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(Securities Code 4694)

June 6, 2025

(Start of measures for electronic provision: June 5, 2025)

To Shareholders with Voting Rights:

Kensuke Kondo
President and Representative Director
BML, Inc.
5-21-3 Sendagaya, Shibuya-ku, Tokyo

NOTICE OF THE 70TH ANNUAL GENERAL MEETING OF SHAREHOLDERS

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

We are pleased to inform you that the 70th Annual General Meeting of Shareholders of BML, Inc. (the “Company”) will be held for the purposes as described below.

In convening this Annual General Meeting of Shareholders, the Company has taken measures to provide information electronically, and posted matters subject to the electronic provision measures on the following website.

The Company’s website:

<https://www.bml.co.jp/eng/ir/index.html>

In addition to the website above, we post them on the following website.

Tokyo Stock Exchange’s website:

<https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do>

Please access the Tokyo Stock Exchange (TSE) website above and enter our company name or securities code (4694). Then, click “Basic Information” and “Documents for Public Inspection/PR Information” to search “Notice of General Shareholders Meeting/Informational Materials for a General Shareholders Meeting” under “Filed information available for public inspection.”

If you are unable to attend the meeting in person, you can exercise your voting rights in advance in writing or via the Internet. Please review the Reference Documents for the General Meeting of Shareholders included in the matters subject to the electronic provision measures, and exercise your voting rights by no later than 5:30 p.m. on Thursday, June 26, 2025, Japan time.

- 1. Date and Time:** Friday, June 27, 2025 at 10:00 a.m., Japan time
2. Place: Nishiki, South Tower 4F, Keio Plaza Hotel
2-2-1 Nishi-Shinjuku, Shinjuku-ku, Tokyo, Japan

3. Meeting Agenda:

- Matters to be reported:**
1. Business Report, Consolidated Financial Statements for the Company's 70th Fiscal Year (April 1, 2024–March 31, 2025) and results of audits of the Consolidated Financial Statements by the Accounting Auditor and the Audit and Supervisory Board
 2. Non-consolidated Financial Statements for the Company's 70th Fiscal Year (April 1, 2024–March 31, 2025)

Proposals to be resolved:

- Proposal 1:** Distribution of Surplus
Proposal 2: Partial Amendments to the Articles of Incorporation
Proposal 3: Election of 9 Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)
Proposal 4: Election of 3 Directors Who Are Audit and Supervisory Committee Members
Proposal 5: Election of 1 Substitute Director Who Is an Audit and Supervisory Committee Member
Proposal 6: Determination of the Amount of Remuneration, etc. for Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)
Proposal 7: Determination of the Amount of Remuneration, etc. for Directors Who Are Audit and Supervisory Committee Members
Proposal 8: Determination of Compensation for Granting Restricted Stock to Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

- When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk.
- You can exercise your voting rights by mail or electronic media (via the Internet, etc.). By following "Guidance for Exercise of Voting Rights" on pages 5 and 6 of the Japanese version of this document, please exercise your voting rights by no later than 5:30 p.m. on Thursday, June 26, 2025, Japan time.
- In the event that voting rights are exercised multiple times via the Internet, etc., only the final vote submitted shall be considered valid.
- In the event that voting rights are exercised in duplicate by mailing the Voting Rights Exercise Form and via the Internet, etc., the voting rights exercised through the Internet, etc. shall be considered valid.
- If revisions are made to the matters subject to the electronic provision measures, the details of the revisions will be posted on the aforementioned websites.
- Of the matters subject to the electronic provision measures, the following materials are not included in the notice of this annual general meeting of shareholders in accordance with relevant laws and regulations and the provisions of Article 16, Paragraph 2 of the Company's Articles of Incorporation. Accordingly, the documents are parts of the documents the Audit and Supervisory Board Members and Accounting Auditor audited when they prepared their respective audit reports.
 - "System for ensuring the properness of the operations"
 - "Overview of the system for ensuring the properness of the operations"
 - "Consolidated statements of changes in shareholder's equity"
 - "Notes to consolidated financial statements"
 - "Non-consolidated statement of changes in equity"
 - "Notes to non-consolidated financial statements"

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal 1: Distribution of Surplus

The Company recognizes the appropriate return of profits to shareholders as one of its important management priorities and intends to strive for improvement of the dividend level commensurate with the consolidated financial results based on the basic policy of maintaining continuous, stable dividends.

The year-end dividend of surplus for this year shall be paid as follows, based on such basic policy.

Items Related to the Year-end Dividend

(1) Type of dividend property
Cash

(2) Items related to the allocation of dividend property and the total amount
70.0 yen per common share of the Company
Total amount: 2,730,462,630 yen

The annual dividend for this year will be 120.0 yen per share including the interim dividend of 50.0 yen per share which has been already paid.

(3) Date the distribution of surplus comes into effect
June 30, 2025

Proposal 2: Partial Amendments to the Articles of Incorporation

1. Reasons for the amendments

- (1) The Company has resolved to transition from a Company with an Audit and Supervisory Board to a Company with an Audit and Supervisory Committee. The purpose of this transition is to further enhance the corporate governance of the Company by strengthening the audit and supervisory functions of the Board of Directors and by enhancing the framework for monitoring operations. This will be achieved by making the members of the Audit and Supervisory Committee, who are responsible for performing audits of the execution of duties by the Board of Directors, into constituent members of the Board of Directors. In accordance with this transition, the Company proposes to make the necessary amendments to its Articles of Incorporation, including establishing new provisions regarding Directors who are Audit and Supervisory Committee members and the Audit and Supervisory Committee itself, along with the deletion of existing provisions regarding Audit and Supervisory Board Members and the Audit and Supervisory Board.

- (2) In line with the above changes, the Company proposes to make the necessary amendments to the wording of the Articles of Incorporation.

2. Details of the amendments

The details of the amendments are shown below.

The amendments to the Articles of Incorporation in this proposal will come into effect at the conclusion of this General Meeting of Shareholders.

(Proposed amendments are underlined)

Current	Proposed Amendments
Chapter 1 General Provisions	Chapter 1 General Provisions
Articles 1 to 3 (omitted)	Articles 1 to 3 (unchanged)
<p>Article 4 (Institutions)</p> <p>In addition to the General Meeting of Shareholders and the Board of Directors, the Company shall also have the following institutions:</p> <p>(1) Board of Directors meetings (2) <u>Audit and Supervisory Board Members</u> (3) <u>Audit and Supervisory Board</u> (4) Accounting Auditors</p>	<p>Article 4 (Institutions)</p> <p>In addition to the General Meeting of Shareholders and the Board of Directors, the Company shall also have the following institutions:</p> <p>(1) Board of Directors meetings (2) <u>Audit and Supervisory Committee</u> (Deleted) (3) Accounting Auditors</p>
Articles 5 to 16 (omitted)	Articles 5 to 16 (unchanged)
<p>Article 17 (Voting by Proxy)</p> <p>A shareholder₂ or their legal proxy₂ may exercise by proxy their voting rights at a General Meeting of Shareholders by appointing one shareholder of the Company with voting rights to act as their proxy. A document evidencing this power of proxy must be submitted to the Company at each General Meeting of Shareholders.</p>	<p>Article 17 (Voting by Proxy)</p> <p>A shareholder or their legal proxy may exercise by proxy their voting rights at a General Meeting of Shareholders by appointing one shareholder of the Company with voting rights to act as their proxy. A document evidencing this power of proxy must be submitted to the Company at each General Meeting of Shareholders.</p>
Article 18 (omitted)	Article 18 (unchanged)

Current	Proposed Amendments
<p>Chapter 4 Directors and the Board of Directors</p>	<p>Chapter 4 Directors and the Board of Directors</p>
<p>Article 19 (Number of Members) The number of members of the Company’s Board of Directors shall be no greater than 16 members.</p> <p style="text-align: center;">(Newly established)</p>	<p>Article 19 (Number of Members) The number of members of the Company’s Board of Directors (<u>excluding Directors who are Audit and Supervisory Committee members</u>) shall be no greater than 16 members.</p> <p>2. <u>The number of Directors who are Audit and Supervisory Committee members shall be no greater than 4 members.</u></p>
<p>Article 20 (Terms of Office) The term of office of a member of the Board of Directors shall expire upon the conclusion of the Annual General Meeting of Shareholders for the final fiscal year of their term, ending within one year following their election.</p> <p style="text-align: center;">(Newly established)</p> <p style="text-align: center;">(Newly established)</p>	<p>Article 20 (Terms of Office) The term of office of a member of the Board of Directors (<u>excluding Directors who are Audit and Supervisory Committee members</u>) shall expire upon the conclusion of the Annual General Meeting of Shareholders for the final fiscal year of their term, ending within one year following their election.</p> <p>2. <u>The term of office of a Director who is an Audit and Supervisory Committee member shall expire upon the conclusion of the Annual General Meeting of Shareholders for the final fiscal year of their term, ending within two years following their election.</u></p> <p>3. <u>The term of office of a Director who is an Audit and Supervisory Committee member who was elected as a substitute for a Director who was Audit and Supervisory Committee member who left their position before the expiry of their term of office shall continue until the originally scheduled expiry of the term of office of the Director who was an Audit and Supervisory Committee member who left their position.</u></p>
<p>Article 21 (Election Method) Directors are elected at a General Meeting of Shareholders.</p> <p>2. (omitted) 3. (omitted)</p>	<p>Article 21 (Election Method) Directors are elected at a General Meeting of Shareholders, <u>with a distinction made between Directors who are Audit and Supervisory Committee members and other Directors.</u></p> <p>2. (unchanged) 3. (unchanged)</p>
<p>Article 22 (Representative Directors and Executive Directors) The Company shall appoint Representative Directors by resolution of the Board of Directors.</p> <p>2. The Company may designate one Chairperson and one President by resolution of the Board of Directors.</p> <p>3. (omitted)</p>	<p>Article 22 (Representative Directors and Executive Directors) The Company shall appoint Representative Directors <u>from among the Directors of the Company (excluding Directors who are Audit and Supervisory Committee members)</u> by resolution of the Board of Directors.</p> <p>2. The Company may designate one Chairperson and one President <u>from among the Directors of the Company (excluding Directors who are Audit and Supervisory Committee members)</u> by resolution of the Board of Directors.</p> <p>3. (unchanged)</p>

Current	Proposed Amendments
<p>Article 23 (Notice of Convocation) The Company shall issue a notice of convocation of a meeting of the Board of Directors to each Director <u>and Audit and Supervisory Board Member</u> no later than three days prior to the meeting.</p> <p>2. If all Directors <u>and Audit and Supervisory Board Members</u> consent, no convocation procedures shall be required.</p>	<p>Article 23 (Notice of Convocation) The Company shall issue a notice of convocation of a meeting of the Board of Directors to each Director no later than three days prior to the meeting.</p> <p>2. If all Directors consent, no convocation procedures shall be required.</p>
<p>(Newly established)</p>	<p><u>Article 24 (Delegation of Decisions on Execution of Important Operations)</u></p>
<p>Articles <u>24</u> to <u>25</u> (omitted)</p> <p>Article <u>26</u> (Director Remuneration, etc.) Remuneration, bonuses and any other financial benefits received by Directors from the Company as consideration for the execution of their duties (<u>hereinafter, "Remuneration, etc."</u>) shall be determined by a resolution of the General Meeting of Shareholders.</p> <p>Article <u>27</u> (Exemption of Directors' Liability) Pursuant to Article 426, Paragraph 1 of the Companies Act, the Company may exempt Directors (including former Directors) from liability under Article 423, Paragraph 1 of the said Act to the extent provided for under laws and regulations, upon the Board of Directors' resolution.</p> <p>2. (omitted)</p>	<p><u>In accordance with the provisions of Article 399-13, Paragraph 6 of the Companies Act, the Company may delegate, in whole or in part, decisions on the execution of important business operations (excluding those matters listed in the items in Paragraph 5 of the said Act) to its Directors through a resolution of the Board of Directors.</u></p> <p>Articles <u>25</u> to <u>26</u> (unchanged)</p> <p>Article <u>27</u> (Director Remuneration, etc.) Remuneration, bonuses and any other financial benefits received by Directors from the Company as consideration for the execution of their duties shall be determined by a resolution of the General Meeting of Shareholders, <u>with a distinction made between Directors who are Audit and Supervisory Committee members and other Directors.</u></p> <p>Article <u>28</u> (Exemption of Directors' Liability) Pursuant to Article 426, Paragraph 1 of the Companies Act, the Company may exempt Directors (including former Directors) from liability <u>for damages</u> under Article 423, Paragraph 1 of the said Act to the extent provided for under laws and regulations, upon the Board of Directors' resolution.</p> <p>2. (unchanged)</p>
<p><u>Chapter 5 Audit and Supervisory Board Members and Audit and Supervisory Board</u></p>	<p>(Deleted)</p>
<p>Article <u>28</u> (Number of Members) <u>The number of members of the Company's Audit and Supervisory Board shall be no greater than 4 members.</u></p>	<p>(Deleted)</p>

Current	Proposed Amendments
<p><u>Article 29 (Terms of Office)</u> <u>The term of office of a member of the Audit and Supervisory Board shall expire upon the conclusion of the Annual General Meeting of Shareholders for the final fiscal year of their term, ending within four years following their election.</u></p> <p><u>2. The term of office of an Audit and Supervisory Board member who was elected as a substitute for an Audit and Supervisory Board member who left their position before the expiry of their term of office shall continue until the originally scheduled expiry of the term of office of the Audit and Supervisory Board member who left their position.</u></p>	(Deleted)
<p><u>Article 30 (Election Method)</u> <u>Audit and Supervisory Board Members are elected at a General Meeting of Shareholders.</u></p> <p><u>2. Resolutions concerning the election of Audit and Supervisory Board Members shall be adopted by an affirmative vote of the majority of the voting rights of the shareholders in attendance, provided that those shareholders collectively hold at least one-third of the voting rights of shareholders who are entitled to exercise their voting rights.</u></p>	(Deleted)
<p><u>Article 31 (Full-Time Audit and Supervisory Board Members)</u> <u>The Company shall appoint Full-Time Audit and Supervisory Board Members by resolution of the Audit and Supervisory Board.</u></p>	(Deleted)
<p><u>Article 32 (Notice of Convocation)</u> <u>The Company shall issue a notice of convocation of a meeting of the Audit and Supervisory Board to each Audit and Supervisory Board Member no later than three days prior to the meeting.</u></p> <p><u>2. If all Audit and Supervisory Board Members consent, no convocation procedures shall be required.</u></p>	(Deleted)
<p><u>Article 33 (Audit and Supervisory Board Regulations)</u> <u>Matters pertaining to the Audit and Supervisory Board shall be governed by laws and regulations, these Articles of Incorporation, and the Audit and Supervisory Board regulations stipulated by the Audit and Supervisory Board.</u></p>	(Deleted)

Current	Proposed Amendments
<p><u>Article 34 (Remuneration, etc.)</u> <u>Remuneration, etc., of Audit and Supervisory Board Members shall be determined by a resolution of the General Meeting of Shareholders.</u></p>	<p>(Deleted)</p>
<p><u>Article 35 (Exemption of Audit and Supervisory Board Members' Liability)</u> <u>Pursuant to Article 426, Paragraph 1 of the Companies Act, the Company may exempt Audit and Supervisory Board Members (including former Audit and Supervisory Board Members) from liability under Article 423, Paragraph 1 of the said Act to the extent provided for under laws and regulations, upon the Board of Directors' resolution.</u> <u>2. The Company may conclude agreements with Audit and Supervisory Board Members to limit their liability for damages due to neglect of their duties in accordance with Article 427, Paragraph 1 of the Companies Act, provided, however, that the maximum amount of liability under the agreements shall be the amount stipulated by laws and regulations.</u></p>	<p>(Deleted)</p>
<p>(Newly established)</p>	<p><u>Chapter 5 Audit and Supervisory Committee</u></p>
<p>(Newly established)</p>	<p><u>Article 29 (Full-Time Audit and Supervisory Committee Members)</u></p>
<p>(Newly established)</p>	<p><u>The Company may appoint Full-Time Audit and Supervisory Committee members by resolution of the Audit and Supervisory Committee.</u></p>
<p>(Newly established)</p>	<p><u>Article 30 (Notice of Convocation of meeting of Audit and Supervisory Committee)</u></p>
<p>(Newly established)</p>	<p><u>The Company shall issue a notice of convocation of a meeting of the Audit and Supervisory Committee to each Audit and Supervisory Committee Member no later than three days prior to the meeting.</u></p>
<p>(Newly established)</p>	<p><u>2. If all Audit and Supervisory Committee members consent, no convocation procedures shall be required.</u></p>
<p>(Newly established)</p>	<p><u>Article 31 (Audit and Supervisory Committee Regulations)</u></p>
<p>(Newly established)</p>	<p><u>Matters pertaining to the Audit and Supervisory Committee shall be governed by laws and regulations, these Articles of Incorporation, and the Audit and Supervisory Committee regulations stipulated by the Audit and Supervisory Committee.</u></p>

Current	Proposed Amendments
<p style="text-align: center;">Chapter 6 Accounts</p> <p>Articles <u>36</u> to <u>39</u> (omitted)</p> <p style="padding-left: 40px;">(Newly established)</p>	<p style="text-align: center;">Chapter 6 Accounts</p> <p>Articles <u>32</u> to <u>35</u> (unchanged)</p> <p><u>(Supplementary provisions)</u></p> <p><u>The Company may exempt Audit and Supervisory Board Members (including former Audit and Supervisory Board Members) as prescribed for in Article 423, Paragraph 1 of the Companies Act from liability for damages in respect of acts committed prior to the conclusion of the 70th Annual General Meeting of Shareholders to the extent provided for under laws and regulations, upon the Board of Directors' resolution.</u></p>

Proposal 3: Election of 9 Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

If Proposal 2, “Partial Amendments to the Articles of Incorporation” is approved as proposed, the Company will transition to a Company with an Audit and Supervisory Committee, and the terms of office of all 9 Directors will expire at the conclusion of this General Meeting of Shareholders. Accordingly, the Company proposes to elect 9 Directors (excluding Directors who are Audit and Supervisory Committee Members; Members; the same applies hereinafter in this proposal) to serve after the transition to a Company with an Audit and Supervisory Committee.

The effect of this proposal is subject to the amendments to the Articles of Incorporation in Proposal 2, “Partial Amendments to the Articles of Incorporation” coming into effect.

The candidates for Directors are as follows. Matters on the candidates for Directors are provided on pages 11 to 20.

No.	Name	Positions and responsibilities in the Company	Attendance at meetings of the Board of Directors
1	Kensuke Kondo (Reappointment)	President and Representative Director	100% 16 out of 16 times
2	Nobuki Arai (Reappointment)	Representative Director; Vice President in charge of BML Clinical Testing Headquarters, in charge of Management Division and in charge of Advanced Technology & Development Division; Director, BML General Laboratory; General Manager, Overseas Business Office	100% 16 out of 16 times
3	Norihisa Takebe (Reappointment)	Representative Director; Senior Managing Executive Officer; General Manager, Planning Division; in charge of Sales Division	100% 16 out of 16 times
4	Hideaki Osawa (Reappointment)	Director; Executive Officer; General Manager, Sales Division; General Manager, Solution Proposal Department; General Manager, Medical Research Business Division	100% 16 out of 16 times
5	Kenji Shibata (Reappointment)	Director; Executive Officer; General Manager, BML Clinical Testing Headquarters; General Manager, General Laboratory Fourth Clinical Testing Department	100% 16 out of 16 times
6	Yuji Yamashita (Reappointment)	Director; Executive Officer; General Manager, System Division	100% 16 out of 16 times
7	Tatsuharu Arai (Reappointment) (Outside) (Independent)	Director	94% 15 out of 16 times
8	Shigeru Osawa (Reappointment) (Outside) (Independent)	Director	94% 15 out of 16 times
9	Reiko Matsuzawa (New appointment) (Outside) (Independent)		-

No.	Name (Date of birth)	Past experience, positions and responsibilities in the Company	Number of shares of the Company held
1	 <p data-bbox="181 680 410 801">Kensuke Kondo (September 18, 1966) (Reappointment)</p>	<p data-bbox="427 300 1209 488"> May 1994 Obtained a medical license June 1994 Director of the Company June 2004 Executive Officer in charge of medical science June 2006 Director; Executive Officer in charge of medical science January 2014 President and Representative Director To present </p> <p data-bbox="427 495 1289 745"> [Significant concurrent positions] • Chairman and Representative Director, Daiichi Kishimoto Clinical Laboratories, Inc. • Chairman and Representative Director, Okayama Medical Laboratory Company • Chairman and Representative Director, PCL Japan, Inc. • Chairman and Representative Director, Japan Clinical Service, Inc. • Chairman and Representative Director, OPL, Inc. • President and Representative Director, BML Planning, Inc. • President and Representative Director, Estate Kogyo Limited Company </p> <p data-bbox="427 779 1273 1019"> (Reasons for nomination) Dr. Kensuke Kondo has abundant experience and deep insight on overall medical industry from his experience as a doctor. Since assuming position as Representative Director in January 2014, he has been leading the Group's management. Based on his wealth of achievement from his excellent leadership, the Company has judged that he is personnel necessary to increase future corporate value of the Group, and therefore nominates him again as a candidate for Director. </p>	3,532,796

No.	Name (Date of birth)	Past experience, positions and responsibilities in the Company	Number of shares of the Company held
2	 <p data-bbox="199 763 389 887">Nobuki Arai (March 30, 1960) (Reappointment)</p>	<p data-bbox="432 271 1283 981"> May 1989 Obtained a medical license June 2005 Outside Auditor of the Company June 2009 Director of the Company December 2009 Director; Managing Executive Officer; Director, BML General Laboratory June 2015 Director; Senior Managing Executive Officer in charge of Sales Management Division; Director, BML General Laboratory June 2017 Representative Director; Senior Managing Executive Officer; General Manager, Planning Division; in charge of Credit Guarantee Department; Director, BML General Laboratory June 2020 Representative Director; Vice President; General Manager, Management Division; in charge of Credit Guarantee Department; Director, BML General Laboratory; General Manager, Overseas Business Office June 2022 Representative Director; Vice President in charge of BML Clinical Testing Headquarters and in charge of Management Division; Director, BML General Laboratory; General Manager, Overseas Business Office May 2024 Representative Director; Vice President in charge of BML Clinical Testing Headquarters, in charge of Management Division and in charge of Advanced Technology & Development Division; Director, BML General Laboratory; General Manager, Overseas Business Office To present </p> <p data-bbox="432 1016 1283 1317"> (Reasons for nomination) Dr. Nobuki Arai has abundant experience and deep insight on overall medical industry from his experience as a doctor. Since assuming position as a Director in June 2009, he has served in inspection, sales, planning and quality divisions, and after assuming position as Representative Director in June 2017, he has involved in the Company's overall business including overseas and management divisions. By utilizing such achievements, expertise as well as insights on management, the Company has judged that he is personnel necessary to increase the future corporate value of the Group, and therefore nominates him again as a candidate for Director. </p>	75,576

No.	Name (Date of birth)	Past experience, positions and responsibilities in the Company	Number of shares of the Company held
3	 <p data-bbox="209 779 384 898">Norihisa Takebe (April 28, 1962) (Reappointment)</p>	<p data-bbox="432 271 1278 1061"> April 2015 Joined the Company; General Manager, Sales Management Department; General Manager, Accounting Department April 2016 Executive Officer; General Manager, Corporate Planning Department; General Manager, Related Business Department; General Manager, Sales Management Department; General Manager, Accounting Department June 2016 Director; Executive Officer; Deputy General Manager, Planning Division; General Manager, Corporate Planning Department; General Manager, Related Business Department; General Manager, Sales Management Department; General Manager, Accounting Department June 2021 Director; Managing Executive Officer; General Manager, Planning Division; General Manager, Corporate Planning Department; General Manager, Sales Management Department; General Manager, Accounting Department June 2022 Director; Senior Managing Executive Officer; General Manager, Planning Division; General Manager, Corporate Planning Department; General Manager, Sales Management Department; General Manager, Accounting Department; General Manager, Related Business Department June 2023 Representative Director; Senior Managing Executive Officer; General Manager, Planning Division; General Manager, Group Planning Department May 2024 Representative Director; Senior Managing Executive Officer; General Manager, Planning Division; in charge of Sales Division To present </p> <p data-bbox="424 1099 1262 1335"> (Reasons for nomination) Mr. Norihisa Takebe has knowledge and experience of financial business. Since joining the Company, he has involved mainly in accounting, corporate planning and group company management divisions and has abundant experience and deep insight on the Company's overall business. By utilizing such achievements, expertise as well as insights on management, the Company has judged that he is personnel necessary to increase the future corporate value of the Group, and therefore nominates him again as a candidate for Director. </p>	9,682

No.	Name (Date of birth)	Past experience, positions and responsibilities in the Company	Number of shares of the Company held
4	 <p data-bbox="188 719 400 779">Hideaki Osawa (February 13, 1964)</p> <p data-bbox="188 808 400 842">(Reappointment)</p>	<p data-bbox="427 271 1278 763"> September 1986 Joined the Company July 2008 General Manager, Kinki Sales Department June 2010 Representative Director, Japan Clinical Service, Inc. April 2016 Executive Officer; Deputy General Manager, Sales Management Division; General Manager, Tokyo Branch June 2019 Director; Executive Officer; Deputy General Manager, Sales Management Division; General Manager, Proposal Planning Department April 2021 Director; Executive Officer; General Manager, Sales Management Division; General Manager, Sales Promotion Headquarters; General Manager, Solution Proposal Department; General Manager, Medical Research Business Division June 2023 Director; Executive Officer; General Manager, Sales Division; General Manager, Solution Proposal Department; General Manager, Medical Research Business Division To present </p> <p data-bbox="427 801 1278 1030"> (Reasons for nomination) Since joining the Company, Mr. Hideaki Osawa has involved mainly in sales division and also served as Representative Director at a collection and delivery- related subsidiary, and he has abundant experience and deep insight on the Company's overall business. By utilizing such achievements, expertise as well as insights on management, the Company has judged that he is personnel necessary to increase the future corporate value of the Group, and therefore nominates him again as a candidate for Director. </p>	6,817

No.	Name (Date of birth)	Past experience, positions and responsibilities in the Company	Number of shares of the Company held
5	 <p data-bbox="188 748 405 869">Kenji Shibata (December 20, 1959) (Reappointment)</p>	<p data-bbox="432 271 1273 884"> April 1984 Joined the Company April 2014 General Manager, Inspection Department I June 2017 Director, Morioka Medical Laboratories, Inc. June 2018 Executive Officer; General Manager, Planning Division of the Company June 2022 Director; Executive Officer; General Manager, BML Clinical Testing Headquarters; General Manager, Inspection Planning Department, General Manager, General Laboratory First Clinical Testing Department; General Manager, General Laboratory Second Clinical Testing Department; General Manager, General Laboratory Fourth Clinical Testing Department April 2023 Director; Executive Officer; General Manager, BML Clinical Testing Headquarters; General Manager, Inspection Planning Department, General Manager, General Laboratory Second Clinical Testing Department; General Manager, General Laboratory Fourth Clinical Testing Department April 2025 Director; Executive Officer; General Manager, BML Clinical Testing Headquarters; General Manager, General Laboratory Fourth Clinical Testing Department To present </p> <p data-bbox="432 920 1273 1153"> (Reasons for nomination) Since joining the Company, Mr. Kenji Shibata has been involved mainly in inspection division and has abundant experience and deep insight on the Company's overall business. By utilizing such achievements, expertise as well as insights on strategy planning, the Company has judged that he is personnel necessary to increase the future corporate value of the Group, and therefore nominates him again as a candidate for Director. </p>	7,727

No.	Name (Date of birth)	Past experience, positions and responsibilities in the Company	Number of shares of the Company held
6	 <p data-bbox="204 622 389 745">Yuji Yamashita (August 6, 1965) (Reappointment)</p>	<p data-bbox="432 271 1283 479">November 1988 Joined the Company April 2020 General Manager, Laboratory Information System Department July 2020 Executive Officer; Deputy General Manager, System Division; General Manager, Core System Department June 2022 Director; Executive Officer; General Manager, System Division To present</p> <p data-bbox="432 510 1283 745">(Reasons for nomination) Since joining the Company, Mr. Yuji Yamashita has been involved mainly in the systems division and has abundant experience and deep insight on the Company's overall business. By utilizing such achievements, expertise as well as insights on strategy planning, the Company has judged that he is personnel necessary to increase the future corporate value of the Group, and therefore nominates him again as a candidate for Director.</p>	4,987

No.	Name (Date of birth)	Past experience, positions and responsibilities in the Company	Number of shares of the Company held
7	 <p data-bbox="193 712 400 779">Tatsuharu Arai (October 20, 1956)</p> <p data-bbox="193 808 400 898">(Reappointment) (Outside) (Independent)</p>	<p data-bbox="427 271 1287 786"> April 1982 Joined Showa Denko K.K. March 2004 General Manager, Production Technology Department, Kawasaki Plant March 2006 Head, Kawasaki Plant January 2008 General Manager, Electronic Chemicals Department, Chemicals Division, Head Office March 2010 General Manager, Production Technology Department, Head Office January 2012 Corporate Officer; Representative, Oita Complex, Oita Plant January 2014 Corporate Officer; General Manager, Petrochemicals Division, Head Office January 2017 Managing Corporate Officer; General Manager, Petrochemicals Division January 2018 President and Representative Director, UNION SHOWA K.K. January 2021 Corporate Advisor June 2021 Outside Director of the Company To present </p> <p data-bbox="427 824 1287 1270"> (Reasons for nomination as a candidate for Outside Director and summary of expected roles) Mr. Tatsuharu Arai has many years of abundant experience and deep insights on corporate management in the chemical industry. By utilizing such achievements, expertise as well as insights on management, the Company judged that he is personnel necessary to increase future corporate value of the Group through giving opinions and making judgements from an objective standpoint when making decisions for the management of the Company, and through playing a role of monitoring and supervising Directors' execution of duties, and therefore nominates him again as a candidate for Outside Director. The Company expects him to fulfill his role of supervising the management from a position independent from executive officers by utilizing his wealth of experience in the chemical field. It has been four years since the appointment of Mr. Tatsuharu Arai as Outside Director of the Company as of the conclusion of this Annual General Meeting of Shareholders. </p>	554

No.	Name (Date of birth)	Past experience, positions and responsibilities in the Company	Number of shares of the Company held
8	 <p>Shigeru Osawa (May 13, 1957) (Reappointment) (Outside) (Independent)</p>	<p>April 1980 Joined The Kyowa Bank, Ltd. (currently Resona Bank, Limited)</p> <p>April 2002 Tsubasa Systems Co., Ltd.</p> <p>June 2006 Managing Officer, Yahagi Construction Co., Ltd.</p> <p>June 2007 Director and Senior Managing Officer</p> <p>June 2010 Representative Director and Senior Managing Officer</p> <p>April 2012 Vice President and Representative Director</p> <p>June 2021 Advisor</p> <p>June 2022 Outside Director of the Company</p> <p>To present</p> <p>(Reasons for nomination as a candidate for Outside Director and summary of expected roles)</p> <p>Mr. Shigeru Osawa has abundant experience and deep insights in the financial and construction fields. By utilizing such achievements, expertise as well as insights on management, the Company judged that he is personnel necessary to increase future corporate value of the Group through giving opinions and making judgements from an objective standpoint when making decisions for the management of the Company, and through playing a role of monitoring and supervising Directors' execution of duties, and therefore nominates him again as a candidate for Outside Director. The Company expects him to fulfill his role of supervising the management from a position independent from executive officers by utilizing his wealth of experience in the construction field.</p> <p>It has been three years since the appointment of Mr. Shigeru Osawa as Outside Director of the Company as of the conclusion of this Annual General Meeting of Shareholders.</p>	554

No.	Name (Date of birth)	Past experience, positions and responsibilities in the Company	Number of shares of the Company held
9	 <p>Reiko Matsuzawa (September 5, 1963) (New appointment) (Outside) (Independent)</p>	<p>April 1982 Joined the National Tax Agency. Co-ordination Division of the Management and Co-ordination Department, Osaka Regional Taxation Bureau</p> <p>July 2013 Deputy District Director, Kawasaki-Minami Tax Office, Tokyo Regional Taxation Bureau</p> <p>July 2015 Commissioner's Secretariat and Internal Inspector, National Tax Agency</p> <p>July 2017 Special Examiner, First Large Enterprise Examination Department, Tokyo Regional Taxation Bureau</p> <p>July 2018 District Director, Abeno Municipal Tax Office, Osaka Regional Taxation Bureau</p> <p>July 2019 Chief Examiner, Forty-first Large Enterprise Examination Group, Fourth Large Enterprise Examination Department</p> <p>July 2020 Director, Co-ordination Division, Third Large Enterprise Department, Tokyo Regional Taxation Bureau</p> <p>July 2021 Commissioner's Secretariat and Director (Health and Welfare), National Tax Agency</p> <p>July 2022 Assistant Regional Commissioner (Planning and Administration), Kumamoto Regional Taxation Bureau</p> <p>July 2023 Regional Commissioner, Okinawa Regional Taxation Office and Director of Okinawa Training Center, National Tax College</p> <p>September 2024 Director, Reiko Matsuzawa Tax Accountant Office To present</p> <p>[Significant concurrent positions] • Outside Director (Audit and Supervisory Board Member), Yamatane Corporation (to be assumed on June 20, 2025)</p> <p>(Reasons for nomination as a candidate for Outside Director and summary of expected roles) Ms. Reiko Matsuzawa has expert knowledge and deep insights as a tax accountant. By utilizing such achievements and expert insights, the Company judged that she is personnel necessary to increase future corporate value of the Group through giving opinions and making judgements from an objective standpoint when making decisions for the management of the Company, and through playing a role of monitoring and supervising Directors' execution of duties, and therefore nominates her as a candidate for Outside Director. The Company expects her to fulfill her role of supervising the management from a position independent from executive officers by utilizing her wealth of experience in the taxation field.</p>	200

(Notes)

1. There are no special interests between the candidates for Directors and the Company.
2. Mr. Tatsuharu Arai, Mr. Shigeru Osawa, and Ms. Reiko Matsuzawa are candidates for Outside Directors.
3. The Company has registered Mr. Tatsuharu Arai and Mr. Shigeru Osawa as Independent Directors with the Tokyo Stock Exchange.
4. If Ms. Reiko Matsuzawa is elected as proposed, the Company will register her as an Independent Director with the Tokyo Stock Exchange.
5. The Company has entered into agreements with Mr. Tatsuharu Arai and Mr. Shigeru Osawa in accordance with Article 427, Paragraph 1 of the Companies Act to limit their liability for damages under Article 423, Paragraph 1 of the same act. The maximum amount of liability for damages pursuant to the agreement is the minimum amount stipulated by laws and regulations. If they are reelected and assume office as Outside Directors of the Company, the agreement shall continue to be effective.
6. If Ms. Reiko Matsuzawa is elected as proposed, the Company intends to enter into an agreement with her in accordance with Article 427, Paragraph 1 of the Companies Act to limit her liability for damages under Article 423, Paragraph 1 of the same act. The maximum amount of liability for damages pursuant to the agreement will be the minimum amount stipulated by laws and regulations.
7. The Company has concluded with an insurance company a directors and officers liability insurance contract as stipulated in Article 430-3, Paragraph 1 of the Companies Act. This contract covers damages that may arise due to the insured being liable for performance of duties or receiving a claim related to the pursuit of such liability. However, the contract includes certain exclusions, such as no coverage for liability resulting from actions taken with the knowledge that they violate laws and regulations. The Company bears all of the insurance premium for the directors and officers liability insurance contract. Each candidate will be insured under the said insurance contract. The directors and officers liability

- insurance contracts shall be renewed on March 1, 2026, in the middle of each candidate's term of office.
8. The number of shares of the Company held by each candidate for Director refers to the actual number of shares held by each of them including the shares under the BML Group officers' shareholding association.

Proposal 4: Election of 3 Directors Who Are Audit and Supervisory Committee Members

If Proposal 2, “Partial Amendments to the Articles of Incorporation” is approved as proposed, the Company will transition to a Company with an Audit and Supervisory Committee. Accordingly, the Company proposes to elect 3 Directors who are Audit and Supervisory Committee Members.

The Audit and Supervisory Board has given its approval to this proposal.

The effect of this proposal is subject to the amendments to the Articles of Incorporation in Proposal 2, “Partial Amendments to the Articles of Incorporation” coming into effect.

The candidates for Directors Who Are Audit and Supervisory Committee Members are as follows. Matters on the candidates for Directors Who Are Audit and Supervisory Committee Members are provided on pages 21 to 23.

No.	Name (Date of birth)	Past experience, positions and responsibilities in the Company	Number of shares of the Company held
1	 Kenichi Morishita (August 6, 1958) (New appointment)	March 1985 Joined the Company April 2008 Deputy General Manager, Personnel Department April 2014 General Manager, Related Business Department June 2015 Director; General Manager, Management Department, OPL, Inc. June 2017 Audit and Supervisory Board Member of the Company To present [Significant concurrent positions] • Auditor, Kondou Kinen Medical Foundation (Reasons for nomination) Since joining the Company, Mr. Kenichi Morishita has served in personnel and group company management divisions of the Company, as well as management division of its subsidiary engaged in clinical testing business. He therefore has abundant experience and deep insight in the Company’s overall business. By utilizing such experience and insight, the Company has judged that he can enhance the audit structure of the Company, and therefore nominates him as a candidate for Director and Audit and Supervisory Committee Member.	1,095

No.	Name (Date of birth)	Past experience, positions and responsibilities in the Company	Number of shares of the Company held
2	 <p data-bbox="193 719 400 779">Masato Denawa (February 5, 1964)</p> <p data-bbox="193 808 400 898">(New appointment) (Outside) (Independent)</p>	<p data-bbox="427 271 1283 353">April 1990 Registered as attorney at law (Dai-ichi Tokyo Bar Association) Joined Okinobu Ishihara Law Office (currently, Spring Partners)</p> <p data-bbox="427 360 874 389">January 1999 Partner, Spring Partners</p> <p data-bbox="427 396 1166 450">September 2007 Supervising Officer, Japan Prime Realty Investment Corporation (incumbent)</p> <p data-bbox="427 456 1129 486">June 2015 Outside Auditor, Ichikawa Co., Ltd. (incumbent)</p> <p data-bbox="427 492 1230 546">February 2021 Accident compensation examination commission member, Supreme Court of Japan (incumbent)</p> <p data-bbox="427 553 1098 582">June 2021 Outside Auditor of the Company (incumbent)</p> <p data-bbox="427 589 1123 642">January 2025 Executive Advisor, Spring Partners (incumbent) To present</p> <p data-bbox="427 649 767 678">[Significant concurrent positions]</p> <ul data-bbox="427 685 1278 797" style="list-style-type: none"> • Executive Advisor, Spring Partners • Supervising Officer, Japan Prime Realty Investment Corporation • Outside Auditor, Ichikawa Co., Ltd. • Accident compensation examination commission member, Supreme Court of Japan <p data-bbox="427 831 1262 1037">(Reasons for nomination as a candidate for Outside Director who is an Audit and Supervisory Committee Member and summary of expected roles) Although he has never been involved in corporate management, the Company has judged that Mr. Masato Denawa can utilize his expertise and abundant experience as an attorney at law to enhance the audit structure of the Company, and therefore nominates him as a candidate for Director and Audit and Supervisory Committee Member.</p>	0

No.	Name (Date of birth)	Past experience, positions and responsibilities in the Company	Number of shares of the Company held
3	 Noriko Miyagi (June 28, 1962) (New appointment) (Outside) (Independent)	<p>April 1985 Joined The Kyowa Bank, Ltd. (currently Resona Bank, Limited)</p> <p>April 2012 Director, Sales Department 2, Hongo and Myogadani Area, Resona Bank, Limited</p> <p>April 2013 Branch Office Executive Manager, Myogadani Branch, Resona Bank, Limited</p> <p>October 2013 Director, Office for Promoting Diversity, Human Resource Services Department, Resona Holdings, Inc.</p> <p>April 2015 Department Manager, Human Resources Development, Resona Bank, Limited</p> <p>April 2016 Audit and Supervisory Board Member, Saitama Resona Bank, Limited</p> <p>June 2019 Senior Managing Director, Saitama Resona Bank, Limited</p> <p>April 2021 Senior Managing Director, Resona Business Service Co., Ltd.</p> <p>June 2021 Audit & Supervisory Board Member, SANYO DENKI CO., LTD.</p> <p>April 2022 Audit & Supervisory Board Member (Full-time), SANYO DENKI CO., LTD.</p> <p>June 2022 Audit & Supervisory Board Member, Japan Finance Corporation (incumbent)</p> <p>June 2025 Director, SANYO DENKI CO., LTD. (planned)</p> <p>To present</p> <p>[Significant concurrent positions]</p> <ul style="list-style-type: none"> • Director, SANYO DENKI CO., LTD. (to be assumed on June 19, 2025) • Audit & Supervisory Board Member, Japan Finance Corporation <p>(Reasons for nomination as a candidate for Outside Director who is an Audit and Supervisory Committee Member and summary of expected roles)</p> <p>Ms. Noriko Miyagi has abundant experience and deep insights in the financial and human resources fields. The Company has judged that she can utilize her achievements and expertise to enhance the audit structure of the Company, and therefore nominates her as a candidate for Director and Audit and Supervisory Committee Member.</p>	0

(Notes)

1. There are no special interests between the candidates for Directors and the Company.
2. Mr. Masato Denawa and Ms. Noriko Miyagi are candidates for Outside Directors who are Audit and Supervisory Committee Members.
3. The Company has registered Mr. Masato Denawa as an Independent Director with the Tokyo Stock Exchange.
4. If Ms. Noriko Miyagi is elected as proposed, the Company will register her as an Independent Director with the Tokyo Stock Exchange.
5. The Company has entered into agreements with Mr. Kenichi Morishita and Mr. Masato Denawa in accordance with Article 427, Paragraph 1 of the Companies Act to limit their liability for damages under Article 423, Paragraph 1 of the same act. The maximum amount of liability for damages pursuant to the agreement is the minimum amount stipulated by laws and regulations. If they are elected and assume office as a Director who is an Audit and Supervisory Committee Member and an Outside Director is an Audit and Supervisory Committee Member, respectively, the Company intends to enter into similar agreements with them. If Ms. Noriko Miyagi is elected as proposed, the Company also plans to enter into a similar agreement with her.
6. The Company has concluded with an insurance company a directors and officers liability insurance contract as stipulated in Article 430-3, Paragraph 1 of the Companies Act. This contract covers damages that may arise due to the insured being liable for performance of duties or receiving a claim related to the pursuit of such liability. However, the contract includes certain exclusions, such as no coverage for liability resulting from actions taken with the knowledge that they violate laws and regulations. The Company bears all of the insurance premium for the directors and officers liability insurance contract. Each candidate will be insured under the said insurance contract. The directors and officers liability insurance contracts shall be renewed on March 1, 2026, in the middle of each candidate's term of office.
7. The number of shares of the Company held by each candidate for Director refers to the actual number of shares held by each of them including the shares under the BML Group officers' shareholding association.

Proposal 5: Election of 1 Substitute Director Who Is an Audit and Supervisory Committee Member

If Proposal 2, “Partial Amendments to the Articles of Incorporation” is approved as proposed, the Company will transition to a Company with an Audit and Supervisory Committee. Accordingly, to prepare for cases where a vacancy results in a shortfall in the number of Directors who are Audit and Supervisory Committee Members prescribed by laws and regulations, the Company proposes the election of one Substitute Director who is an Audit and Supervisory Committee Member.

The Audit and Supervisory Board has given its approval to this proposal.

The effect of this proposal is subject to the amendments to the Articles of Incorporation in Proposal 2, “Partial Amendments to the Articles of Incorporation” coming into effect.

The candidate for Substitute Director who is an Audit and Supervisory Committee Member is as follows:

Name (Date of birth)	Past experience, positions and responsibilities in the Company	Number of shares of the Company held
<p>Shunsuke Nohara (November 11, 1979)</p> <p>(Outside) (Independent)</p>	<p>October 2006 Registered as attorney at law (Dai-ichi Tokyo Bar Association) Joined KOHWA SOHGOH LAW OFFICES</p> <p>August 2015 Joined Kelvin Chia Partnership</p> <p>January 2016 Admitted as attorney at law in New York, USA</p> <p>October 2016 Senior Partner, KOHWA SOHGOH LAW OFFICES (incumbent)</p> <p>August 2022 Outside Corporate Auditor, Cocolive Inc. (incumbent)</p> <p>October 2023 Outside Corporate Auditor, Olive Union Inc. (incumbent)</p> <p>To present</p> <p>(Reasons for nomination as a candidate for Substitute Outside Director who is an Audit and Supervisory Committee Member and summary of expected roles) The Company proposes that Mr. Shunsuke Nohara be elected as Substitute Director who is an Audit and Supervisory Committee Member since we judged that his expertise as an attorney at law and abundant experience as a corporate lawyer can be used for enhancing the audit structure of the Company, even though he has never been involved in corporate management.</p>	<p>0</p>

(Notes)

1. Mr. Shunsuke Nohara is a candidate for Substitute Outside Director who is an Audit and Supervisory Committee Member.
2. The Company has not entered into an advisory contract with the candidate.
3. If Mr. Shunsuke Nohara assumes office as an Outside Director who is an Audit and Supervisory Committee Member, the Company plans to enter into an agreement with him in accordance with Article 427, Paragraph 1 of the Companies Act to limit his liability for damages pursuant to Article 423, Paragraph 1 of the same act. The maximum amount of liability for damages pursuant to the agreement is the minimum amount stipulated by laws and regulations.
4. The Company has concluded with an insurance company a directors and officers liability insurance contract as stipulated in Article 430-3, Paragraph 1 of the Companies Act. This contract covers damages that may arise due to the insured being liable for performance of duties or receiving a claim related to the pursuit of such liability. However, the contract includes certain exclusions, such as no coverage for liability resulting from actions taken with the knowledge that they violate laws and regulations. The Company bears all of the insurance premium for the directors and officers liability insurance contract. If the candidate assumes office as Outside Director who is an Audit and Supervisory Committee Member, he will be insured under the said insurance contract.
5. Mr. Shunsuke Nohara satisfies the requirement as Independent Director prescribed by the Tokyo Stock Exchange. If he assumes office as Outside Director who is an Audit and Supervisory Committee Member, the Company will register him as an Independent Director with the Tokyo Stock Exchange.

(Reference) Composition of the Board (after this General Meeting of Shareholders)

Directors:

Name	Positions in the Company	Areas which the Company specifically expect candidates for Directors to cover							
		Management Experience	Medical Experience	Inspection/ Engineering	Information Technology	Strategy Planning	Finance/ Accounting	Personnel/ Labor	Risk/Legal Affairs
Kensuke Kondo	President and Representative Director	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>		<input type="radio"/>			<input type="radio"/>
Nobuki Arai	Representative Director; Vice President	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>		<input type="radio"/>		<input type="radio"/>	
Norihisa Takebe	Representative Director; Senior Managing Executive Officer	<input type="radio"/>				<input type="radio"/>	<input type="radio"/>		<input type="radio"/>
Kenji Shibata	Director; Managing Executive Officer			<input type="radio"/>		<input type="radio"/>			
Hideaki Osawa	Director; Executive Officer					<input type="radio"/>			
Yuji Yamashita	Director; Executive Officer			<input type="radio"/>	<input type="radio"/>	<input type="radio"/>			
Tatsuharu Arai	Outside Director	<input type="radio"/>		<input type="radio"/>					
Shigeru Osawa	Outside Director	<input type="radio"/>		<input type="radio"/>		<input type="radio"/>	<input type="radio"/>		
Reiko Matsuzawa	Outside Director						<input type="radio"/>	<input type="radio"/>	
Kenichi Morishita	Director (Audit and Supervisory Committee Member)						<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Masato Denawa	Outside Director (Audit and Supervisory Committee Member)							<input type="radio"/>	<input type="radio"/>
Noriko Miyagi	Outside Director (Audit and Supervisory Committee Member)						<input type="radio"/>	<input type="radio"/>	

The above list does not present all of the knowledge and experience possessed by the candidates.

Proposal 6: Determination of the Amount of Remuneration, etc. for Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

At the 45th Annual General Meeting of Shareholders held on June 29, 2000, approval was obtained for remuneration, etc., for the Directors of the Company of up to 400 million yen per year. (This does not include employee salaries of Directors who serve concurrently as employees.) If Proposal 2, “Partial Amendments to the Articles of Incorporation” is approved as proposed, the Company will transition to a Company with an Audit and Supervisory Committee. Accordingly, the Company proposes to abolish this remuneration limit and establish a new remuneration limit for Directors (excluding Directors who are Audit and Supervisory Committee Members; the same applies hereinafter in this proposal) serving after the transition to a Company with an Audit and Supervisory Committee of up to 600 million yen per year (including up to 50 million yen per year for Outside Directors). This amount is based on a review of the balance between fixed remuneration and Directors’ bonuses aimed at strengthening corporate governance, together with a consideration of various circumstances such as changes in the economic climate.

A summary of the content of the Company’s policy regarding decisions on remuneration, etc. for individual directors is presented on pages 50 to 52 of the Business Report (in Japanese). At the meeting of the Board of Directors to be held after this General Meeting of Shareholders, the Company plans to amend the persons eligible under this policy from “Directors” to “Directors (excluding Directors who are Audit and Supervisory Committee Members).” However, there will be no change to the substance of the policy. Remuneration, etc. under this proposal will be paid as fixed remuneration and performance-linked remuneration. It has been decided by the Board of Directors after deliberation by the Nomination and Compensation Committee, which is composed of a majority of Outside Directors, and the Company believes it is reasonable. This remuneration, etc. does not include employee salaries of Directors who serve concurrently as employees.

The Company currently has 9 Directors (including 3 Outside Directors). If Proposal 2, “Partial Amendments to the Articles of Incorporation” and Proposal 3, “Election of 9 Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)” are approved as proposed, the Company will have 9 Directors (including 3 Outside Directors).

The effect of this proposal is subject to the amendments to the Articles of Incorporation in Proposal 2, “Partial Amendments to the Articles of Incorporation” coming into effect.

Proposal 7: Determination of the Amount of Remuneration, etc. for Directors Who Are Audit and Supervisory Committee Members

If Proposal 2, “Partial Amendments to the Articles of Incorporation” is approved as proposed, the Company will transition to a Company with an Audit and Supervisory Committee. Accordingly, the Company proposes to establish a new remuneration limit for Directors who are Audit and Supervisory Committee Members serving after the transition to a Company with an Audit and Supervisory Committee of up to 50 million yen per year. The Company believes that this amount of remuneration, etc. is reasonable in view of the responsibilities of Directors who are Audit and Supervisory Committee Members.

If Proposal 2, “Partial Amendments to the Articles of Incorporation” and Proposal 4, “Election of 3 Directors Who Are Audit and Supervisory Committee Members” are approved as proposed, the Company will have 3 Directors who are Audit and Supervisory Committee Members.

The effect of this proposal is subject to the amendments to the Articles of Incorporation in Proposal 2, “Partial Amendments to the Articles of Incorporation” coming into effect.

Proposal 8: Determination of Compensation for Granting Restricted Stock to Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

At the 62nd Annual General Meeting of Shareholders held on June 29, 2017, approval was obtained for compensation for the grant of restricted stock to Directors (excluding Outside Directors) of the Company of up to 50 million yen per year. (This does not include employee salaries of Directors who serve concurrently as employees.) If Proposal 2, “Partial Amendments to the Articles of Incorporation” is approved as proposed, the Company will transition to a Company with an Audit and Supervisory Committee. Accordingly, the Company proposes to pay compensation for the grant of restricted stock to the Directors (excluding Outside Directors and Directors who are Audit and Supervisory Committee Members; hereinafter “Directors Covered by the Plan”), with the objectives of offering incentives to the Directors Covered by the Plan to achieve sustained improvement of the corporate value of the Company and sharing more of that value with our shareholders.

This compensation is separate from the remuneration, etc. proposed in Proposal 6, “Determination of the Amount of Remuneration, etc. for Directors (Excluding Directors Who Are Audit and Supervisory Committee Members).”

In addition, remuneration, etc. of up to 30 million yen for the allotment of share acquisition rights as stock options, which was approved at the 51st Annual General Meeting of Shareholders held on June 29, 2006, will be abolished. No stock options have been granted since the fiscal year ended March 31, 2018.

The compensation paid to grant restricted stock to the Directors Covered by the Plan (based on this proposal) shall be a monetary claim (hereinafter “monetary compensation claim”), and its total amount shall be 50 million yen or less per year, which is an amount deemed to be appropriate based on the above objectives. Furthermore, the specific payment timing and allocation for each of the Directors Covered by the Plan shall be decided by the Board of Directors. This amount of compensation does not include the employee salaries of Directors who serve concurrently as employees, as noted above.

A summary of the content of the Company’s policy regarding decisions on remuneration, etc. for individual directors is presented on pages 50 to 52 of the Business Report (in Japanese). At the meeting of the Board of Directors to be held after this General Meeting of Shareholders, the Company plans to amend the persons eligible under this policy from “Directors” to “Directors (excluding Directors who are Audit and Supervisory Committee Members).” However, there will be no change to the substance of the policy. The content of this proposal is the payment of stock compensation based on this policy. It has been decided by the Board of Directors after deliberation by the Nomination and Compensation Committee, which is composed of a majority of Outside Directors, and the Company believes it is reasonable.

The Company currently has 9 Directors (including 3 Outside Directors). If Proposal 2, “Partial Amendments to the Articles of Incorporation” and Proposal 3, “Election of 9 Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)” are approved as proposed, there will be 6 Directors Covered by the Plan.

The effect of this proposal is subject to the amendments to the Articles of Incorporation in Proposal 2, “Partial Amendments to the Articles of Incorporation” coming into effect.

Based on a resolution of the Board of Directors of the Company, the Directors Covered by the Plan shall make in-kind contribution of all monetary compensation claim paid under this proposal and shall, in return, receive the issuance or disposal of the common shares of the Company. The total number of common shares of the Company to be issued or disposed of through this process shall be 20,000 shares or less per year. (In case that the Company conducts stock splits (including gratis allocations of its common shares) or reverse stock splits of its common shares on or after the date of the approval of this proposal, or in case that an adjustment of the total number of its common shares to be issued or disposed of as restricted stocks is required to be made, the total number of shares should be adjusted within a reasonable extent.)

Note that the amount to be paid in per share shall be determined by the Board of Directors within the scope of an amount that is not particularly advantageous to the Directors Covered by the Plan who will be granted said common shares, based on the closing price of the common shares of the Company in the Tokyo Stock Exchange on the business day immediately prior to the date of each resolution of the Board of Directors (in the case that the transaction has not been concluded on that day, the closing price on the most recent trading day preceding that day). When issuing or disposing of the common shares of the Company through this process, a contract for allocation of restricted stock (hereinafter the “Allocation Contract”) containing the following contents shall be concluded between the Company and the Directors Covered by the Plan.

(1) Transfer Restriction Period

The Directors Covered by the Plan shall not transfer, dispose of and pledge the common shares of the Company allocated under the Allocation Contract (hereinafter the “Allocated Shares”) during the period stipulated in advance by the Board of Directors of the Company that is between 10 and 20 years after the date on which allocation is made under the Allocation Contract (hereinafter the “Transfer Restriction Period”) (hereinafter the “Transfer Restrictions”).

(2) Treatment in the Event that a Director Retires from or Leaves His/Her Post

In the case that the Directors Covered by the Plan retire from or leave their posts as Directors, Executive Officers, Executive Officers who do not serve concurrently as Directors, Audit and Supervisory Board Members, employees, advisors or consultants, or other equivalent position of the Company or its subsidiaries before the expiration of the Transfer Restriction Period, the Company shall acquire the Allocated Shares at no cost except in the case of expiration of term of office, death, or any other legitimate reason for the Directors Covered by the Plan to retire from or leave their posts.

(3) Cancellation of the Transfer Restrictions

Notwithstanding the provision in (1) above, the Company shall cancel the Transfer Restrictions for all of the Allocated Shares as of the time when the Transfer Restriction Period expires, on the condition that the Directors Covered by the Plan have been in the status of Directors, Executive Officers, Executive Officers who do not serve concurrently as Directors, Audit and Supervisory Board Members, employees, advisors or consultants, or other equivalent position of the Company or its subsidiaries continuously during the Transfer Restriction Period. However, in the case that said Directors Covered by the Plan retire from or leave the posts stipulated in (2) above before the Transfer Restriction Period expires due to expiration of term of office, death, or any other legitimate reason stipulated in (2) above, the number of the Allocated Shares for which the Transfer Restrictions are cancelled and the timing of the cancellation of the Transfer Restrictions shall be reasonably adjusted as necessary.

(4) Treatment in the Event of Organizational Restructuring, etc.

Notwithstanding the provision in (1) above, in the case that matters regarding merger contracts under which the Company becomes the disappearing company, share exchange agreements or share transfer plans under which the Company becomes a wholly owned subsidiary of another company, or any other organizational restructuring, etc. are approved at the General Meeting of Shareholders of the Company (or at a Meeting of the Board of Directors of the Company in the case that approval by the General Meeting of Shareholders of the Company is not required regarding the said organizational restructuring, etc.) during the Transfer Restriction Period, the Company shall cancel, based on the resolution of the Board of Directors of the Company, the Transfer Restrictions before the effective date of the said organizational restructuring, etc. with regard to the number of Allocated Shares reasonably determined by taking into account the period from the starting date of the Transfer Restriction Period to the approval date of the said organizational restructuring, etc. Furthermore, in the case provided for above, the Company shall acquire at no cost the Allocated Shares for which the Transfer Restrictions have not been cancelled, at the time immediately after the cancellation of Transfer Restrictions.

(5) Other Matters Determined by the Board of Directors

In addition to the above, the method of manifestation of intention and notification under the Allocation Contract, the method of revision of the Allocation Contract, and any other matters determined by the Board of Directors shall be included in the contents of the Allocation Contract.