

Radiation Effects Research Foundation

Articles of Incorporation

Section 1 – General Provisions

(Name)

Article 1 – This juristic person shall be called the “Radiation Effects Research Foundation.”

2. This juristic person shall be a Public Interest Incorporated Foundation, organized under the laws of Japan.

(Location of Office)

Article 2 – This juristic person shall have its principal office in Hiroshima City, Hiroshima Prefecture.

2. This juristic person shall have its subordinate office in Nagasaki City, Nagasaki Prefecture.

Section 2 – Objectives and Activities

(Objectives)

Article 3 – This juristic person shall be established and managed with support from the Japanese and U.S. governments based on the Exchange of Notes Constituting an Understanding between the United States of America and Japan Relating to the Radiation Effects Research Foundation (with Record of Discussions), Tokyo, 27 December 1974, and its objectives shall be to conduct research and studies for peaceful purposes on medical effects of radiation and associated diseases in humans, with a view to contributing to maintenance of the health and welfare of the atomic bomb survivors and to enhancement of the health of all humankind.

(Activities)

Article 4 – This juristic person shall engage in the following activities to achieve the objectives set forth in the preceding article:

- (1) To establish and operate its laboratories in the cities of Hiroshima and Nagasaki for conduct of comprehensive research and studies on the life-spans, health conditions, and pathological aspects of the atomic bomb survivors, and other radiation effects and associated diseases in humans;
- (2) To conduct research and studies on the effects of radiation and associated diseases in humans in cooperation with universities, laboratories attached to universities and other research organizations;
- (3) To preserve, report and publicize the results of research and studies, and to provide training, on the effects of radiation and associated diseases in humans;
- (4) To carry out health examinations of the atomic bomb survivors; and
- (5) To carry out other activities as may be deemed necessary to achieve the objectives of the juristic person.

Section 3 – Resources and Accounts

(Types of Property)

Article 5 – The property of this juristic person shall comprise two types of property, being permanent property and other property.

2. Permanent property, specified as indispensable for the performance of activities deemed necessary to achieve the objectives of the juristic person, is as set forth hereunder.
 - (1) Permanent property specified in the Separate Table 1
 - (2) Property donated as permanent property
 - (3) Property decided by the Board of Councilors to be included in permanent property
3. Other property shall be property other than permanent property.
4. At least half of the value of property donated after the date of registration of establishment of the public interest corporation shall be used for public interest activities among those prescribed in paragraph 1 of Article 4 above.

(Maintenance and Disposal of Permanent Property)

Article 6 – The juristic person shall take suitable steps for the maintenance of permanent property.

2. If part of permanent property must be disposed of or used for the purposes of collateral, such matter shall be determined by decision of the Board of Councilors.

(Maintenance, Disposal and Operation of Property)

Article 7 – The maintenance, disposal and operation of property of the juristic person shall be the responsibility of the Chairman of the Board of Directors (the “Chairman” as prescribed in paragraph 2 of Article 30; the same shall apply hereinafter), unless otherwise stipulated by laws, regulations or these Articles of Incorporation.

(Plans of Activities and Budget)

Article 8 – The plans of activities and budget estimates of the juristic person shall be prepared by the Chairman including documents for plans of activities, documents for budget estimates, and documents stating the outlook for raising capital and capital investment. Such documents shall be approved by the Board of Directors by the day prior to the day of commencement of each fiscal year and reported to the next Board of Councilors meeting. The same procedure shall apply in case of changes in the plans of activities and budget estimates.

2. When the documents for plans of activities, budget estimates, and documents stating the outlook for raising capital and capital investment are prepared in accordance with the preceding paragraph, the Chairman shall seek opinions from members of the Board of Councilors by submitting such documents before obtaining final approval from the Board of Directors. The Board of Directors shall consider the opinions expressed by any member of the Board of Councilors in deliberating on the plans of activities, budget estimates, and the outlook for raising capital and capital investment.
3. The documents indicated in paragraph 1 shall be prepared and made publicly available at the juristic person’s principal and subordinate offices until the end of

the relevant fiscal year.

4. The Chairman shall submit documents as provided for by paragraph 1 to the Prime Minister by the day prior to the day of commencement of each fiscal year.

(Report of Activities and Settlement of Accounts)

Article 9 – The annual report of activities and settlement of accounts of the juristic person shall be prepared by the Chairman after the end of each fiscal year through preparation of the following documents, which shall be inspected by Auditors and approved by the Board of Directors.

- (1) Report of activities
 - (2) Appended documents to the report of activities
 - (3) Balance sheets
 - (4) Statements of changes in net assets
 - (5) Appended documents to the balance sheets and statements of changes in net assets
 - (6) List of property
2. Of the approved documents above, items (1), (3), (4) and (6) shall be submitted to regular meetings of the Board of Councilors, where the contents of item (1) must be reported and the other documents (hereinafter referred to as “financial statements”) approved.
 3. In addition to the documents indicated in paragraph 1, the documents below shall be maintained at the principal and subordinate offices for five years and three years, respectively, and made publicly available. In addition, the Articles of Incorporation also shall be maintained at the principal and subordinate offices and made publicly available.
 - (1) Audit report
 - (2) Documents indicating standards for payment of remuneration, etc. (remuneration, bonus or other financial benefit paid by the juristic person for the execution of duties and retirement allowance; the same shall apply hereinafter) of the Councilors and Officers (Directors and Auditors; the same shall apply hereinafter)
 - (3) List of Councilors and Officers
 - (4) Documents indicating the outline of the management structure and status of business activities, and relevant significant figures and statistics
 4. The Chairman shall submit the documents stipulated in each of the items in paragraph 1 and items in the preceding paragraph to the Prime Minister within three months from the end of each fiscal year.
 5. The juristic person shall make available for public notice the balance sheets without delay after the end of the regular meeting of the Board of Councilors in the manner stipulated in Article 67.

(Loans and Disposal or Receipt of Significant Property)

Article 10 – When the juristic person enters into a loan, such matter shall be determined by decision of two-thirds of the Directors competent to participate in the decision of the Board of Directors.

2. When this juristic person disposes of or receives significant property (excluding permanent property), the same procedure as that in the preceding paragraph must be followed.

(Calculation of Remaining Amount of Property Acquired for Public Interest Purposes)

Article 11 – The Chairman shall calculate each fiscal year the amount of property acquired for public interest purposes remaining on the last day of that fiscal year based on the provisions of Article 48, the Ordinance for Enforcement, of the Act on Authorization of Public Interest Incorporated Associations and Public Interest Incorporated Foundations (hereinafter referred to “Public Interest Corporations Act”) and record such in documents, indicating an outline of activities and organizational operation and important related figures pursuant to item (2) of paragraph 1 of Article 28 of the same regulation.

(Accounting Standards)

Article 12 – The accounting of the juristic person shall be in accordance with accounting practices generally recognized as fair and proper for public interest corporations.

2. Matters required for accounting procedures of the juristic person shall be determined separately by decision of the Board of Directors and the Board of Councilors.

(Fiscal Year)

Article 13 – The fiscal year of the juristic person shall begin on April 1 each year and end on March 31 of the following year.

Section 4 – Councilors

(Constitution)

Article 14 – This juristic person shall have at least four and no more than eight Councilors.

2. When appointing Councilors in accordance with the preceding paragraph, an equal number of Councilors having Japanese nationality and U.S. nationality shall be selected within the limit of the fixed number stipulated in the preceding paragraph.

(Appointment and Removal)

Article 15 – The appointment and removal of Councilors shall be conducted by the Board of Councilors.

(Restrictions)

Article 16 – In these Articles of Incorporation, persons who have familial relationships with the Councilors or Officers or who have specific relationships with the Councilors or Officers described under the following items, are referred to as “relatives, etc.”

- (1) Persons who are not registered as married to the said Councilors or Officers with familial relationship but are in effect involved with the Councilors or Officers concerned in a manner similar to marriage.
- (2) Persons who are employed by the said Councilors or Officers with familial relationship and others whose livelihood depends on remuneration or other assets provided for by the Councilors or Officers concerned.

- (3) Persons who are relatives of those listed in (1) or (2), and who live together with those listed in (1) or (2)
- (4) Persons who are spouses of those listed in (2) or (3)
- (5) In addition to the said Councilors or Officers with familial relationship and those listed in (1) through (4), the officers, etc. (referred to as “corporate directors” under a.) stipulated in item (15) of Article 2 of the Corporation Tax Law and the personnel indicated in the same item (15) in terms of the corporations listed below:
 - a. Other corporations at which the said Councilors or Officers with familial relationship serve as corporate directors
 - b. Other corporations corresponding to family corporations stipulated in item (10) of Article 2 of the Corporation Tax Law, if judged as such on the basis of the said Councilors or Officers with familial relationship, those listed in (1) through (4), and corporations having special relationship with the said Councilors or Officers with familial relationship and those listed in (1) through (4), as determined by the government ordinance stipulated in item (10) of Article 2 of the Corporation Tax Law
2. The Councilors of this juristic person shall not comprise a total number of persons who are relatives, etc. of any one Director and that Director or persons who are relatives, etc. of any one Councilor and that Councilor exceeding one-third of the total number of Councilors (current number).
3. The Councilors of this juristic person shall not comprise a total number of persons being directors or personnel at other identical organizations (public interest corporations excluded) or having a similar and close relationship as provided for item (xi) of Article 5 of the Public Interest Corporations Act exceeding one-third of the total number of Councilors (current number).
4. The Councilors of this juristic person shall not be Directors, Auditors (including persons being relatives, etc. of any Auditor) or personnel of this juristic person.

(Term of Appointment)

Article 17 – The term of appointment of Councilors shall be effective from the time of appointment until completion of the last regular meeting of the Board of Councilors for the fiscal year concluding within five years after appointment. However, reappointment is not precluded.

2. The term of appointment of Councilors appointed as replacement Councilors for Councilors resigning before expiration of terms of appointment shall expire at the expiration of the terms of appointment of the resigning Councilors.
3. When the number of Councilors falls short of the number prescribed by paragraph 1 of Article 14, Councilors retiring by reason of expiration of term or resignation shall retain rights and responsibilities as Councilors until the assumption of office of newly appointed Councilors.

(Remuneration, etc.)

Article 18 – Councilors may be paid remuneration, etc. as compensation for the performance of duties. The amount of remuneration, etc. for Councilors shall not exceed a total annual sum of 5,000,000 yen. Matters required for standards for the payment of remuneration, etc. shall be determined separately by decision of the Board of Councilors.

2. Councilors may be reimbursed for expenses related to the performance of their duties. Matters required for standards for the reimbursement of such expenses shall be determined separately by decision of the Board of Councilors.

Section 5 – Board of Councilors

(Composition)

Article 19 – The Board of Councilors shall be comprised of all Councilors.

(Powers)

Article 20 – The Board of Councilors may make decisions regarding only the matters set forth below and the matters prescribed by laws, regulations or these Articles of Incorporation.

- (1) Appointment or removal of Officers
 - (2) Standards for payment of remuneration, etc. for Officers
 - (3) Approval of financial statements
 - (4) Partial exemption of liability of Officers with respect to the juristic person
 - (5) Changes to the Articles of Incorporation
 - (6) Complete transfer of activities
 - (7) Determination for continuation of the juristic person after dissolution
 - (8) Approval of merger contracts
2. Notwithstanding the preceding paragraph, meetings of the Board of Councilors cannot decide matters outside the scope of the purpose of the meeting described in the written notification in paragraph 3 of Article 22.

(Types of Meetings Held)

Article 21 – The meetings of the Board of Councilors shall be of two types, being regular meetings and extraordinary meetings of the Board of Councilors.

2. Regular meetings of the Board of Councilors shall be held within three months after the end of each fiscal year.
3. Extraordinary meetings of the Board of Councilors shall be held in any of the situations set forth hereunder.
 - (1) When it is deemed necessary by the Board of Directors
 - (2) When a request for convening a meeting of the Board of Councilors has been made to the Chairman by a Councilor indicating the reason for the request and the purpose of the meeting of the Board of Councilors
 - (3) When the Councilor making the request as provided for by the preceding item convenes a meeting of the Board of Councilors by permission of a court of law

(Convening)

Article 22 – Except for cases in which a Councilor convenes a meeting as provided for by item (3) of paragraph 3 of the preceding article, meetings of the Board of Councilors shall be convened by the Chairman pursuant to a decision by the Board of Directors.

2. When there is a request made pursuant to item (2) of paragraph 3 of the preceding article, the Chairman must convene a meeting of the Board of Councilors within six weeks from the date thereof.

3. The person who convenes a meeting of the Board of Councilors must notify each Councilor in writing indicating the date, time, place and purpose of the meeting of the Board of Councilors at least one week prior to the appointed day for the meeting of the Board of Councilors.
4. When making written notification as in the preceding paragraph, the written notification must include a summary of the agenda items related to the items that constitute the purpose of the meeting (except for cases in which the items that constitute the purpose of the meeting are on the agenda) (if items are not finalized, notice to that effect).
5. The person who convenes a meeting of the Board of Councilors may, in substitution of the written notification mentioned in the preceding two paragraphs, make notification using electronic means in a manner prescribed by laws or regulations having obtained the approval of the Councilors.
6. Notwithstanding the preceding three paragraphs, meetings of the Board of Councilors may be held in the absence of the convening process when all Councilors provide their approval.

(Executive Councilor and Vice Executive Councilor)

Article 23 – The Executive Councilor of the Board of Councilors (hereinafter referred to as “Executive Councilor”) and the Vice Executive Councilor of the Board of Councilors (hereinafter referred to as “Vice Executive Councilor”) shall be appointed from among the Councilors by the Board of Councilors.

2. The Executive Councilor and the Vice Executive Councilor to be appointed in accordance with the provisions of the preceding paragraph shall be persons of either Japanese or U.S. nationality, but the positions shall not be held by persons of the same nationality at the same time.
3. The terms of appointment of the Executive Councilor and the Vice Executive Councilor shall be effective from the time of appointment until completion of the regular meeting of the Board of Councilors for the fiscal year concluding within one year after appointment. However, reappointment is not precluded.
4. The Vice Executive Councilor shall assist the Executive Councilor, and shall perform the duties of the Executive Councilor should the Executive Councilor become unable or his/her post become vacant.

(Attendance)

Article 24 – Unless provided for separately by these Articles of Incorporation, when a majority of Councilors is not in attendance, a meeting of the Board of Councilors shall not be convened.

(Decisions)

Article 25 – Unless provided for separately by laws, regulations or these Articles of Incorporation, decisions of meetings of the Board of Councilors shall be by majority vote, when a majority of Councilors is in attendance, excluding a Councilor(s) having special interests. In the case of a tie vote, the Executive Councilor shall decide the issue.

2. Regarding the preceding paragraph, the Executive Councilor shall not participate in the decision-making process as a Councilor.
3. When deciding a proposal for the appointment of Directors or Auditors, a decision

as provided for by paragraph 1 shall be taken for each candidate. Furthermore, when the number of candidates for Director or Auditor exceeds the number prescribed by each of the items under paragraph 1 of Article 30, appointment shall be made on the basis of appointment of the persons in the order of highest number of votes from among those candidates obtaining majority approval.

(Decision-making Outside of Board of Councilors Meetings)

Article 26 – Notwithstanding the preceding article, when a Director proposes a matter for the purpose of a meeting of the Board of Councilors, if all Councilors (limited to those Councilors competent to participate in the decision regarding the matter) express approval either in writing or in the form of an electronic record, a decision of the Board of Councilors for the purposes of determining the proposal shall be deemed to have occurred.

(Omission of Reporting to Meetings of Board of Councilors)

Article 27 – When a Director has notified all Councilors of a matter that should be reported to a meeting of the Board of Councilors, the matter need not be reported to the meeting, and when all Councilors have expressed approval either in writing or in the form of an electronic record, reporting of the matter to all Councilors is deemed to have occurred.

(Minutes)

Article 28 – Minutes of proceedings of the Board of Councilors meetings shall be prepared in writing or in the form of an electronic record as prescribed by Justice Ministry ordinance.

2. When minutes of the proceedings are created in writing, the Executive Councilor, two or more Councilors who are appointed from among the attending Councilors, and the Chairman all shall sign, or attach their seal, to the minutes.
3. If the minutes of the proceedings are created using an electronic record, an alternative to the signature, or name and seal, prescribed by Justice Ministry ordinance must be adopted.

(Operation of Meetings of Board of Councilors)

Article 29 – Matters required for the operation of meetings of the Board of Councilors shall be determined separately by decision of the Board of Councilors in accordance with provisions of laws, regulations and these Articles of Incorporation.

Section 6 – Officers

(Constitution)

Article 30 – This juristic person shall have the following Officers:

- (1) Directors: no more than four
- (2) Auditors: two
2. The Directors shall include one Chairman and one Vice Chairman. The Chairman acts as Representative Director as provided for by item (1) of paragraph 1 of Article 91 of the Act on General Incorporated Associations and General Incorporated Foundations (hereinafter referred to as “General Incorporated

Associations/Foundations Act”) as applied mutatis mutandis by Article 197 of the same act.

3. Directors other than the Chairman may act as Executive Directors as provided for by item (2) of paragraph 1 of Article 91 of the General Incorporated Associations/Foundations Act as applied mutatis mutandis by Article 197 of the same act.
4. The Chairman, Vice Chairman and Executive Director(s) shall serve on a full-time basis, and the other Officers shall serve on a part-time basis.

(Appointment)

Article 31 – Directors and Auditors shall be appointed by decision of the Board of Councilors.

2. The Chairman, Vice Chairman and Executive Director(s) shall be appointed from among the Directors by decision of the Board of Directors.
3. The Directors to be appointed in accordance with the provisions of paragraph 1 shall consist of no more than two persons of Japanese nationality and no more than two persons of U.S. nationality.
4. The Chairman and the Vice Chairman to be appointed in accordance with the provisions of paragraph 2 shall be persons of either Japanese or U.S. nationality, but the positions shall not be held by persons of the same nationality at the same time.
5. The Auditors to be appointed in accordance with paragraph 1 shall consist of one person of Japanese nationality and one person of U.S. nationality.
6. When changes are made to Directors or Auditors, the changes shall be registered at the location of the principal office within two weeks and shall be reported to the Prime Minister without delay.

(Restrictions)

Article 32 – The Directors of this juristic person shall not comprise a total number of persons who are relatives, etc. of any one Director and that Director exceeding one-third of the total number of Directors (current number). The same shall apply to Auditors.

2. The Directors of this juristic person shall not comprise a total number of persons being directors or personnel at other identical organization (public interest corporations excluded) or having a similar and close relationship as provided for item (xi) of Article 5 of the Public Interest Corporations Act exceeding one-third of the total number of Directors (current number). The same shall apply to Auditors.
3. The Auditors of this juristic person shall not be Directors (including persons who are relatives, etc. of any Director), Councilors (including persons who are relatives, etc. of any Councilor) or personnel of this juristic person. Furthermore, Auditors must not be relatives, etc. of each other.

(Duties and Power of Directors)

Article 33 – Directors shall constitute the Board of Directors and shall perform the duties prescribed by laws, regulations or these Articles of Incorporation.

2. The Chairman shall represent the juristic person and manage the regular business thereof.

3. The Vice Chairman shall assist the Chairman.
4. The Executive Director(s) shall administer certain aspects of the business of the juristic person.
5. The powers of the Chairman, the Vice Chairman and Executive Director(s) shall be determined separately by decision of the Board of Directors.
6. The Chairman and Executive Director(s) shall report the results of their performance of duties to the Board of Directors at least twice at an interval exceeding four months during each fiscal year.

(Duties and Power of Auditors)

Article 34 – The Auditors shall perform the duties set forth hereunder and shall prepare audit reports.

- (1) Audit the performance of duties by Directors
- (2) Audit the business and financial state of this juristic person
- (3) Attend meetings of the Board of Councilors and the Board of Directors, and when considered necessary, express opinions
- (4) Report to the Board of Directors without delay any unlawful act or any possibility of an unlawful act by a Director, or any circumstance in contravention of laws, regulations or these Articles of Incorporation, or any demonstrably unreasonable circumstance
- (5) Request the convening of a meeting of the Board of Directors to the Chairman when in the circumstances of the preceding item it is considered necessary
- (6) When notification that a meeting of the Board of Directors will be convened and held on a day within two weeks of the day of the request is not received within five days of the request made pursuant to the preceding item, the Auditor making the request shall convene the meeting of the Board of Directors.
- (7) When, after investigation of proposals, documents and other materials prescribed by laws or regulations to be presented by a Director to the Board of Councilors, any circumstance is found to be in contravention of laws, regulations or these Articles of Incorporation, or any demonstrably unreasonable circumstance is found, the results of such investigation shall be reported to the Board of Councilors.
- (8) When the actions of a Director are found to be outside the scope of the purpose of this juristic person, or actions in contravention of laws, regulations or these Articles of Incorporation, or when there is a possibility of such actions, and there is the possibility that this juristic person shall be exposed to conspicuous damage as a result of such actions, a request shall be made to that Director to cease such actions.
- (9) Exercise such other powers granted to Auditors by laws or regulations

(Term of Appointment)

Article 35 – The term of appointment of Directors shall be effective from the time of appointment until completion of the last regular meeting of the Board of Councilors for the fiscal year concluding within two years after appointment. However, reappointment is not precluded.

2. The term of appointment of Auditors shall be effective from the time of appointment until completion of the last regular meeting of the Board of

Councilors for the fiscal year concluding within four years after appointment. However, reappointment is not precluded.

3. The term of appointment of Directors or Auditors appointed as replacement Directors or Auditors for Directors or Auditors resigning before expiration of terms of appointment shall expire at the expiration of the term of appointment of the resigning Directors or Auditors.
4. When the number of Directors and Auditors falls short of the number prescribed by each of the items under paragraph 1 of Article 30, Directors and Auditors retiring by reason of expiration of term or resignation shall retain rights and responsibilities as Directors or Auditors until the assumption of office of newly appointed successors.

(Removal)

Article 36 – Directors or Auditors may be removed by decision of the Board of Councilors when any of the following provisions apply. However, the removal of any Auditor shall be determined by decision of two-thirds of the Councilors competent to participate in the decision.

- (1) When in contravention of obligations with respect to duties or negligent performance of those duties
- (2) When performance of duties is impaired due to physical or psychological impairment, or when incapable of performing duties.

(Remuneration, etc.)

Article 37 – Officers may be paid remuneration, etc. as compensation for the performance of duties. Matters required for standards for the payment of remuneration, etc. shall be determined separately by decision of the Board of Councilors.

2. Officers may be reimbursed for expenses related to the performance of their duties. Matters required for standards for the reimbursement of such expenses shall be determined separately by decision of the Board of Councilors.

(Restrictions on Competition and Transactions Entailing Conflicts of Interest)

Article 38 – Directors, when attempting to perform the transactions set forth hereunder, shall disclose the important facts regarding such transactions to the Board of Directors and must receive approval before proceeding with such transactions.

- (1) When Directors perform transactions belonging to the category of business of this juristic person either for their own benefit or that of a third party
 - (2) When Directors perform transactions with this juristic person either for their own benefit or that of a third party
 - (3) When this juristic person guarantees the debts of Directors or conducts transactions with persons other than Directors where there is the possibility of a conflict between the interests of the Directors and those of this juristic person
2. Directors performing any of the transactions set forth above shall report to the Board of Directors without delay the important facts regarding the transactions after completion of the transactions.

Section 7 – Board of Directors

(Composition)

Article 39 – The Board of Directors shall be comprised of all Directors.

(Powers)

Article 40 – The Board of Directors shall perform the following duties in addition to those separately provided for in laws, regulations or these Articles of Incorporation.

- (1) Determine the execution of the business of this juristic person
 - (2) Supervise the performance of duties by Directors
 - (3) Determine among themselves which Directors shall serve as Chairman, Vice Chairman and Executive Director(s)
 - (4) Determine matters related to the date, time, place and purposes of Board of Councilors meetings
2. The Board of Directors cannot delegate to a Director determination of the matters set forth hereunder or other important matters related to execution of the juristic person's business.
- (1) Loans
 - (2) Disposal or receipt of significant property
 - (3) Appointment or removal of significant personnel
 - (4) Establishment, change or dissolution of subordinate offices or other significant organizations
 - (5) Maintaining of appropriate organization for the execution of the business of this juristic person
 - (6) Partial exemption of liability of Officers with respect to the juristic person pursuant to paragraph 7 of Article 50
 - (7) Conclusion of a contract for limitation of liability with an external officer as provided for by paragraph 10 of Article 50

(Types of Meetings Held)

Article 41 – The meetings of the Board of Directors shall be of two types, being regular meetings and extraordinary meetings of the Board of Directors.

2. Regular meetings of the Board of Directors shall be held at least on two occasions during each fiscal year.
3. Extraordinary meetings of the Board of Directors shall be held in any of the situations set forth hereunder.
 - (1) When it is deemed necessary by the Chairman
 - (2) When a request for convening a meeting of the Board of Directors has been made to the Chairman by a Director other than the Chairman indicating the purpose of the meeting of the Board of Directors
 - (3) When notification that a meeting of the Board of Directors will be convened and held on a day within two weeks of the day of the request is not received within five days of the request made pursuant to the preceding item, and the Director making the request convenes the meeting of the Board of Directors
 - (4) When an Auditor convenes a meeting of the Board of Directors pursuant to item (6) of Article 34 after a request to convene a meeting of the Board of Directors has been made by an Auditor to the Chairman pursuant to item (5) of Article 34

(Convening)

Article 42 – Except for a Director convening a meeting as provided for by item (3) of paragraph 3 of the preceding article, or an Auditor convening a meeting as provided for by item (4) of paragraph 3 of the preceding article, meetings of the Board of Directors shall be convened by the Chairman.

2. When there is a request made pursuant to item (2) or item (4) of paragraph 3 of the preceding article, the Chairman must convene a meeting of the Board of Directors within two weeks from the date thereof.
3. The person who convenes a meeting of the Board of Directors must notify each Director and Auditor in writing indicating the date, time, place and purpose of the meeting of the Board of Directors at least one week prior to the appointed day for the meeting of the Board of Directors.
4. The provisions of paragraph 5 of Article 22 shall be applied mutatis mutandis to the convening of meetings of the Board of Directors. “The person who convenes a meeting of the Board of Councilors” in the said paragraph may be read as “the person who convenes a meeting of the Board of Directors,” “written notification mentioned in the preceding two paragraphs” as “written notification mentioned in the preceding paragraph,” and “in a manner prescribed by laws or regulations having obtained the approval of the Councilors” as “having obtained the approval of Directors and Auditors.”
5. Notwithstanding the preceding two paragraphs, meetings of the Board of Directors may be held in the absence of the convening process when all Directors and Auditors provide their approval.

(Chair)

Article 43 – The Chairman shall serve as the Chair of the Board of Directors (hereinafter referred to as “Chair”) meetings. When the Chairman is unable to perform these duties, another Director designated in accordance with a hierarchy determined in advance by the Board of Directors may perform such duties.

(Attendance)

Article 44 – Unless provided for separately by these Articles of Incorporation, when a majority of Directors is not in attendance, a meeting of the Board of Directors shall not be convened.

(Decisions)

Article 45 – Unless provided for separately by laws, regulations or these Articles of Incorporation, decisions of meetings of the Board of Directors shall be by majority vote, when a majority of Directors is in attendance, excluding a Director(s) having special interests. In the case of a tie vote, the Chair shall decide the issue.

2. Regarding the preceding paragraph, the Chair shall not participate in the decision-making process as a Director.

(Decision-making Outside of Board of Directors Meetings)

Article 46 – Notwithstanding the preceding article, when a Director proposes a matter for the purpose of a meeting of the Board of Directors’ decision, if all Directors (limited to those Directors competent to participate in the decision regarding the

matter) express approval either in writing or in the form of an electronic record (except for when an Auditor expresses opposition to the proposal), a decision of the Board of Directors for the purposes of determining the proposal shall be deemed to have occurred.

(Omission of Reporting to Meetings of Board of Directors)

Article 47 – When a Director or Auditor has notified all Directors and Auditors of a matter that should be reported to a meeting of the Board of Directors, the matter need not be reported to the meeting.

2. The preceding paragraph does not apply to reports as provided for by paragraph 6 of Article 33.

(Minutes)

Article 48 – Minutes of proceedings of Board of Directors meetings shall be prepared in writing or in the form of an electronic record as prescribed by Justice Ministry ordinance.

2. When minutes of the proceedings are created in writing, the attending Directors and Auditors all shall sign, or attach their seal, to the minutes.
3. If the minutes of the proceedings are created using an electronic record, an alternative to the signature, or name and seal, prescribed by Justice Ministry ordinance must be adopted.

(Operation of Meetings of Board of Directors)

Article 49 – Matters required for the operation of meetings of the Board of Directors shall be determined separately by decision of the Board of Directors in accordance with provisions of laws, regulations, and these Articles of Incorporation.

Section 8 – Liability of Councilors and Officers for Compensation of Damages

(Liability of Councilors and Officers for Compensation of Damages)

Article 50 – When the Councilors and Officers are negligent in their duties, they shall be responsible for making restitution to this juristic person for damages caused as a result.

2. When a Director, in violation of the provisions of paragraph 1 of Article 38, engages in a transaction set forth in item (1) under said paragraph, the amount of profit gained by the Director or third party through said transaction shall be presumed to be the amount of damages specified in the preceding paragraph.
3. If this juristic person suffers damages as a result of a transaction set forth in item (2) or (3) of paragraph 1 of Article 38, the following Directors shall be presumed to have been negligent in their duties:
 - (1) Directors specified in paragraph 1 of Article 38
 - (2) Directors who determined that this juristic person would engage in said transaction
 - (3) Directors who supported a decision of the Board of Directors that gave approval for said transaction
4. The responsibility set forth in paragraph 1 cannot be exempted without the unanimous consent of all Councilors.

5. Notwithstanding the preceding paragraph, as provided for by paragraph 1 of Article 113 of the General Incorporated Associations/Foundations Act, as applied mutatis mutandis by Article 198 of the same act, and by decision of two-thirds of the Councilors competent to participate in the decision of the Board of Councilors, this juristic person may exempt liability of Officers for compensation of damages as provided for by paragraph 1 such that any exemption is limited to a sum obtained by subtracting the sum set forth in item (2) of paragraph 1 of Article 113 of the same act, as applied mutatis mutandis by Article 198 of the same act (hereinafter referred to as “minimum liability sum”) from the sum being the liability for compensation.
6. In the case set forth in the preceding paragraph, the Directors shall disclose the following matters to the Board of Councilors:
 - (1) Facts indicating the responsibility, and the amount of liability for compensation
 - (2) Limit of amount that can be exempted as set forth in paragraph 1 of Article 113 of the General Incorporated Association/Foundations Act, as applied mutatis mutandis by Article 198 of the same act, and the basis of the calculation
 - (3) Amount of exemptions and acceptable justification for exempting responsibility
7. Notwithstanding paragraph 4, as provided for by paragraph 1 of Article 114 of the General Incorporated Associations/Foundations Act, as applied mutatis mutandis by Article 198 of the same act, this juristic person may exempt liability of Officers for compensation of damages, by decision of the Board of Directors, as provided for by paragraph 1 to a sum obtained by subtracting the minimum liability sum from the sum being the liability for compensation.
8. When the Board of Directors decides to exempt Officers of responsibility as set forth in the preceding paragraph, the Directors shall promptly notify the Councilors that they must state their objection within a predetermined time period if they object to a matter or an exemption of responsibility set forth in the items of paragraph 6. Said time period, however, cannot be less than one month.
9. If at least one-tenth of all Councilors state an objection under the preceding paragraph within the time period specified in said paragraph, this juristic person shall not implement said exemption as prescribed by paragraph 7.
10. Notwithstanding paragraph 4, as provided for by paragraph 1 of Article 115 of the General Incorporated Associations/Foundations Act, as applied mutatis mutandis by Article 198 of the same act, this juristic person may conclude a contract, by decision of the Board of Directors, with an external officer(s) (defined as an external director as provided for by item (ii)-b of paragraph 1 of Article 113 of the same act and/or an external auditor as provided for by paragraph 1 of Article 115 of the same act, as applied mutatis mutandis by Article 198 of the same act) for the purposes of limiting liability for compensation of damages in the event that liability for compensation of damages as provided for by paragraph 1 arises under the circumstances prescribed by laws or regulations. However, the limit of the sum representing any liability for compensation based on such a contract shall be the higher of the sum determined in advance to be at least 100,000 yen or the minimum liability sum.

Section 9 – Exercising Voting Rights with respect to Retained Shares or Investments

(Exercising Voting Rights with respect to Retained Shares or Investments)

Article 51 – This juristic person must not exercise voting rights with respect to retained shares or investments.

Section 10 – Operating Committee Members

(Operating Committee Members)

Article 52 – This juristic person shall have Operating Committee members.

2. The Operating Committee members shall consist of the following:
 - (1) Chairman
 - (2) Vice Chairman
 - (3) Directors
 - (4) Persons designated by the Board of Directors from among senior employees of this juristic person
3. The Operating Committee shall be comprised of the Operating Committee members.
4. The Operating Committee shall discuss matters concerning the operation of the juristic person at the request of the Board of Directors and report on such matters to the Board. The Committee also may make proposals to the Board of Directors.
5. The term of appointment of Operating Committee members shall be effective from the time of appointment until completion of the last regular meeting of the Board of Councilors for the fiscal year concluding within two years after appointment. However, reappointment is not precluded.
6. The Operating Committee members shall not be paid remuneration as compensation for the performance of committee member duties.
7. Matters required for the operation of the Operating Committee shall be determined separately by decision of the Board of Directors.

Section 11 – Scientific Advisors

(Constitution)

Article 53 – This juristic person shall have at least 10 Scientific Advisors.

2. The Scientific Advisors shall be selected and appointed by decision of the Board of Councilors, from among those possessed of expert knowledge and experience useful for carrying out the activities of the juristic person. The Scientific Advisors to be appointed shall consist of the same numbers of persons having Japanese nationality and U.S. nationality, respectively, within the limit of the fixed number stipulated in the preceding paragraph.
3. The Scientific Advisory Committee shall be comprised of the Scientific Advisors.
4. The Scientific Advisory Committee shall review the scientific research programs of the juristic person and makes recommendations to the Board of Directors and the Board of Councilors with respect to adoption of new research programs and/or continuation or alteration of programs under progress.

5. Matters required for the operation of the Scientific Advisory Committee shall be determined separately by decision of the Board of Directors and the Board of Councilors.

(Term of Appointment, etc.)

Article 54 – The term of appointment of the Scientific Advisors shall be effective from the time of appointment until completion of the last regular meeting of the Board of Councilors for the fiscal year concluding within five years after appointment.

2. The Scientific Advisors may be reappointed to their posts only when the Board of Councilors expressly deems it necessary.
3. The term of appointment of the Scientific Advisors reappointed as set forth in the preceding paragraph shall be one term only.
4. The term of appointment of Scientific Advisors appointed as replacement Scientific Advisors resigning before expiration of terms of appointment shall expire at the expiration of the terms of appointment of the resigning Scientific Advisors.
5. When the number of Scientific Advisors falls short of the number prescribed by paragraph 1 of the preceding article, Scientific Advisors retiring by reason of expiration of term or resignation shall perform duties until the assumption of office of newly appointed Scientific Advisors.
6. The Scientific Advisors may be paid remuneration as compensation for the performance of duties. Matters required for standards for the payment of remuneration shall be determined separately by decision of the Board of Councilors.
7. The Scientific Advisors may be reimbursed for expenses related to the performance of their duties. Matters required for standards for the reimbursement of such expenses shall be determined separately by decision of the Board of Councilors.

Section 12 – Local Advisors

(Local Advisors)

Article 55 – The juristic person may appoint up to two Local Advisors.

2. Local Advisors shall be appointed by decision of the Board of Councilors in consideration of the specific conditions of the area in which the offices of this juristic person are located.
3. Local Advisors may express their opinions to the Board of Councilors, the Board of Directors or the Chairman at their request.
4. The term of appointment of Local Advisors shall be effective from the time of appointment until completion of the last regular meeting of the Board of Councilors for the fiscal year concluding within two years after appointment. However, reappointment is not precluded.
5. Local Advisors may be paid remuneration as compensation for the performance of duties. Matters required for standards for the payment of remuneration shall be determined separately by decision of the Board of Councilors.
6. Local Advisors may be reimbursed for expenses related to the performance of their duties. Matters required for standards for the reimbursement of such expenses shall be determined separately by decision of the Board of Councilors.

Section 13 – Changes to Articles of Incorporation, Merger and Dissolution

(Changes to Articles of Incorporation)

Article 56 – Changes to these Articles of Incorporation may be undertaken by decision of two-thirds of the Councilors competent to participate in the decision of the Board of Councilors. However, it is not possible to modify the objectives as provided for by Article 3, the activities as provided for by Article 4, the methods of appointment or removal of Councilors as provided for by Article 15, and the donation of remaining amount of the property acquired for public interest purposes as provided for by Article 59.

2. Notwithstanding the preceding paragraph, the objectives as provided for by Article 3, the activities as provided for by Article 4 and the methods of appointment or removal of Councilors as provided for by Article 15 may be modified by decision of three-quarters of the Councilors competent to participate in the decision of the Board of Councilors.
3. Changes to the Articles of Incorporation concerning the matters prescribed in the items of paragraph 1 of Article 11 of the Public Interest Corporations Act (excluding minor changes) require the authorization of the Prime Minister.
4. When changes take place other than those indicated in the preceding paragraph, the Prime Minister shall be notified without delay.

(Merger, etc.)

Article 57 – By decision of two-thirds of the Councilors competent to participate in the decision of the Board of Councilors, this juristic person may merge with a juristic body governed by the General incorporated Associations/Foundations Act, transfer all or part of its activities, or discontinue all public interest activities.

2. When a decision is made to undertake an action outlined in the preceding paragraph, the Prime Minister shall be notified in advance.

(Dissolution)

Article 58 – This juristic person shall be dissolved due to failure of the business that is defined as the mission of this juristic person from loss or destruction of permanent property or due to occurrence of a reason for dissolution prescribed by laws or regulations.

2. When the juristic person is dissolved by reasons prescribed in the preceding paragraph other than merger, its liquidator (or bankruptcy trustee in the event that the dissolution is caused by a ruling of commencement of bankruptcy proceedings) shall notify the Prime Minister in writing of such fact within one month after the date of dissolution.
3. When the period under paragraph 1 of Article 233 of the General incorporated Associations/Foundations Act has passed, the liquidator shall without delay notify the Prime Minister of the prospect for delivery of the residual property. The same shall apply in the event that any change arises in such a prospect.
4. When the liquidation is completed, the liquidator shall without delay notify the Prime Minister in writing of the completed liquidation.

(Donation of Remaining Amount of Property Acquired for Public Interest Purposes)

Article 59 – When this juristic person receives a disposition of cancellation of public interest authorization or is dissolved as a result of merger (excluding cases in which a successor juristic person is also a public interest corporation), any remaining amount of the property acquired for public interest purposes shall be donated pursuant to decision of the Board of Councilors within one month of the day of merger or cancellation of public interest authorization to the Japanese national government, a Japanese regional public body, or a juristic person as set forth in item (xvii) of Article 5 of the Public Interest Corporations Act that is a juristic person such as a public interest corporation pursuant to paragraph 1 of Article 40 of the Special Taxation Measures Act.

(Reversion of Residual Property)

Article 60 – When there is residual property upon liquidation of the juristic person such property shall be donated by decision of the Board of Councilors to the Japanese national government or a Japanese regional public body or juristic person as set forth in item (xvii) of Article 5 of the Public Interest Corporations Act that is a juristic person such as a public interest corporation pursuant to paragraph 1 of Article 40 of the Special Taxation Measures Act.

Section 14 – Secretariat

(Secretariat)

Article 61 – This juristic person shall have a Secretariat for the performance of business.

2. The Secretariat shall have a Chief of the Secretariat and a necessary number of employees.
3. The Chief of the Secretariat shall be appointed and removed by the Chairman upon approval of the Board of Directors.
4. The Chief of the Secretariat shall be directed and supervised by the Chairman and shall oversee the business of the Secretariat.
5. Matters required for the operation and organization of the Secretariat shall be determined separately by the Chairman upon decision of the Board of Directors.

(Provision of Accounts and Documents)

Article 62 – The accounts and documents set forth hereunder shall be maintained in the offices of this juristic body as prescribed by laws, regulations or these Articles of Incorporation.

- (1) Articles of Incorporation
- (2) List of Councilors and Officers
- (3) Documents for plans of activities
- (4) Documents for budget estimates
- (5) Documents stating outlook for raising capital and capital investment
- (6) Minutes of meetings of the Board of Councilors and Board of Directors
- (7) Balance sheets
- (8) Statements of changes in net assets
- (9) List of property
- (10) Report of activities

- (11) Appended documents to balance sheets, statements of changes in net assets and report of activities
 - (12) Audit reports
 - (13) Documents indicating an outline of activities and organizational operation and important related figures
 - (14) Documents indicating standards for payment of remuneration, etc. for Councilors and Officers
 - (15) Other accounts and documents required by laws or regulations
2. Matters required for access to the accounts and documents prescribed in each of the items of the preceding paragraph shall be determined separately as set forth in paragraph 2 of Article 64 in accordance with provisions of laws and regulations.

Section 15 – Employees

(Research Staff Members and Other Employees)

Article 63 – This juristic person shall have employees including research staff members.

2. The research staff members and other employees shall be appointed or removed by the Chairman in a manner to be decided by the Board of Directors. However, significant employees shall be appointed or removed by the Chairman with the approval of the Board of Directors.

Section 16 – Disclosure of Information and Method of Public Notice, etc.

(Disclosure of Information)

Article 64 – To promote fair and open activities, the juristic person shall actively disclose information on the status of its activities, contents of its operations, and financial documents.

2. Matters required for the disclosure of information shall be determined separately by decision of the Board of Directors.

(Protection of Personal Information)

Article 65 – This juristic person shall make maximum efforts to protect personal information obtained through its activities by strictly observing the applicable laws and regulations concerning protection of personal information.

2. Matters required for the protection of personal information shall be determined separately by decision of the Board of Directors.

(Protection of Study Subjects)

Article 66 – In the conduct of medical research on human subjects, the juristic person shall follow relevant laws and regulations concerning research ethics applicable to such research and adopt every possible measure for the protection of study subjects.

2. Matters required for the protection of study subjects shall be determined separately by decision of the Board of Directors.

(Method of Public Notice)

Article 67 – The public notice of this juristic person shall be by a method of posting to a readily visible location at the principal office of the juristic person.

Section 17 – Miscellaneous

(Delegation)

Article 68 – In addition to matters as provided for by these Articles of Incorporation, matters necessary for the operation of the juristic person shall be determined separately by the Chairman after decision of the Board of Directors.

Supplementary Provisions

1. These Articles of Incorporation will take effect from the date of registration of establishment as a public interest corporation as stipulated in paragraph 1 of Article 106 of the Act Serving as a Complement to Related Laws that Accompany Enactment of the Act on Authorization of Public Interest Incorporated Associations and Public Interest Incorporated Foundations and the Act on General Incorporated Associations and General Incorporated Foundations (Complementary Act on General Incorporated Associations and General Incorporated Foundations).
2. When registering the dissolution of an exceptional juristic person and registering the establishment of the public interest corporation pursuant to paragraph 1 of Article 106 of the Complementary Act on General Incorporated Associations and General Incorporated Foundations, notwithstanding Article 13, the day before the day recorded as the date of registration of dissolution will be regarded as the last day of the fiscal year, and the day recorded as the date of registration of establishment will be regarded as the first day of the fiscal year.
3. The Directors and Auditors on the day recorded as the date of registration of establishment of this juristic person are as follows.
Directors Toshiteru Okubo Roy E. Shore Takanobu Teramoto
Auditors Takashi Kohno David Williams
4. The Chairman, Vice Chairman/Executive Director, and Executive Director on the day recorded as the date of registration of establishment of this juristic person are as follows.
Chairman (Representative Director) Toshiteru Okubo
Vice Chairman/Executive Director Roy E. Shore
Executive Director Takanobu Teramoto
5. The Councilors on the day recorded as the date of registration of establishment of this juristic person are as follows.
Masaaki Kuniyasu
Yasuhito Sasaki
Hiroo Dohy
Ohtsura Niwa
James D. Cox
Shelley A. Hearne

Jonathan M. Samet

James W. Ziglar

6. The Scientific Advisors on the day recorded as the date of registration of establishment of this juristic person are as follows.

Katsushi Tokunaga

Kiyoshi Miyagawa

Kazuo Sakai

Kazuo Tajima

Shunichi Yamashita

Michael N. Cornforth

John J. Mulvihill

Sally A. Amundson

Marianne Berwick

David G. Hoel

List of Property

Separate Table 1 Permanent Property (refer to Article 5)

Type of Property	Address and Dimensions
Building	
Hiroshima Laboratory	7,847 m ² Location: 5-2 Hijiyama Park, Minami-ku, Hiroshima City, Japan
Hijiyama Hall	1,386 m ² Location: 5-1 Hijiyama Park, Minami-ku, Hiroshima City, Japan
Nagasaki Laboratory	2,643 m ² (Co-ownership interest: 1/2) Location: 8-6 Nakagawa 1-chome, Nagasaki City, Japan