Dear Members,

Pursuant to the article 6-4 of the Constitution, I will report the settlement of accounts and the annual report of activities in the 2002 fiscal year as follows.

Hiroshi TANAKA President, Digital Biocolor Society

A. Statement of accounts*1

Term: From January 1, 2002 to December 31, 2002

| Income (the unit is Japanese yen) | |
|----------------------------------------|---------|
| Balance brought forward | 197,012 |
| Income from enterprises | 0 |
| Donation *2 | 300,000 |
| Interest | 17 |
| Total | 497,029 |
| Expenditure (the unit is Japanese yen) | |
| Expenditure for enterprises *3 | 231,397 |
| Balance carried forward | 265,632 |
| Total | 497,029 |

*1 Comments of the Auditors were omitted because no election for them has been made.

*2 SGI Japan, Ltd.

*3 Expenses of the 4th Symposium of the 'Color' of Digital Imaging in Biomedicine

B. Annual report of activities

1. The sixth issue of Digital Biocolor News, an electronic newspaper of the Society, was published and more 10 issues followed in this year.

2. The second issue of Digital Biocolor Journal, an electronic journal of the Society, was published on October 2, 2002.

3. The 4th Symposium of the 'Color' of Digital Imaging in Biomedicine was successfully held on July 27-28, 2002 at Shodoshima International Hotel, Kagawa, Japan. 11 attendees gathered and all of them reached a consensus so that they got together in one group and proposed a unanimous research plan. In accordance with it, the Society has successfully arranged to apply for a grant offered by the Japan Society for the Promotion of Science (JSPS) for the coming fiscal year.

4. According to a proposal formulated and endorsed at the 4th Symposium, some members of the Society got an opportunity to visit the New Energy and Industrial Technology Development

Organization (NEDO) and explain our research to obtain funds for promoting it.

5. The first informal gathering for preparation of joint research projects was successfully held by 18 attendees (five from the academic field, 13 from companies) on Nov. 29, 2002 at Department of Information and Image Sciences, Chiba University.

6. Pursuant to the article 5-4 of the Constitution, successors of the half of the Executive Directors whose terms of office terminate at the end of the fiscal year 2002 are elected.

Concluded.