Fukuda Denshi Co., Ltd.
Summary of Minutes of the 79th Ordinary General Meeting of Shareholders

Date and time: Friday, June 26, 2026, 10:00–11:20
Venue: 1st-floor Hall, Hongo New Building, Fukuda Denshi Co., Ltd.

1. Reporting Matters

- **Opening and assumption of the chair (President Shirai):** (At the opening of the meeting, the chair explained and apologized, noting that the improper use had been disclosed on May 14 and the establishment of a Third-Party Committee announced on June 25, and that measures to prevent recurrence and a fundamental review of the organization would be undertaken going forward.) Kotaro Fukuda, who had been Representative Director and Chairman, tendered his resignation, which was accepted effective June 16, 2026. Accordingly, Proposal No. 1 was amended from “Election of 11 Directors” to “Election of 10 Directors.” In addition, Corporate Auditor Keiji Goto resigned effective June 1 due to poor health, and Hisatoshi Fujito, who had been a substitute corporate auditor, assumed the post as his successor. Director Keiko Abe (due to business commitments) and Corporate Auditor Hisatoshi Fujito (due to poor health) were absent today.
- **Status of voting rights:** Of the 2,514 shareholders entitled to exercise voting rights and a total of 273,564 voting rights, the shareholders present today (including those who submitted voting instruction forms and those who exercised their rights via the Internet) numbered 1,092, holding 236,752 voting rights; the quorum was satisfied and this General Meeting was duly constituted.
- **Audit report (Internal Corporate Auditor Yoshitaka Otagaki):** The business report and its supplementary schedules correctly present the state of the Company in accordance with laws, regulations, and the Articles of Incorporation. With respect to the execution of the directors' duties, although the improper use of expenses by the Company's Representative Director and Chairman came to light during the fiscal year under review, no material facts constituting misconduct or violations of laws, regulations, or the Articles of Incorporation were found other than this matter. The content of the Board resolutions concerning the internal control system, and the directors' execution of their duties, are appropriate. The methods and results of the audit by the accounting auditor, KPMG AZSA LLC, are appropriate, and the financial statements and related documents fairly present the state of the assets and profit and loss of the Company and the corporate group. All proposals and documents submitted to this General Meeting conform to laws, regulations, and the Articles of Incorporation.
- **Business report for the 79th term (overview):** Net sales, operating profit, ordinary profit, and profit attributable to owners of the parent all achieved the plans announced at the start of the period.

- Net sales ¥139,697 million (up 0.5% year on year), operating profit ¥26,608 million (up 2.8%), ordinary profit ¥27,341 million (up 2.7%), and profit attributable to owners of the parent ¥18,790 million (up 1.0%).
- Net sales by segment: physiological testing equipment ¥26,943 million; patient monitors ¥9,310 million; treatment equipment ¥63,664 million (the home-medical-care rental business grew); consumables and others ¥39,778 million.
- **Issues to be addressed:** Amid a continuing opaque medical environment, the Company will work to enhance its quality-control and safety-management systems, develop differentiated products, invest in strengthening its sales structure and competitiveness, and reduce costs. Under its medium-term management plan, the Company aims to build a robust management foundation through the formulation of a medical strategy and efficient organizational operation, and to achieve sustainable growth through one-stop services spanning prevention, testing, treatment, data management, rehabilitation, and home care.

- **Corporate Governance Reform Project (Project Leader: Managing Director Haruo Ogawa, Head of Technology):** At the Board meeting of June 3, 2026, the Board resolved to formulate a detailed set of recurrence-prevention measures and to carry out a fundamental reform of the organization. By around the time of the Ordinary General Meeting for the fiscal year ending March 2027, the Company will transition to a structure in which a majority of the Board consists of outside directors. The policy of this project comprises the following six points.

  (1) Institutional design as a stock company: The Company will comprehensively examine the optimal institutional design among the three forms—a company with a board of corporate auditors, a company with an audit and supervisory committee, and a company with nominating and other committees. Under any of these forms, a majority of the Board will consist of outside directors as of the Ordinary General Meeting in March 2027.

  (2) Institutionalizing the generational renewal of management talent: The Company will consider putting systems in place, including the introduction of a mandatory retirement age for each officer.

  (3) Clarifying the roles of management and execution: The Company will separate management from execution and, under the President, establish a four-part functional structure comprising Technology, Business, Financial Management, and Human Resources.

  (4) Review of decision-making bodies: The Company will appropriately delegate part of its decision-making authority to each functional head, aiming for a swift and effective operating structure.

  (5) Building a management-talent development system: The Company will establish a development system to strengthen the insight and fortitude of the talent who will lead management in the future.

  (6) Transparency of the remuneration system and the decision process: The Company will realize appropriate treatment commensurate with the role and responsibility of each function, without concentration in a single point.

- **Aim of the project:** Through the manufacturing (*monozukuri*) reforms of the past five years, the operating profit margin improved from roughly 10% previously to 19% last fiscal year. Going forward, the Company positions the strengthening of its medium- to long-term growth strategy as a priority, and will integrally promote—under the President's leadership—innovation such as medical digital transformation, solutions based on the coordination of cardiology and respiratory care, and the strategic allocation of resources and personnel to growth areas. The specifics will be further deepened into a more effective form in light of the recommendations of the Third-Party Committee and other input.

2. Explanation of Company Proposals

- **Proposal No. 1: Election of 10 Directors:** Because director candidate Kotaro Fukuda resigned effective June 16, 2026, that candidate was withdrawn and this proposal was amended from "Election of 11 Directors" to "Election of 10 Directors." The terms of the nine current directors will expire at the close of this General Meeting. To strengthen corporate governance, the Company sought to add one outside director and requested the election of 10 directors, including five outside directors.
- **Proposal No. 2: Revision of the maximum amount of remuneration for outside directors:** With respect to the maximum amount of directors' remuneration (up to ¥1 billion per year, of which up to ¥20 million for outside directors, as resolved at the 74th Ordinary General Meeting), the proposal keeps the overall limit at up to ¥1 billion per year while revising the portion for outside directors to up to ¥40 million per year. If Proposal No. 1 is approved, there will be 10 directors, of whom five will be outside directors.
- **Proposal No. 3: Revision of the performance-linked share remuneration plan for directors:** The proposal seeks approval to revise the current performance-linked share remuneration plan (BBT) and transition to a BBT-RS under which a transfer restriction until retirement is attached to the shares acquired. Approval for this plan is sought separately from the remuneration limit under Proposal No. 2.

3. Question-and-Answer Session

[Note: For privacy reasons, shareholders' names and shareholder numbers, as well as certain personal information, have been redacted.]

Q1: Regarding the drivers of the strong earnings

Shareholder: What were the factors behind securing strong earnings in FY2025 compared with the prior year?

Company response (President Shirai): Amid a decline in patient-visit opportunities due to factors such as high prices, running businesses such as the home-related business and maintenance and supplies performed steadily, resulting in higher sales and profit. Although the SG&A expense ratio rose owing to increased personnel costs, we are in the midst of ongoing cost reductions and believe we secured an operating profit margin on par with the previous year.

Q2: Regarding the display of results on pulse-wave (arterial stiffness) testing equipment

Shareholder: I would like to ask about the display of results on the pulse-wave testing equipment manufactured by an Omron subsidiary and sold by Fukuda Colin. For subjects with low readings, expressions such as “model blood vessels” and “the secret to longevity” are used, but I understand there is no basis for these in the literature or guidelines. As the distributor, could you advise your supplier, Omron Healthcare, to review these expressions?

Company response (Mr. Ogawa): As for this blood-pressure device, our Company is not the manufacturer/marketing authorization holder, and all matters such as approvals and certifications are handled by the marketing authorization holder, so we would like to refrain from commenting. That said, our Company also sells the CAVI, a device of the same type, as a top-class product. We are aware that serious cardiovascular events can occur even with low CAVI readings; while it is widely used to warn of risk associated with high readings, we provide cautions and information to users on the understanding that a low reading does not signify the absence of risk.

Q3: Regarding the scope of the expense misconduct and management responsibility

Kaname Capital: There are more shareholders participating than in previous years, and we very much wish to change the Company together. Although the establishment of the Third-Party Committee came too late, we do commend it as something that was ultimately realized because of the directors' decision. Our question is whether the current misconduct was truly limited to former Chairman Fukuda alone, or whether there was similar expense misconduct among other members of management or executives. President Shirai, do you yourself have any knowledge of expense-related misconduct? If not, we ask you to declare so here. And should any such misconduct come to light through the Third-Party Committee in the future, we ask you to declare that you will take management responsibility.

Company response (President Shirai): There are no facts of improper use of expenses by any officer other than former Chairman Fukuda, including myself. Our Board takes this matter seriously and has already decided on and implemented recurrence-prevention measures—such as tightening the expense-approval process, strengthening conflict-of-interest management, and enhancing regular monitoring by the Board of Corporate Auditors—and will continue to verify their operation. We also take management responsibility solemnly, and have already implemented measures including disciplinary action against the officers concerned.

Q4: Regarding the private use of the underground parking lot and the officers' awareness

Shareholder: Among the instances of self-serving use described in the report, I would like to ask about former Chairman Fukuda's private use of the underground parking lot at the Hongo business site. The private use of the parking lot is plainly abnormal at a glance—numerous luxury cars covered with blue covers, for example. The Board of Corporate Auditors' investigation report states that 90 officers and employees at the rank of department head or above were able to enter using their employee ID cards, that the Company currently owns six vehicles for officers' use that are to be parked in that lot, and that designated spaces existed for the Chairman's and President's cars, among other findings. Had some officers, including the President, seen this situation before? Were you aware

of the fact, suspicion, or rumor of private use before Kaname Capital pointed it out? If you were aware, why did you leave it unaddressed for so many years? This matter is extremely important to judging the suitability of each director under Proposal No. 1, and we request a response from each director and, one by one, from each corporate auditor (Mr. Otagaki and Mr. Hiroe), who under the Companies Act bear an individual duty to respond.

Company response (President Shirai): The underground parking lot in question is not a place that many officers and employees ordinarily enter. That said, as stated in the Board of Corporate Auditors' report, it is a fact that some officers and employees who had occasion to enter it took no particular action despite knowing that the former Chairman's vehicles were parked there. We cannot deny that the systems for preventing misconduct by directors, including the Representative Director and Chairman, were inadequate, and we have resolved on and implemented disciplinary measures against the relevant directors and corporate auditors commensurate with their respective responsibilities.

[Note: The questioner requested an individual response from each director and each corporate auditor, but the chair responded on their behalf collectively, and Kaname Capital objected that the response was inadequate.]

Q5: Regarding the sales status of new products

Shareholder: How were the sales of new products in FY2025?

Company response (President Shirai): Our Company is a manufacturer centered on cardiology and respiratory care. Development results from advance investment—including portable electrocardiographs and, in April this year, output electrocardiographs, patient monitors, AEDs, and physiological-testing data systems—are being introduced to the market in sequence this fiscal year.

Q6: Regarding the scope of the Third-Party Committee's investigation

Kaname Capital: The reason so many shareholders attended today is surely that they wish to hear further explanation regarding former Chairman Fukuda, is it not? We have the impression that the explanations so far have been insufficient. Is the scope of the investigation limited to former Chairman Fukuda alone, or will it also cover other directors should suspicions of misconduct be found?

Company response (President Shirai): The matters to be investigated by the Third-Party Committee are: (1) investigation of the existence and content of any conduct blurring public and private matters by the persons concerned, including the improper use in question; (2) confirmation and examination of related governance issues and the roles that management should fulfill; (3) analysis of causes; (4) examination of and recommendations on recurrence-prevention measures; and (5) any other matters the Third-Party Committee deems necessary.

[Note: Kaname Capital objected that the response merely read out the disclosed matters to be investigated and did not constitute an answer.]

Q7: Regarding efforts to utilize AI

Shareholder: Semiconductors and AI, which are also national policy priorities, are important for the medical industry as well, and I believe development should be emphasized. Please tell us about your future efforts regarding AI and the direction of the products you are developing.

Company response (Mr. Ogawa): Two years ago, we became the first in Japan to launch an AI-linked initiative to detect the possibility of paroxysmal atrial fibrillation, which is difficult to find in ordinary examinations. By adding staff analysis to the analysis performed by our monitors, we have achieved highly accurate analysis and have built a mechanism to provide it as a cloud service. Currently, centered on the Innovation Promotion Department, we are advancing a mechanism for remote examination using AI. We are also considering a concept to accumulate patient data obtained from electrocardiographs, blood-pressure monitors, and the like and to utilize it with AI; data provided to research institutions is strictly managed in our Company's database.

Q8: Regarding overseas business strategy

Shareholder: The reform of the overseas business was cited as part of the growth strategy driven by the manufacturing reforms. Amid geopolitical instability, to what extent do you intend to pursue overseas expansion going forward? Please tell us your business strategy.

Company response (Mr. Ogawa): We list responding to overseas expansion at the top of the priority items of our manufacturing reforms, and we are working to build the capacity to respond to increasingly stringent international regulations. However, our current overseas ratio is at a low level. This is because there are circumstances that prevent us from simply transplanting overseas the home-care business that is highly developed domestically, and we need to resolve this challenge. We will pursue overseas expansion around distinctive products, such as our AI initiatives and the product for paroxysmal atrial fibrillation that we developed last fiscal year.

Q9: Regarding the use of the cloud for medical data

Shareholder: Are you engaged in efforts to upload medical data to the cloud? If so, what benefits do you envision?

Company response (Mr. Ogawa): We have a service that analyzes, in the cloud, the electrocardiographic data obtained by Holter electrocardiographs. Going forward, we are at a stage where we should also develop telemedicine and the like, and the use of the cloud will advance. In home medical care as well, we offer a service that transmits the status of devices and patients to the family physician, using the cloud. Along with this, responding to cybersecurity is also important, and we will advance a robust framework.

Q10: Regarding the challenges of the medium-term management plan

Shareholder: Please tell us of any challenges in advancing the medium-term management plan.

Company response (President Shirai): As a medical-device manufacturer, our Company bears a responsibility to serve society through medicine. The COVID-19 pandemic advanced digitalization and has had a major impact on medicine as well, and we need to build the opportunities and networks to adapt to this. Cloud-based products, systems, and devices, and the building of networks linking the home with medical institutions and large hospitals, will be defining features going forward. We

position the mechanism for linking the cardiology field with home care as our next challenge, and we will grow our earnings.

Q11: Regarding new products such as bedside monitors and AEDs

Shareholder: Please tell us the sales status of the new products released last fiscal year.

Company response (Mr. Ogawa): New products such as bedside monitors and AEDs have all been well received. All AED models are equipped with “Guardian,” which allows confirmation that they remain in perfect condition even after installation. For bedside monitors, we newly adopted a platform configuration, establishing a structure that can span from high-end to entry-level models. We are increasing sales centered on compact, vertical monitors, and the new products have become a major driver of net sales.

Q12: Regarding the future schedule of the Third-Party Committee

Shareholder: Notice was given yesterday (June 25) that a Third-Party Committee would be established, but on what sort of schedule will its findings come? Also, will you provide an opportunity for shareholders to ask questions about the findings?

Company response (President Shirai): The schedule is for the Third-Party Committee to decide; it is not for our Company to decide. As soon as the findings are available, we will disclose them.

Q13: Regarding the conduct of the General Meeting and the selection of the Third-Party Committee members

Kaname Capital: We frankly feel disappointed about the conduct of today's General Meeting. Do you truly intend to rebuild the Company's governance? Even for questions concerning governance, the chair (President Shirai) has answered collectively, and moreover the responses have been merely formulaic. We have also received information that there are employees who were asked by the Company to attend and ask questions as shills. We will cross-check the employee shareholders present today later by inspecting the voting results. We ask the outside directors and corporate auditors to be well aware of this attitude on the part of the executives as a problem. Our question concerns how the three members of the Third-Party Committee were selected. Looking at their backgrounds, it appears there is someone who has previously conducted multiple Third-Party Committee investigations at audit clients of AZSA; is AZSA involved in the background? Please tell us the selection process and the basis for their independence. We direct this question to Director Sugiyama, a certified public accountant who we understand has expertise regarding Third-Party Committees.

Company response (President Shirai): We have established the Third-Party Committee in accordance with the Japan Federation of Bar Associations' Guidelines for Third-Party Committees in Corporate Misconduct Cases.

[Note: Kaname Capital requested a response from Director Sugiyama himself, but none was given, and it objected that President Shirai's response contained no specific substance whatsoever.]

Q14: Regarding the response to the display on the pulse-wave testing equipment

Shareholder: As long as the product is sold under our Company's name, I understand that our Company bears responsibility just as the manufacturer does. This week I obtained the following answers from an Omron executive: (1) “low-risk model blood vessels” was deleted for products from 2020 onward; (2) “the secret to longevity” partly remains; (3) distribution of the pamphlet giving the impression of a young vascular age has been discontinued; and (4) a caution regarding low readings has been posted on the website. However, products from before 2020 remain, and because the purpose of the discontinuation was not explained, copies are still in circulation. Whereas the results table gives equal information for high and low readings, Omron's guidance is clearly skewed toward high readings. Our Company is the top company in CAVI and pulse-wave testing, and this is a good opportunity for differentiation. I ask you to convey to the manufacturer, Omron, that it should respond in a manner consistent with compliance.

Company response (Mr. Ogawa): To repeat, we cannot assume responsibility for the performance and other aspects of another company's (Omron's) product, so we would like to refrain from answering. We accept this as valuable feedback. We reflect that our awareness regarding low readings has been weak to date, and we are working to improve. We will continue to address such perspectives within our internal whistleblowing framework as well.

[Note: The chair, President Shirai, sought to close the question session and move to a vote, but in response to calls from the floor for additional questions, he allowed shareholders wishing to ask questions to speak.]

Q15: Regarding priority investment areas in the growth strategy

Shareholder: Amid a harsh business environment, from the perspective of medium- to long-term growth, please tell us in detail about the segments and areas in which you wish to make priority development investments.

Company response (Mr. Ogawa): We will continue to invest in the home-care field, which is a distinctive feature of our Company. By bringing in-house the portions we previously relied on procurement for, we have achieved product stabilization and stable supply, and we will further expand this area. At the same time, we will focus on innovation in medical digital transformation, and on systems that improve operational efficiency at a time when the management of medical institutions is difficult.

[Note: Thereafter, the chair, President Shirai, again sought to close the question session and move to a vote, but calls for additional questions again arose from the floor, and he designated Kaname Capital as the final questioner. At that point, jeers such as “That's enough” were heard from some attendees.]

Q16: Question to Director Shuichi Fukuda (awareness of the expense misconduct)

Kaname Capital: We again ask whether there are any suspicions of misconduct involving other directors or corporate auditors. We have received multiple pieces of related information, including information concerning the expense usage of current directors, and should any misconduct exist, we

ask that responsibility be taken. Our question is directed to Mr. Shuichi Fukuda. Mr. Shuichi Fukuda is from the founding family and, we understand, was previously in charge of accounting. Did he not have information about the Company's expense misconduct from earlier on, and is he not aware of whether there was misconduct by persons other than the former Chairman? We ask the individual himself.

Company response (President Shirai): I will respond regarding Shuichi Fukuda. As for the directors and the three senior officers other than former Chairman Fukuda, we take seriously the inadequacy of the systems for preventing the former Chairman's improper use, and, from the standpoint of clarifying management responsibility, we have implemented disciplinary measures.

[Note: Kaname Capital requested a response from Mr. Shuichi Fukuda himself, but the chair responded in his place, and it objected that this did not constitute an answer.]

[Note: In addition, although calls from several shareholders for additional questions and remarks continued, the chair, President Shirai, deemed that time had run over and, by a round of approving applause, closed the question session and moved to the vote on the proposals. At this point, only 45 minutes had elapsed since the start of the question-and-answer session—shorter than at prior years' meetings that Kaname Capital had attended.]

4. Voting on the Proposals and Adjournment

- **Voting:** Each proposal, including approvals cast via voting instruction forms and the Internet, obtained the affirmative votes of a majority of the voting rights of the shareholders present, and all were approved and passed as originally proposed by a show of applause.
    - Proposal No. 1: Election of 10 Directors ..... Approved and passed
    - Proposal No. 2: Revision of the maximum amount of remuneration for outside directors ..... Approved and passed
    - Proposal No. 3: Revision of the performance-linked share remuneration plan for directors ..... Approved and passed
- **Adjournment and introduction of officers:** All officers, including the approved outside directors, were introduced. The directors, 10 in total, are Representative Director and President Daijiro Shirai; outside directors Masaaki Sugiyama, Kazuki Furuya, Hisataka Fushiguro, Masashi Fukuda, and Keiko Abe (absent today); and other internal directors. The corporate auditors are internal Corporate Auditor Yoshitaka Otagaki and outside corporate auditors Noboru Hiroe and Hisatoshi Fujito (absent today). The chair asked the shareholders for their continued special support and cooperation, and the meeting was adjourned.

[Note: This summary of minutes was prepared by Kaname Capital based on the content of the discussions on the day. While we have endeavored to ensure accuracy, it is not the minutes prepared by Fukuda Denshi Co., Ltd.]

End of document.