Note: This document has been translated from a part of the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

Securities Code: 2395
Date of sending by postal mail: June 12, 2025
Start date of measures for electronic provision: June 5, 2025

To our shareholders:

Ryoichi Nagata, MD, PhD
Representative Chairman, President & CEO
Shin Nippon Biomedical Laboratories, Ltd.
2438 Miyanoura-cho, Kagoshima

Notice of the 52nd Annual General Meeting of Shareholders

You are hereby notified that the 52nd Annual General Meeting of Shareholders of Shin Nippon Biomedical Laboratories, Ltd. (the "Company") will be held as described below.

In convening this General Meeting of Shareholders, the Company has taken measures for providing information that constitutes the content of reference documents for the general meeting of shareholders, etc. (matters for which measures for providing information in electronic format are to be taken) in electronic format, and has posted the information on each of the following websites as "Notice of the 52nd Annual General Meeting of Shareholders."

The Company's website:
https://en.snbl.com/ir/ir-event/stockholders-meeting (in English)

Website for posting informational materials for shareholders' meeting:
https://d.sokai.jp/2395/teiji/ (in Japanese)

TSE website (Listed Company Search):
https://www2.jpx.co.jp/tseHpFront/JJK010010Action.do?Show=Show (in Japanese)

(Access the TSE website by using the internet address shown above, enter "Shin Nippon Biomedical Laboratories" in "Issue name (company name)" or the Company's securities code "2395" in "Code," and click "Search." Then, click "Basic information" and select "Documents for public inspection/PR information." Under "Filed information available for public inspection," click "Click here for access" under "[Notice of General Shareholders Meeting /Informational Materials for a General Shareholders Meeting].")

If you are unable to attend the Shareholders' Meeting in person, you can exercise your voting rights via the Internet or in writing (by mail). You are kindly requested to exercise your voting rights **by 5:30 p.m., Thursday, June 26, 2025**, upon reviewing the Reference Documents for General Meeting of Shareholders and referring to the "Instructions for exercising voting rights" (in Japanese).

1. **Date and Time:** Friday, June 27, 2025, at 1:00 p.m. (JST) (Doors open at noon)
2. **Venue:** **Sakurajima Premium, 2nd Floor, TKP Garden City Kagoshima Chuo**
Nangoku Annex, 26-1 Chuo-cho, Kagoshima City, Kagoshima Prefecture

3. **Purpose of the Meeting**

Matters to be reported:

1. The Business Report, the Consolidated Financial Statements, and the results of audits of the Consolidated Financial Statements by the Financial Auditor and the Audit Committee, for the 52nd fiscal year (from April 1, 2024 to March 31, 2025)
2. The Non-consolidated Financial Statements for the 52nd fiscal year (from April 1, 2024 to March 31, 2025)

Matters to be resolved:

Proposal No. 1 Election of 12 Directors

Proposal No. 2 Revision to the Amount of Remuneration for Directors

- When you attend the meeting in person on the day, please submit the voting card at the reception desk.
- In the event that the voting rights have been exercised in writing (by mail) with the voting card and where no vote for or against a proposal has been indicated, the vote shall be treated as for the proposal.
- In principle you are to check matters subject to measures for electronic provision by accessing any of the websites on the previous page, and we will deliver paper-based documents stating the matters only to shareholders who request the delivery of paper-based documents by the record date. Among the matters subject to measures for electronic provision, the following items are not included pursuant to the relevant laws and regulations as well as the provisions in Article 16, paragraph 2 of the Articles of Incorporation of the Company.
  (1) "Principal Businesses," "Principal Business Locations," "Matters Concerning Share Subscription Rights," "Financial Auditor," "System to Ensure the Execution of Duties of Directors Complies with Laws and Regulations as Well as the Articles of Incorporation and Other Systems to Ensure the Appropriateness of Operations," "Outline of the Operational Status of the System to Ensure the Appropriateness of Operations" and the "Basic Policy on Control of the Company" of the Business Report
  (2) "Consolidated Statements of Changes in Equity" and "Notes to the Consolidated Financial Statements" in the Consolidated Financial Statements
  (3) "Non-Consolidated Statements of Changes in Equity" and "Notes to the Non-consolidated Financial Statements" in the Non-consolidated Financial Statements

  Therefore, the Business Report, the Consolidated Financial Statements and the Non-consolidated Financial Statements posted in the paper-based documents to be sent are part of the documents subject to audit by the Financial Auditor in preparing an accounting audit report and the Corporate Auditors in preparing an audit report.
- If revisions to the matters subject to measures for electronic provision arise, a notice of the revisions and the details of the matters before and after the revisions will be posted on the above websites.

Reference Documents for General Meeting of Shareholders

Proposals and Reference Information

Proposal No. 1 Election of 12 Directors

At the conclusion of this meeting, the term of office for all nine Directors will expire. Therefore, the Company proposes the election of 12 Directors, increasing the number of Directors by three (two Directors and one Independent External Director) to enhance the management system.

The candidates for Director are as follows:

Candidate no.	Name		Current position and responsibilities in the Company
1	Ryoichi Nagata	Reelection	Representative Chairman, President CEO & CHO (Chief Health Officer) In charge of Group Finance and Fisheries Business
2	Ichiro Nagata	Reelection	Executive Vice President In charge of CRO Business and Hospitality Business General Manager of Global Services and Communications (GSC)
3	Ken Takanashi	Reelection	Representative Vice President In charge of Global Business
4	Hideshi Tsusaki	Reelection	Senior Executive Director General Manager of European and American Sales Division
5	Takashi Iriyama	New election	Senior Managing Executive Officer In charge of Finance & Management Accounting General Manager of Corporate Strategy Division
6	Kyomi Nagatoshi	New election	Senior Managing Executive Officer General Manager of General Affairs & Human Resources Division
7	Shinichi Fukumoto	Reelection External Independent	External Director
8	Takashi Yamashita	Reelection External Independent	External Director
9	Tsuyoshi Hanada	Reelection External Independent	External Director
10	Keiko Toya	Reelection External Independent	External Director
11	Chizuru Matsueda (Current family name: Horishita)	Reelection External Independent	External Director
12	Yumi Hirose	New election External Independent	-

Candidate no.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
1	Ryoichi Nagata (August 11, 1958)	Sept. 1981 Director (Part-time) of the Company Apr. 1983 Director of the Company June 1983 Obtained Medical Doctor's License Mar. 1990 Representative Director, Senior Managing Director of the Company Jan. 1991 Representative Director, President of the Company Mar. 1991 Ph.D. (Kagoshima University) Sept. 1997 Representative Director, President and CEO of the Company Mar. 2006 Chairman and CEO of Medipolis Proton Therapy and Research Foundation (Medipolis Proton Therapy and Research Center, general incorporated foundation) (to present) Oct. 2010 Chairman and CEO of Veritas Institute of Education (to present) June 2014 Representative Director, Chairman, President and CEO of the Company Apr. 2015 Representative Director, President of PPD-SNBL June 2024 Representative Chairman, President, CEO & CHO (Chief Health Officer) in charge of Group Finance and Fisheries Business of the Company (to present) [Significant concurrent positions outside the Company] Chairman and CEO of Medipolis Proton Therapy and Research Center, general incorporated foundation Chairman and CEO of Veritas Institute of Education	3,200
	[Reasons for nomination as candidate for Director] The Company deems Dr. Ryoichi Nagata capable of properly executing his duties as a Representative Director of the Company due to his abundant experience and broad insights as an executive manager of the Company, his proven leadership as a CEO & CHO, advanced specialist knowledge in medical care as a physician and his well-versed insight of a variety of business sectors of the Company, particularly with respect to drug development. Accordingly, the Company proposes his election as a Director.		

Candidate no.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
2	Ichiro Nagata (August 3, 1985)	June 2008 Joined SNBL U.S.A., Ltd. Mar. 2015 Obtained Medical Doctor's License Apr. 2015 Joined Juntendo University Hospital Apr. 2017 Joined the Company June 2018 Executive Officer of the Company May 2020 MMH (Cornell University) June 2020 Director of the Company Mar. 2021 MBA (Kyoto University) Apr. 2021 Managing Director of the Company Mar. 2022 Ph.D. (Kagoshima University) June 2023 Representative Director, President of PPD-SNBL (to present) June 2024 Executive Vice President in charge of CRO Business and Hospitality Business, and General Manager of Global Services and Communications (GSC) (to present) [Significant concurrent positions outside the Company] Representative Director, President of PPD-SNBL	-
	[Reasons for nomination as candidate for Director] The Company deems Dr. Ichiro Nagata capable of properly executing the duties as a Director of the Company due to his advanced medical expertise as a medical doctor and his leadership globally with international sensibilities. Accordingly, the Company proposes his election as a Director.		

Candidate no.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
3	Ken Takanashi (May 23, 1964)	Apr. 1987 Joined Mitsubishi Corporation Dec. 1996 Joined SUASA KRISTAL(M)BERHAD Nov. 1998 Executive Vice President of SUASA KRISTAL(M)BERHAD Dec. 2002 Joined the Company, Director of the Company Apr. 2004 Executive Officer of the Company USCPA registered June 2004 Senior Managing Director of the Company June 2010 MBA (University of Warwick) July 2012 Director of Wave Life Sciences Ltd. (to present) June 2016 Corporate Auditor of PPD-SNBL (to present) Executive Vice President of the Company June 2017 Representative Vice President & COO of the Company Mar. 2020 Non-Executive Board Member of TMS Co., Ltd. (to present) June 2024 Representative Vice President in charge of Global Business of the Company (to present) [Significant concurrent positions outside the Company] Director of Wave Life Sciences Ltd. Non-Executive Board Member of TMS Co., Ltd. Corporate Auditor of PPD-SNBL	38,300
	[Reasons for nomination as candidate for Director] The Company deems Mr. Ken Takanashi capable of properly executing the duties as a Director of the Company due to his abundant experience in global business and new business development and his leadership as a Vice President in the businesses of the group companies. Accordingly, the Company proposes his election as a Director.		

Candidate no.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
4	Hideshi Tsusaki (January 27, 1967)	Apr. 1996 Joined the Company June 2007 Ph.D. (Osaka City University) June 2010 Director of the Company Oct. 2010 SNBL U.S.A., Ltd., Director June 2011 Executive Officer of the Company June 2014 Director of the Company July 2015 SNBL U.S.A., Ltd., President Feb. 2016 SNBL U.S.A., Ltd., CEO & President June 2016 Managing Executive Officer of the Company June 2018 Senior Managing Executive Officer of the Company June 2021 Senior Managing Director of the Company June 2024 Senior Managing Director (to present) in charge of Global BD, Nonclinical Company of the Company Oct. 2024 Senior Managing Director and General Manager of European and American Sales Division (to present) [Significant concurrent positions outside the Company] None	18,100
	[Reasons for nomination as candidate for Director] The Company deems Dr. Hideshi Tsusaki capable of properly executing the duties as a Director of the Company due to his abundance of experience in the nonclinical business as a veterinarian and his leadership in the nonclinical business globally. Accordingly, the Company proposes his election as a Director.		

<table>
<tr><th>Candidate no.</th><th>Name
(Date of birth)</th><th>Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company</th><th>Number of the Company's shares owned</th></tr>
<tr><td rowspan="2">5</td><td>Takashi Iriyama
(April 25, 1968)</td><td>Apr. 1991 Joined Nissan Motor Co., Ltd.
Sept. 1996 President, Mycom North America, Inc. (A North America subsidiary of MAYEKAWA MFG. CO., LTD.)
May 2002 Completed MBA (Marshall School of Business) at University of Southern California (USC)
Sept. 2002 Manager, Strategy Consulting Group of PwC Consulting LLC
June 2008 Director, FP & A of Nippon Otis Elevator Company
Aug. 2014 General Manager of Business Department of MISUMI Group Inc.
Jan. 2018 Japanese Representative (Country Manager) of Eurofins Japan
Nov. 2019 Joined the Company, Director in charge of Corporate Strategy of the Company
Jan. 2020 Managing Executive Officer and General Manager of Corporate Strategy Division of the Company
June 2024 Senior Managing Executive Officer in charge of Finance & Management Accounting, and General Manager of Corporate Strategy Division of the Company (to present)
[Significant concurrent positions outside the Company]
None</td><td>-</td></tr>
<tr><td colspan="3">[Reasons for nomination as candidate for Director]
The Company deems Mr. Takashi Iriyama capable of properly executing the duties as a Director of the Company due to his experience in corporate management as a president of an overseas subsidiary of a major Japanese company and a president of a Japanese corporation of a foreign firm, as well as experience as an officer in charge of corporate strategy, finance and management accounting of the Company, demonstrating leadership and contributing to the optimization of the Company's corporate strategy. Accordingly, the Company proposes his election as a Director.</td></tr>
</table>

Candidate no.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
6	Kyomi Nagatoshi (January 21, 1966)	Mar. 1984 Joined Kyushu Matsushita Electric Co., Ltd. Dec. 1998 Joined IBM Japan West Japan Solutions Co., Ltd. Feb. 2002 Joined the Company Feb. 2008 Group Leader, IT Solutions Group, BIT Promotion Department, Management Division of the Company June 2017 Executive Officer, General Manager of General Affairs & Human Resources Division of the Company Feb. 2018 Member of the Council for Gender Equality of Kagoshima Prefecture (to present) May 2019 Adviser to the Women's Working Group, Women's Empowerment Promotion Council of Kagoshima Prefecture (to present) June 2019 Senior Executive Officer and General Manager of General Affairs & Human Resources Division of the Company June 2022 Managing Executive Officer and General Manager of General Affairs & Human Resources Division of the Company May 2023 Women's Empowerment Promotion Adviser of Kagoshima City (to present) June 2024 Senior Managing Executive Officer and General Manager of General Affairs & Human Resources Division of the Company (to present) [Significant concurrent positions outside the Company] None	6,000
	[Reasons for nomination as candidate for Director] The Company deems Ms. Kyomi Nagatoshi capable of properly executing the duties as a Director of the Company due to her experience of many years of involvement in corporate departments, mainly of IT, general affairs, and human resources, and proven leadership as an officer in charge of the General Affairs & Human Resources Division based on her abundant experience and knowledge developed through her career. In addition, she was appointed as an adviser for the women's empowerment promotion initiative of the Kagoshima Prefectural government. Accordingly, the Company proposes her election as a Director.		

Candidate no.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
7	Shinichi Fukumoto (July 20, 1958)	Apr. 1987 Joined The Legal Training and Research Institute Apr. 1989 Registered as Attorney-at-law May 1997 Established Fukumoto Law Firm, Chief Representative Dec. 2014 External Director of Koatsu Co., Ltd (to present) June 2015 External Director of the Company (to present) Mar. 2016 External Director of SOFTMAX CO., LTD (to present) June 2017 External Director of Shiroyama Kanko Co., Ltd (to present) Apr. 2019 Senior Partner of Fukumoto Law Office (to present) [Significant concurrent positions outside the Company] Representative Employee of Fukumoto Law Office External Director of Koatsu Co., Ltd. External Director of SOFTMAX CO., LTD External Director of Shiroyama Kanko Co., Ltd.	1,300
	[Reasons for nomination as candidates for External Director and outline of expected roles] The Company deems Mr. Shinichi Fukumoto capable of properly executing the duties as an External Director of the Company due to his well-versed insight, advanced specialist knowledge and abundant experience, etc. in corporate legal affairs as an attorney-at-law, and expects him to utilize those skills to provide supervision and advice. Accordingly, the Company proposes his election as an External Director.		

Candidate no.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
8	Takashi Yamashita (February 18, 1956)	Oct. 1983 Joined Asahi Audit Firm Mar. 1987 Registered as CPA May 2003 Representative Employee of Asahi Audit Firm (KPMG AZSA LLC) Aug. 2014 Established Takashi Yamashita CPA Firm, Chief Representative (to present) Jan. 2015 Registered as Tax Accountant June 2015 External Director of the Company (to present) June 2017 External Audit & Supervisory Board Member of Yamato Holdings Co., Ltd. (to present: scheduled to retire from office due to the expiration of his term of office on June 20, 2025) [Significant concurrent positions outside the Company] Chief Representative of Takashi Yamashita CPA Office External Audit & Supervisory Board Member of Yamato Holdings Co., Ltd. (scheduled to retire from office due to the expiration of his term of office on June 20, 2025)	1,300
	[Reasons for nomination as candidates for External Director and outline of expected roles] The Company deems Mr. Takashi Yamashita capable of properly executing the duties as an External Director of the Company due to advanced specialist knowledge and abundant experience, etc. as a certified public accountant and a tax accountant, and expects him to utilize those skills to provide supervision and advice. Accordingly, the Company proposes his election as an External Director.		

Candidate no.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
9	Tsuyoshi Hanada (May 2, 1958)	Sept. 1984 Joined Ryoichi Hanada Tax Accountant Office Feb. 1990 Registered as Tax Accountant Jan. 2000 Established Hanada Tax Accountant Office, Chief Representative Representative Director of Profit LLC Feb. 2005 Chief Representative of Tashiro・Hanada Tax Accountant Office July 2017 Representative Employee of Reimei Tax Accountant Office (to present) Representative Director of Reimei Co., Ltd. (to present) July 2019 President of Kagoshima Prefecture Federation of South Kyushu Certified Public Tax Accountants' Association June 2020 External Director of the Company (to present) July 2023 Vice President of South Kyushu Certified Public Tax Accountants' Association (to present) [Significant concurrent positions outside the Company] Representative Employee of Reimei Tax Accountant Office Representative Director of Reimei Co., Ltd	6,000
	[Reasons for nomination as candidates for External Director and outline of expected roles] The Company deems Mr. Tsuyoshi Hanada capable of properly executing the duties as an External Director of the Company due to advanced specialist knowledge and abundant experience, etc. as a tax accountant, and expects him to utilize those skills to provide supervision and advice. Accordingly, the Company proposes his election as an External Director.		

Candidate no.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
10	Keiko Toya (February 26, 1964)	Apr. 1988 Joined The Saitama Bank, Ltd. (Resona Bank, Limited) Oct. 1996 Joined NCR Japan, Ltd. July 1999 Representative Executive Director of Marketing Excellence Co., Ltd. Apr. 2002 Project Assistant Professor of Graduate School of Business Administration of Rikkyo University June 2004 Ph.D. (Tsukuba University) Apr. 2006 Full-time Lecturer of Faculty of Business Administration of Toyo University July 2006 Managing Director of Marketing Excellence Co., Ltd. (to present) Apr. 2007 Associate Professor of Doshisha Business School Apr. 2014 Professor of MBA of Meiji University (to present) June 2019 External Director of YUASA TRADING CO., LTD. June 2021 External Director of the Company (to present) Sept. 2021 External Director (Audit and Supervisory Committee Member) of QB Net Holdings Co., Ltd. (to present) Visiting Researcher, European Institute of Japanese Studies, Stockholm School of Economics (to present) Apr. 2024 External Director (Audit and Supervisory Committee Member) of The Higo Bank, Ltd. (to present) [Significant concurrent positions outside the Company] Professor of MBA of Meiji University Visiting Researcher, European Institute of Japanese Studies, Stockholm School of Economics Managing Director of Marketing Excellence Co., Ltd. External Director (Audit and Supervisory Committee Member) of The Higo Bank, Ltd. External Director (Audit and Supervisory Committee Member) of QB Net Holdings Co., Ltd.	2,700
	[Reasons for nomination as candidates for External Director and outline of expected roles] The Company deems Dr. Keiko Toya capable of properly executing the duties as an External Director of the Company due to advanced specialist knowledge and abundant experience, etc. as an expert in business administration, and expects her to utilize those skills to provide supervision and advice. Accordingly, the Company proposes her election as an External Director.		

Candidate no.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
11	Chizuru Matsueda (Current family name: Horishita) (November 3, 1973)	Oct. 1996 Joined Aoyama Audit Corporation May 1999 Registered as CPA Dec. 2006 Established Matsueda CPA Office, Chief Representative (to present) May 2016 Registered as Certified Fraud Examiner (CFE) Sept. 2020 Extramural Auditor of National University Corporation Kagoshima University (to present) June 2024 External Director of the Company (to present) [Significant concurrent positions outside the Company] Chief Representative of Matsueda CPA Office Extramural Auditor of National University Corporation Kagoshima University	-
	[Reasons for nomination as candidates for External Director and outline of expected roles] The Company deems Ms. Chizuru Matsueda capable of properly executing the duties as an External Director of the Company due to advanced specialist knowledge and abundant experience, etc. as a certified public accountant and a certified fraud examiner, and expects her to utilize those skills to provide supervision and advice. Accordingly, the Company proposes her election as an External Director.		

Candidate no.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
12	Yumi Hirose (November 7, 1960)	Apr. 1979 Joined the Tokyo Regional Taxation Bureau July 2012 Internal Inspector, Commissioner's Secretariat of the National Tax Agency July 2015 District Director of Yukigaya Tax Office July 2016 Director of Personnel Division 2, General Affairs Department of Tokyo Regional Taxation Bureau July 2017 Director of General Affairs Division of National Tax College July 2018 Research Coordination Director of Research Division 3 of Tokyo Regional Taxation Bureau July 2019 Deputy Director of Research Division 2 of Tokyo Regional Taxation Bureau July 2020 District Director of Shiba Tax Office Aug. 2021 Registered as Tax Accountant Established Hirose Tax Accountant Office, Chief Representative (to present) Dec. 2021 Spokesperson for the village of Mikura-island, Tokyo (to present) June 2022 External Director of CAPCOM CO., LTD. (to present) Outside Director (Audit and Supervisory Committee Member) of TOREX SEMICONDUCTOR LTD. (to present) [Significant concurrent positions outside the Company] Chief Representative of Hirose Tax Accountant Office External Director of CAPCOM CO., LTD. Outside Director (Audit and Supervisory Committee Member) of TOREX SEMICONDUCTOR LTD.	-
	[Reasons for nomination as candidates for External Director and outline of expected roles] The Company deems Ms. Yumi Hirose capable of properly executing the duties as an External Director of the Company due to advanced specialist knowledge and abundant experience, etc. as a tax accountant and through many years of involvement in tax administration, and expects her to utilize those skills to provide supervision and advice. Accordingly, the Company proposes her election as an External Director.		

(Notes) 1. The candidate for Director, Dr. Ryoichi Nagata, serves as Chairman and CEO of Medipolis Proton Therapy and Research Center, general incorporated foundation. The Company has a business relationship with it in the form of making donations, leasing land and facilities, and outsourcing/contracting work. In addition, the candidate for Director, Dr. Ichiro Nagata, serves as Representative Director of PPD-SNBL. The Company has a business relationship in rental of facilities and business contracting with PPD-SNBL.

2. There is no special interest between other candidates and the Company.

3. Mr. Shinichi Fukumoto, Mr. Takashi Yamashita, Mr. Tsuyoshi Hanada, Dr. Keiko Toya, Ms. Chizuru Matsueda, and Ms. Yumi Hirose are the candidates for External Directors.

4. Mr. Shinichi Fukumoto, Mr. Takashi Yamashita, Mr. Tsuyoshi Hanada, Dr. Keiko Toya, and Ms. Chizuru Matsueda currently serve as External Directors of the Company. The terms of office for Mr. Shinichi Fukumoto and Mr. Takashi Yamashita as External Director will be ten (10) years at the close of the Meeting. The terms of office for Mr. Tsuyoshi Hanada, Dr. Keiko Toya, and Ms. Chizuru Matsueda as External Director will be five (5) years, four (4) years, and one (1) year, respectively, at the close of the Meeting. Ms. Yumi Hirose is a new candidate for Director.

5. Reason why the Company has judged that the candidates are capable of properly executing the duties as External Director

   While Mr. Shinichi Fukumoto has no experience of being directly involved with corporate management other than as an External Director, the Company deems him capable of properly executing the duties of an External Director due to the insight and experience he possesses as a legal expert.

   While Mr. Takashi Yamashita has no experience of being directly involved with corporate management other than as an External Director, the Company deems him capable of properly executing the duties of an External Director due to the insight and experience he possesses as an expert in finance, accounting, and taxation matters.

   The Company deems Mr. Tsuyoshi Hanada capable of properly executing the duties of an External Director due to the insight and experience he possesses as an expert in finance, accounting, and taxation matters.

The Company deems Dr. Keiko Toya capable of properly executing the duties of an External Director due to the insight and experience she possesses as an expert in business administration.

While Ms. Chizuru Matsueda has no experience of being directly involved with corporate management, the Company deems her capable of properly executing the duties of an External Director due to the insight and experience she possesses as an expert in finance and accounting matters.

While Ms. Yumi Hirose has no experience of being directly involved with corporate management other than as an External Director, the Company deems her capable of properly executing the duties of an External Director due to advanced specialist knowledge and abundant experience, etc. she possesses as a tax accountant and through many years of involvement in tax administration.

6. Pursuant to the provisions of Article 427, paragraph 1 of the Companies Act, the Company has entered into an agreement with Mr. Shinichi Fukumoto, Mr. Takashi Yamashita, Mr. Tsuyoshi Hanada, Dr. Keiko Toya, and Ms. Chizuru Matsueda to limit the amount of their liability for damages under Article 423, paragraph 1 of the same Act, to the sum of amount in each item provided for by Article 425, paragraph 1 of the same Act, when the insured acts in good faith and there is no gross negligence with regard to the execution of duties. If their re-election is approved, the Company plans to continue the aforementioned agreement with them. In addition, if the election of Ms. Yumi Hirose is approved, the Company also plans to enter into a similar liability limitation agreement with her.
7. The Company has entered into a directors and officers liability insurance policy pursuant to the provisions of Article 430-3, paragraph 1 of the Companies Act with an insurance company. The scope of the insured under the said insurance policy is Directors and Corporate Auditors of the Company as well as Directors of its subsidiaries, and insurance premiums are not borne by the insured. The insurance policy covers the losses of the insured incurred from liability or claims for damages arising from acts carried out by the insured with regard to the execution of duties. However, in order to make sure that the appropriateness of the execution of the duties of the insured is not compromised, losses, etc. arising from acts which the insured recognized as causing violation with the laws and regulations are not covered. If the election of the candidates is approved, those who have been elected and take office as Director will be included as the insured under this insurance policy. The Company plans to renew the insurance policy with the same details upon its maturity.
8. The Company has designated Mr. Shinichi Fukumoto, Mr. Takashi Yamashita, Mr. Tsuyoshi Hanada, Dr. Keiko Toya, and Ms. Chizuru Matsueda as independent officers as provided for by Tokyo Stock Exchange, Inc. and submitted a notification as such. If the re-election of the candidates is approved, the Company plans to continue to designate them as independent officers. In addition, if the election of Ms. Yumi Hirose is approved, the Company also plans to designate her as an independent officer as provided for by Tokyo Stock Exchange, Inc.
9. Ms. Chizuru Matsueda changed her surname to Horishita due to marriage, but she continues to use her maiden name, Matsueda, in her professional life, including her work as a certified public accountant.

Proposal No. 2 Revision to the Amount of Remuneration for Directors

The amount of remuneration for Directors was approved at the Annual General Meeting of Shareholders held on June 25, 2003, to be set at ¥40,000 thousand or less per month (excluding the salary equivalent portion for Directors who concurrently serve as employees), which has remained unchanged to this date.

As the number of Directors will increase by three if Proposal 1 is approved as originally proposed, while also considering other factors such as the necessity to maintain the remuneration level competitive and suitable for the scale of the Company and its performance, as well as increasing roles and responsibilities of Directors due to changes in economic conditions and business environment, the Company proposes to revise the amount of remuneration for Directors to ¥55,000 thousand or less per month (¥660,000 thousand or less per year; including ¥5,000 thousand or less per month for External Directors, and ¥60,000 thousand or less per year).

The content of this proposal is in line with (i) Policy on determining the content of remuneration, etc. for officers, etc. provided in "3. Directors and Corporate Auditors, (2) Remuneration, etc. for Directors and Corporate Auditors" in the Business Report, and is necessary and reasonable.

Therefore, the Company believes the content of this proposal is appropriate.

The amount of remuneration for Directors will not include the salary equivalent portion for Directors who concurrently serve as employees as before.

The number of Directors is currently nine, including five External Directors. If Proposal 1 is approved as originally proposed, the number of Directors will be 12, including six External Directors.