Share (EPS) as our business indicator and discloses it via financial results briefing material and our website, our company is currently considering what information to disclose regarding policies, targets, and initiatives.</p>

This report is not intended for soliciting or promoting investment activities or offering any advice on investment or the like, but for providing information only. The information included in this report was taken from sources considered reliable by our company. Our company will not guarantee the accuracy, integrity, or appropriateness of information or opinions in this report. Our company will not assume any responsibility for expenses, damages or the like arising out of the use of this report or information obtained from this report. All kinds of rights related to this report belong to Investment Bridge Co., Ltd. The contents, etc. of this report may be revised without notice. Please make an investment decision on your own judgment.

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