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Securities Code: 2395

Date of sending by postal mail: June 12, 2023

Start date of measures for electronic provision: June 3, 2023

To our shareholders:

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

Notice of the 50th Annual General Meeting of Shareholders

You are hereby notified that the 50th 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 50th Annual General Meeting of Shareholders.”

The Company’s website:

https://www.snbl.co.jp/ir/ir_information/stockholders-meeting/ (in Japanese)

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., Monday, June 26, 2023**, 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:** Tuesday, June 27, 2023, at 1:00 p.m. (JST) (Doors open at noon)
2. **Venue:** **Main Hall, 2nd Floor, Kagoshima Prefectural Citizens Exchange Center**
14-50 Yamashita-cho, Kagoshima City, Kagoshima Prefecture
(Please note the venue will be different from the previous meeting.)

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 50th fiscal year (from April 1, 2022 to March 31, 2023)
2. The Non-consolidated Financial Statements for the 50th fiscal year (from April 1, 2022 to March 31, 2023)

Matters to be resolved:

- Proposal No. 1 Election of Eight Directors
Proposal No. 2 Election of Two Corporate Auditors
Proposal No. 3 Election of Substitute Corporate Auditor

- 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 accordance with a revision of the Companies Act, 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 have decided to only deliver paper-based documents stating the matters to shareholders who request the delivery of paper-based documents by the record date. However, for this general meeting of shareholders, we will deliver paper-based documents stating the matters subject to measures for electronic provision to all shareholders, regardless of whether or not they have requested them. Among the matters subject to measures for electronic provision, the following items are not provided in the delivered paper-based documents 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 StatementsTherefore, the Business Report, the Consolidated Financial Statements and the Non-consolidated Financial Statements posted in such paper-based documents 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 Eight Directors

At the conclusion of this meeting, the term of office for all nine Directors will expire. Therefore, the Company proposes the election of eight Directors.

The candidates for Director are as follows:

Candidate no.	Name	Current position and responsibilities in the Company
1	Ryoichi Nagata <u>Reelection</u>	Representative Chairman, President CEO & CHO
2	Ken Takanashi <u>Reelection</u>	Representative Vice President In charge of Group Cooperation and Global Business Administration
3	Hideshi Tsusaki <u>Reelection</u>	Senior Executive Director President, Nonclinical Company and in charge of Global BD, Nonclinical Company
4	Ichiro Nagata <u>Reelection</u>	Managing Director Vice President, Nonclinical Company Head of President's Office, General Manager of Hospitality Business Department, and General Manager of GSC Division
5	Shinichi Fukumoto <u>Reelection</u> <u>External</u> <u>Independent</u>	External Director
6	Takashi Yamashita <u>Reelection</u> <u>External</u> <u>Independent</u>	External Director
7	Tsuyoshi Hanada <u>Reelection</u> <u>External</u> <u>Independent</u>	External Director
8	Keiko Toya <u>Reelection</u> <u>External</u> <u>Independent</u>	External Director

Reelection Candidate for Director to be reelected

External Candidate for External Director

Independent Independent officer as provided for by Tokyo Stock Exchange, Inc.

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)	<p>Sept. 1981 Director (Part-time) of the Company</p> <p>Apr. 1983 Director of the Company</p> <p>June 1983 Obtained Medical Doctor's License</p> <p>Mar. 1990 Representative Director, Senior Managing Director of the Company</p> <p>Jan. 1991 Representative Director, President of the Company</p> <p>Mar. 1991 Ph.D. (Kagoshima University)</p> <p>Sept. 1997 Representative Director, President and CEO of the Company</p> <p>Mar. 2006 Chairman and CEO of Medipolis Proton Therapy and Research Foundation (Medipolis Proton Therapy and Research Center, general incorporated foundation) (to present)</p> <p>Oct. 2010 Chairman and CEO of Veritas Institute of Education (to present)</p> <p>June 2014 Representative Director, Chairman, President and CEO of the Company</p> <p>Apr. 2015 Representative Director, President of PPD-SNBL (to present)</p> <p>Aug. 2020 Representative Chairman, President, CEO & CHO of the Company (to present)</p> <p>[Significant concurrent positions outside the Company]</p> <p>Chairman and CEO of Medipolis Proton Therapy and Research Center, general incorporated foundation</p> <p>Representative Director, President of PPD-SNBL</p> <p>Chairman and CEO of Veritas Institute of Education</p>	-
<p>[Reasons for nomination as candidate for Director]</p> <p>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.</p>			

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	Ken Takanashi (May 23, 1964)	<p>Apr. 1987 Joined Mitsubishi Corporation</p> <p>Dec. 1996 Joined SUASA KRISTAL(M)BERHAD</p> <p>Nov. 1998 Executive Vice President of SUASA KRISTAL(M)BERHAD</p> <p>Dec. 2002 Joined the Company, Director of the Company</p> <p>Apr. 2004 Executive Officer of the Company USCPA registered</p> <p>June 2004 Senior Managing Director of the Company</p> <p>June 2010 MBA (University of Warwick)</p> <p>July 2012 Director of Wave Life Sciences Ltd. (to present)</p> <p>June 2016 Corporate Auditor of PPD-SNBL (to present) Director of Satsuma Pharmaceuticals, Inc. (to present) Executive Vice President of the Company</p> <p>June 2017 Representative Vice President & COO of the Company</p> <p>Mar. 2020 Non-Executive Board Member of TMS Co., Ltd. (to present)</p> <p>June 2022 Representative Vice President in charge of Group Cooperation and Global Business Administration of the Company (to present)</p> <p>[Significant concurrent positions outside the Company] Director of Wave Life Sciences Ltd. Director of Satsuma Pharmaceuticals, Inc. Non-Executive Board Member of TMS Co., Ltd. Corporate Auditor of PPD-SNBL</p>	36,700
[Reasons for nomination as candidate for Director]			
The Company deems Mr. Ken Takanashi capable of properly executing the duties as a Representative 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.			
3	Hideshi Tsusaki (January 27, 1967)	<p>Apr. 1996 Joined the Company</p> <p>June 2007 Ph.D. (Osaka City University)</p> <p>June 2010 Director of the Company</p> <p>Oct. 2010 SNBL U.S.A., Ltd., Director</p> <p>June 2011 Executive Officer of the Company</p> <p>June 2014 Director of the Company</p> <p>July 2015 SNBL U.S.A., Ltd., President</p> <p>Feb. 2016 SNBL U.S.A., Ltd., CEO & President</p> <p>June 2016 Managing Executive Officer of the Company</p> <p>June 2018 Senior Managing Executive Officer of the Company</p> <p>June 2021 Senior Managing Director of the Company (to present)</p> <p>[Significant concurrent positions outside the Company] None</p>	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.			

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	Ichiro Nagata (August 3, 1985)	<p>June 2008 Joined SNBL U.S.A., Ltd.</p> <p>Mar. 2015 Obtained Medical Doctor's License</p> <p>Apr. 2015 Joined Juntendo University Hospital</p> <p>Apr. 2017 Joined the Company</p> <p>June 2018 Executive Officer of the Company</p> <p>May 2020 MMH (Cornell University)</p> <p>June 2020 Director of the Company</p> <p>Mar. 2021 MBA (Kyoto University)</p> <p>Apr. 2021 Managing Director of the Company (to present)</p> <p>Mar. 2022 Ph.D. (Kagoshima University)</p> <p>[Significant concurrent positions outside the Company] None</p>	1,024,000
<p>[Reasons for nomination as candidate for Director]</p> <p>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.</p>			
5	Shinichi Fukumoto (July 20, 1958)	<p>Apr. 1987 Joined The Legal Training and Research Institute</p> <p>Apr. 1989 Attorney at law registered</p> <p>May 1997 Established Fukumoto Law Firm</p> <p>Dec. 2014 External Director of Koatsu Co., Ltd (to present)</p> <p>June 2015 External Director of the Company (to present)</p> <p>Mar. 2016 External Director of SOFTMAX CO., LTD (to present)</p> <p>June 2017 External Director of Shiroyama Kanko Co., Ltd (to present)</p> <p>[Significant concurrent positions outside the Company] Representative Lawyer, Fukumoto Law Office External Director of Koatsu Co., Ltd. External Director of SOFTMAX CO., LTD External Director of Shiroyama Kanko Co., Ltd.</p>	-
<p>[Reasons for nomination as candidates for External Director and outline of expected roles]</p> <p>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, specialist knowledge and 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.</p>			

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	Takashi Yamashita (February 18, 1956)	<p>Oct. 1983 Joined Asahi Audit Firm Mar. 1987 CPA registered May 2003 Representative employee of Asahi Audit Firm (KPMG AZSA LLC) Aug. 2014 Established Takashi Yamashita CPA Firm Jan. 2015 Tax Accountant registered June 2015 External Director of the Company (to present) June 2017 External Audit & Supervisory Board Member of Yamato Holdings Co., Ltd. (to present)</p> <p>[Significant concurrent positions outside the Company] Chief Representative of Takashi Yamashita CPA Office External Audit & Supervisory Board Member of Yamato Holdings Co., Ltd.</p>	-
[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.			
7	Tsuyoshi Hanada (May 2, 1958)	<p>Sept. 1984 Joined Ryoichi Hanada Tax Accountant Office Feb. 1990 Tax Accountant registered Jan. 2000 Chief Representative of Hanada Tax Accountant Office 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 (to present) June 2020 External Director of the Company (to present)</p> <p>[Significant concurrent positions outside the Company] Representative Employee of Reimei Tax Accountant Office Representative Director of Reimei Co., Ltd President of Kagoshima Prefecture Federation of South Kyushu Certified Public Tax Accountants' Association</p>	3,300
[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
8	Keiko Toya (February 26, 1964)	<p>Apr. 1988 Joined Saitama Bank (Resona Bank)</p> <p>Oct. 1996 Joined NCR Japan, Ltd.</p> <p>July 1999 Representative Executive Director of Marketing Excellence Co., Ltd.</p> <p>Apr. 2002 Project Assistant Professor of Graduate School of Business Administration of Rikkyo University</p> <p>June 2004 Ph.D. (Tsukuba University)</p> <p>Apr. 2006 Full-time Lecturer of Faculty of Business Administration of Toyo University</p> <p>July 2006 Managing Director of Marketing Excellence Co., Ltd. (to present)</p> <p>Apr. 2007 Associate Professor of Doshisha Business School</p> <p>Apr. 2014 Professor of MBA of Meiji University (to present)</p> <p>June.2019 External Director of YUASA TRADING CO., LTD.</p> <p>June 2021 External Director of the Company (to present)</p> <p>Sept. 2021 External Director (Audit and Supervisory Committee Member) of QB Net Holdings Co., Ltd. (to present)</p> <p> Visiting Researcher, European Institute of Japanese Studies, Stockholm School of Economics (to present)</p> <p>[Significant concurrent positions outside the Company]</p> <p>Professor of MBA of Meiji University</p> <p>Managing Director of Marketing Excellence Co., Ltd.</p> <p>External Director of YUASA TRADING CO., LTD. (Scheduled to retire in June 2023)</p> <p>External Director (Audit and Supervisory Committee Member) of QB Net Holdings Co., Ltd.</p>	-
<p>[Reasons for nomination as candidates for External Director and outline of expected roles]</p> <p>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.</p>			

- (Notes)
- 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. Ryoichi Nagata, serves as Representative Director of PPD-SNBL. The Company has a business relationship in rental of facilities and business contracting with PPD-SNBL.
 - There is no special interest between other candidates and the Company.
 - Mr. Shinichi Fukumoto, Mr. Takashi Yamashita, Mr. Tsuyoshi Hanada, and Dr. Keiko Toya are the candidates for External Directors.
 - Mr. Shinichi Fukumoto, Mr. Takashi Yamashita, Mr. Tsuyoshi Hanada, and Dr. Keiko Toya 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 eight (8) years at the close of the Meeting. The terms of office for Mr. Tsuyoshi Hanada and Dr. Keiko Toya as External Director will be three (3) years and two (2) years, respectively, at the close of the Meeting.
 - 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.

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, and Dr. Keiko Toya 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.
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, and Dr. Keiko Toya 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.

Proposal No. 2 Election of Two Corporate Auditors

At the conclusion of this meeting, the term of office for two Corporate Auditors Koshin Tatarano and Yoshikazu Shigehisa will expire. Therefore, the Company proposes the election of two Corporate Auditors.

In addition, the consent of the Audit Committee has been obtained with respect to this proposal.

The candidates for Corporate Auditors are as follows:

Candidate no.	Name	Current position in the Company
1	Koshin Tatarano <u>Reelection</u> <u>External</u> <u>Independent</u>	External Auditor
2	Yoshikazu Shigehisa <u>Reelection</u> <u>External</u> <u>Independent</u>	External Auditor

Reelection Candidate for Auditor to be reelected

External Candidate for External Auditor

Independent Independent officer as provided for by Tokyo Stock Exchange, Inc.

Candidate no.	Name (Date of birth)	Career summary, position, and significant concurrent positions outside the Company	Number of the Company's shares owned
1	Koshin Tatarano (February 27, 1965)	<p>Apr. 1992 Joined The Legal Training and Research Institute</p> <p>Apr. 1994 Attorney-at-law registered</p> <p>Oct. 2003 Established Izuro Law Office</p> <p>Apr. 2004 Vice President of Kagoshima Bar Association</p> <p>Apr. 2016 President of Kagoshima Bar Association Director of Japan Federation of Bar Associations Managing Director of Kyushu Federation of Bar Association Member of the Family Court Mediation Committee and Summary Court Civil Mediation Committee (to present)</p> <p>June 2019 External Corporate Auditor of the Company (to present)</p> <p>[Significant concurrent positions outside the Company] Representative Attorney of Izuro Law Office</p>	-
<p>[Reasons for nomination as candidate for External Corporate Auditor]</p> <p>Mr. Koshin Tatarano has well-versed insight, specialist knowledge and experience, etc. in corporate legal affairs as an attorney at law, and the Company expects him to utilize those skills to provide supervision of the Company as an External Corporate Auditor.</p>			

Candidate no.	Name (Date of birth)	Career summary, position, and significant concurrent positions outside the Company	Number of the Company's shares owned
2	Yoshikazu Shigehisa (November 2, 1952)	Nov. 1981 Joined Asahi Audit Firm (KPMG AZSA LLC) Mar. 1985 CPA registered July 1986 Joined Shigehisa CPA firm Sept. 1986 Tax Accountant registered Apr. 2000 Chief Representative of Shigehisa CPA firm (to present) Apr. 2001 Member of the Family Court Mediation Committee and Summary Court Civil Mediation Committee June 2019 External Corporate Auditor of the Company (to present) Apr. 2023 Associate Member of the Family Court Mediation Committee and Summary Court Civil Mediation Committee (to present) [Significant concurrent positions outside the Company] Chief Representative of Shigehisa CPA firm	-
[Reasons for nomination as candidate for External Corporate Auditor] Mr. Yoshikazu Shigehisa has advanced specialist knowledge and abundant experience, etc. as a certified public accountant and a tax accountant, and the Company expects him to utilize those skills to provide supervision as an External Corporate Auditor.			

- (Notes)
1. Mr. Koshin Tatarano and Mr. Yoshikazu Shigehisa are the candidates for External Corporate Auditors.
 2. There is no special interest between each of the candidates and the Company.
 3. Mr. Koshin Tatarano and Mr. Yoshikazu Shigehisa currently serve as External Corporate Auditors of the Company. The terms of office for Mr. Koshin Tatarano and Mr. Yoshikazu Shigehisa as External Corporate Auditors will be four (4) years, respectively, at the close of the Meeting.
 4. Reason why the Company has judged that the candidates are capable of properly executing the duties as External Corporate Auditor
While Mr. Koshin Tatarano has no experience of being directly involved with corporate management other than as an External Officer, the Company deems him capable of properly executing the duties of an External Corporate Auditor due to the insight and experience he possesses as a legal expert.
While Mr. Yoshikazu Shigehisa has no experience of being directly involved with corporate management other than as an External Officer, the Company deems him capable of properly executing the duties of an External Corporate Auditor due to the insight and experience he possesses as an expert in finance, accounting, and taxation matters.
 5. 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 Corporate Auditor 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.
 6. The Company has designated Mr. Koshin Tatarano and Mr. Yoshikazu Shigehisa 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.

Proposal No. 3 Election of Substitute Corporate Auditor

The Company proposes the election of one Substitute Corporate Auditor to prepare for a contingency in which the Company does not have the number of Corporate Auditors required by laws and regulations as well as the Company's Articles of Incorporation.

Note that the appointment may be nullified by a resolution of the Board of Directors with the consent of the Audit Committee only before the candidate assumes office as Corporate Auditor.

The candidate for Substitute Corporate Auditor is as follows. The Company proposes the election of Mr. Yukimasa Ueyama as a Substitute External Corporate Auditor of External Corporate Auditor, Mr. Koshin Tatarano and External Corporate Auditor, Mr. Yoshikazu Shigehisa.

In addition, the consent of the Audit Committee has been obtained with respect to this proposal.

The candidate for Substitute Corporate Auditor is as follows:

Name (Date of birth)	Career summary, position, and significant concurrent positions outside the Company	Number of the Company's shares owned	
Yukimasa Ueyama (January 15, 1963)	Apr. 1993	Joined The Legal Training and Research Institute	-
	Apr. 1995	Registered as an Attorney-at-law Joined Takayama Law Office	
	May 1997	Joined Terukuni Lawyers Office	
	Aug. 2001	Established Ueyama Law Office	
	June 2004	Substitute Corporate Auditor of the Company (to present)	
	Aug. 2008	Auditor of Medipolis Proton Therapy and Research Foundation (Medipolis Proton Therapy and Research Center, general incorporated foundation) (to present)	
	Jan. 2013	Established Kagoshima Law Office	
	Apr. 2018	President of Kagoshima Bar Association	
	June 2023	Outside Auditor of The Minami-Nippon Bank Ltd. (scheduled)	
	[Significant concurrent positions outside the Company] Representative Attorney of Kagoshima Law Office		
[Reasons for nomination as candidate for Substitute External Corporate Auditor] Mr. Yukimasa Ueyama has well-versed insight, specialist knowledge and experience, etc. in corporate legal affairs as an attorney at law, and the Company expects him to utilize those skills to provide supervision of the Company as a Substitute External Corporate Auditor.			

- (Notes)
1. Mr. Yukimasa Ueyama satisfies the requirement to be an Outside Corporate Auditor as prescribed in Article 2, item (xvi) of the Companies Act.
 2. Mr. Yukimasa Ueyama belongs to one of the multiple law offices with which the Company has executed an advisory agreement. The transaction amount is minimal, accounting for less than 1% of the Company's net sales and the Company believe that he adequately ensures the role and function of auditing and supervision from an independent standpoint.
 3. Reason why the Company has judged that the candidates are capable of properly executing the duties as External Corporate Auditors
While Mr. Yukimasa Ueyama 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 Corporate Auditor due to the insight and experience he possesses as a legal expert.
 4. 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 candidate is elected and assumes office as a Corporate Auditor, he 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.