

# Articles of Incorporation

NIRAKU GC HOLDINGS, INC.

Established January 4, 2013  
Amended June 25, 2014  
Amended March 16, 2015

## **Articles of Incorporation**

### **Chapter 1 General Provisions**

#### **Article 1 (Trade Name)**

The company shall be called “Kabushiki Gaisha NIRAKU GC HOLDINGS” in Japanese and “NIRAKU GC HOLDINGS, INC.” in English (the “Company”).

#### **Article 2 (Purpose)**

The purpose of the Company shall be to engage in the following lines of business, and to own shares or equity interests in companies engaged in the following lines of business and in foreign companies engaged in the lines of business equivalent to the following lines of business, directly or indirectly, and thereby control and manage the businesses activities of such companies or foreign companies, prepare planning of the management strategy, supervise the management execution, give management advice, and develop the supplemental business thereof, etc.:

- (1) Operation of recreation halls and recreational facilities;
- (2) Management of hotels, coffee shops, bars and restaurants;
- (3) Sale of cigarettes, foods and daily necessities;
- (4) Renting and management of real estate and management of parking spaces;
- (5) Non-life insurance agency;
- (6) Life insurance agency;
- (7) Management guidance and commissioned business for various companies;
- (8) Advertising business and advertising agency; and
- (9) Any and all business incidental to those mentioned in any of the foregoing items.

#### **Article 3 (Location of Head Office)**

The Company has its head office in Koriyama City, Fukushima Prefecture.

#### **Article 4 (Corporate Governance)**

In addition to holding a shareholders meeting and having directors, the Company has the following organs:

- (1) board of directors;
- (2) nomination committee, audit committee and remuneration committee;

- (3) executive officer; and
- (4) accounting auditor.

#### Article 5 (Method of Public Notice)

1. Public notices of the Company shall be given electronically.
2. Provided, however, that if the Company is prevented from giving public notice electronically due to an accident or other cause outside of its control, public notice of the Company shall be given by publication in the *Nihon Keizai Shimbun*, *South China Morning Post* and *Hong Kong Economic Journal*.

### Chapter 2 Shares

#### Article 6 (Total Number of Authorized Shares)

The total number of shares authorized to be issued by the Company is 2 billion shares.

#### Article 7 (Class of Shares)

The Company shall not issue any class of shares other than common shares.

#### Article 8 (Determination of Subscription Requirements of the Shares, the Share Option and Bond with Share Option, Consolidation and Splitting of Shares, and Reduction of Amount of Stated Capital)

1. The Subscription Requirements (*boshu jiko*) (as defined in Article 199, Paragraph 2 or Article 238, Paragraph 1 of the Companies Act. or, in cases where entitlement to allotment of Shares, etc. is granted to shareholders, including matters provided for in Article 202, Paragraph 1 or Article 241, Paragraph 1 of the Companies Act, hereinafter the same) of shares, share option and bond with share option (collectively, “Shares, etc.”) shall be determined by an ordinary resolution of the shareholders meeting, except that, in the circumstances where an issuance of the Shares, etc. is made on the price especially favorable (including terms especially favorable in case that no payment is required in exchange for share option or bond with share option for subscription, hereinafter the same) for the subscriber of the issued Shares, etc., a special resolution of the shareholders’ meeting shall be required.
2. Share consolidation shall be determined by a special resolution of the shareholders meeting, and share splitting shall be determined by an ordinary resolution of the shareholders’ meeting.
3. The amount of stated capital shall not be reduced unless resolved by three-fourth or more of the voting rights of shareholder(s) attending at the shareholders meeting where the shareholders holding a majority of the votes of shareholders entitled to exercise their votes are present.

4. Notwithstanding to paragraph 1 of this Article, the Subscription Requirements may be mandated to the board of directors through an ordinary resolution or, in case of issuance on a price especially favorable, a special resolution of the shareholders meeting; provided however that (i) such resolution shall prescribe (a) the maximum number of the shares for subscription and the minimum amount to be paid (including the method for calculating the minimum amount to be paid except for the case of issuance on a price especially favorable) in in case of shares for subscription or (b) the terms of share option, the maximum number of share options and the minimum amount to be paid in in exchange for share option (or the fact that no payment is required as applicable) in case of share option or bond with share option for subscription and (ii) such mandate shall be effective for (a) shares for subscription whose payment date (or end of payment period) shall be within 1 year from such resolution or (b) share option or bond with share option for subscription whose allotment date shall be within 1 year from such resolution.
5. Notwithstanding to any other provisions of these Articles of Incorporation, any of the followings shall require an approval of shareholders meeting by 90% of the votes of shareholders present at the meeting where the shareholders holding a majority of the votes of shareholders entitled to exercise their votes are present:
  - (i) a merger pursuant to which any shares of the surviving (or consolidated) company is not provided to all the shareholders who in aggregate own less than 50% of the votes (the “Minority Shareholders”);
  - (ii) a share exchange pursuant to which no shares of the wholly-owned parent company is provided to all the Minority Shareholders;
  - (iii) a share transfer pursuant to which no shares of the wholly- owned parent company is provided to all the Minority Shareholders;
  - (iv) a consolidation of Shares pursuant to which only fractional shares are provided to all the Minority Shareholders; or
  - (v) an amendment of Article 7 or this paragraph of these Articles of Incorporation.

#### Article 9 (Acquisition of Treasury Shares)

1. Subject to the procedure required under the rules of the stock exchange on which the securities of the Company are listed (the “Listing Rules”), the Company may acquire treasury shares (by transacting in the “Market etc” as defined in Article 165, Paragraph 1 of the Companies Act) pursuant to a resolution of the board of directors in accordance with Article 165, Paragraph 2 of the Companies Act.
2. The Company shall without delay cancel treasury shares acquired by the Company through the resolution of the board of directors or decision of executive officer(s) authorized by the board of directors, if such cancellation is required under the Listing Rules.

#### Article 10 (Issuance of Share Certificates)

1. The Company shall issue share certificates for its shares.
2. All the certificates issued by the share register on behalf of the Company in the jurisdiction on which the Company's shares are listed shall be in the registered form with the name(s) and address(es) of the shareholder(s) imprinted thereon.
3. All share certificates shall be under seal of the company (the "Seal") or with the Seal printed thereon and shall specify the number and share certificate number (if any) of the shares to which it relates and may otherwise be in such form as the board of directors may from time to time determine.
4. The Seal shall only be affixed with the authority of the board of directors from time to time.

#### Article 11 (Limitation on Registration on Share Registry in Case of Joint Ownership of Shares)

Shares of the Company may be owned jointly however, the number of the persons whose names can be registered as joint owners in the share registry shall be limited to four persons.

#### Article 12 (Registration of Share Transfers)

1. Transfer of shares or creation of pledge on shares shall not be perfected unless the name and address of the person who acquires those shares or pledge is stated or recorded in the share registry. The Company shall not approve the exercise of shareholder's right unless his/her name is stated or recorded in the share registry.
2. The statement and recording in the share registry provided for in the immediately preceding paragraph shall be subject to a fee which is determined in accordance with the prevailing market rates but shall in any event not exceed the maximum fees prescribed by the Listing Rules.
3. Any entry and record made in the share register is subject to the following:
  - (i) the Company will issue share certificates in registered form with the names and addresses of the shareholders imprinted thereon;
  - (ii) any person seeking to have his name and address recorded as a shareholder in the share register must present an instrument of transfer and/or a contract note duly stamped pursuant to the Stamp Duty Ordinance in Hong Kong and executed by such person (as transferee) and the original holder of the relevant shares (as transferor) whose name(s) appear on the relevant share certificate and the share register;
  - (iii) the Company will regard a standard transfer form customarily adopted by listed companies on the stock exchange on which the securities of the Company are listed or a transfer form printed at the back of the share certificates as an acceptable instrument of transfer and/or a contract note referred to in rule (ii) above;
  - (iv) where the transferor or transferee is a clearing house, execution by hand or

machine-imprinted signature will be accepted for the purpose of rules (ii) and (iii) above;  
and

(v) the share register maintained in Hong Kong will be the sole and principal share register of the Company.”

4. For the purpose of any transfer document (in the usual or common form or in a form prescribed by the Stock Exchange or in any other form approved by the Board) which may be executed by the shareholders from time to time, where a shareholder is a clearing house, execution of any such transfer document by hand or machine imprinted signature may be accepted by the Company. Where a shareholder is a clearing house, it is perpetually exempted from the requirement of declaring the nationality or identity of the beneficial owners of the shares who hold their interests through such clearing house for the purpose of subscribing any shares or executing any transfer document.

#### Article 13 (Inspection and Copying of the Share Registry)

1. A shareholder or creditor may request to inspect or receive a copy of the share registry in accordance with the Companies Act.
2. The Company shall allow, to the extent allowed under the Law on Protection of the Personal Information, inspection and copying of the share registry by national or district governmental agencies or any other third party.

#### Article 14 (Transfers of Shares)

Transfer of any shares of the Company shall be free from any restriction or limitation and do not require approvals from the board of directors or shareholders’ meeting.

#### Article 15 (Administrator of Shareholder Registry)

1. The Company shall retain an administrator of its shareholder registry.
2. The administrator of the shareholder registry and the location of its administration shall be determined by resolution of the board of directors or by determination of an executive officer delegated by resolution of the board of directors.
3. The Company shall delegate the preparation and keeping of the shareholder registry and the share option registry and the lost share certificates registry, and other activities relating to the shareholder registry and the share option registry and the lost share certificates registry to the administrator of the shareholder registry, and shall not handle such matters itself.

## Article 16 (Share Handling Regulations)

Procedures and charges relating to the handling of the shares and the share options of the Company shall be governed by applicable laws and regulations, these Articles of Incorporation, and the Company's Share Handling Regulations approved by the board of directors or by an executive officer delegated by resolution of the board of directors.

## Article 17 (Limitation on Power to Sell Shares of Untraceable Shareholders)

Where power is exercised to sell the shares of a shareholder who is untraceable under the Companies Act, the Company shall not exercise such power unless (a) during a period of 12 years at least three dividends in respect of the shares in question have become payable and no dividend during that period has been received; and (b) on expiry of the 12 years the Company notifies any stock exchange on which the Company is listed of such intention and gives notice of its intention to sell the shares by way of an advertisement published in a newspaper in both Japan and the place of the stock exchange on which its shares are listed.

## Chapter 3 Shareholders Meeting

### Article 18 (Convocation and the Place where Shareholders Meetings are Held)

1. An annual shareholders meeting of the Company shall be convened within three months from the day immediately following the end of each fiscal year and an extraordinary shareholders meeting shall be convened whenever necessary.
2. The Company shall announce the date on which a shareholders meeting is planned to be held no less than 10 weeks prior to such date on the Company's website or the website of the stock exchange on which the Company is listed.

### Article 19 (Record Date)

1. The Company may, by specifying the record date, designate shareholders whose names appear on the shareholder registry as at such record date as those who are entitled to exercise their voting rights at a relevant shareholders meeting.
2. Where the Company specifies the record date as described in the preceding paragraph, the Company shall give public notice of such record date and the fact that those shareholders whose names appear on the shareholder registry as at such record date are entitled to exercise their voting rights at a relevant shareholders meeting no less than 2 weeks prior to such record date.

### Article 20 (Persons Authorized to Convene Meetings; Chairman of Shareholders Meetings)

1. Shareholders meetings of the Company shall be convened by the director designated by the board of directors in advance pursuant to resolution of the board of directors unless otherwise provided by applicable laws or regulations; provided, however, that in cases where such director is unable to so act, the next director in line according to the order of succession stipulated in advance by resolution of the board of directors shall convene shareholders meetings.

2. The chairman of shareholders meetings shall be a director or an executive officer pre-determined by the board of directors; provided, however, that if such director or executive officer is unable to so act, the next director or executive officer in line according to the order of succession stipulated in advance by resolution of the board of directors shall act as the chairman of such meetings.
3. The six (6) months' voting rights holding period requirements provided for in Articles 297 (right to request convocation of shareholders meeting), 303 (right to request for addition of agenda) and 305 (right to request notification of a proposal) shall be changed and it is sufficient to hold voting right at the time of request.

#### Article 21 (Notice to Shareholders)

1. The Company shall be deemed to have provided its shareholders with information regarding relevant matters required to be described or presented in reference documents for shareholders meetings, business reports, financial statements and consolidated financial statements by posting them on its website in accordance with applicable Ordinance of the Ministry of Justice when giving notice to call shareholders meetings.
2. The directors' report, accompanied by the balance sheet (including every document required by law to be annexed thereto) and profit and loss account or income and expenditure account; or the summary financial report shall, at least 21 days before the date of each annual shareholders' meeting, be sent by post to the registered address of every registered shareholder in accordance with the Listing Rules.
3. Notice of convocation of a shareholder' meeting shall be sent to each shareholder no later than 21 days prior to the date of such shareholders' meeting.
4. The Company shall give notice sufficient to enable shareholders, whose registered addresses are in the place of the stock exchange on which the Company is listed ("Listing Place"), to exercise their rights or comply with the terms of the notice. The Company shall not be released from its obligation under the Companies Act or any other applicable laws and regulations to give notice to any shareholder for the reason that such shareholder's registered address is outside the Listing Place.
5. In cases where notices or demands from the Company do not reach a shareholder for five consecutive years or more, the Company shall no longer be required to give notices or issue demands to such shareholder under the Companies Act.

#### Article 22 (Method of Resolutions at Shareholders Meetings)

1. Unless otherwise prescribed by applicable laws or regulations or by these Articles of Incorporation, resolutions at shareholders meetings shall be passed by majority vote of the shareholders present at the meeting where the shareholders holding majority of the votes of shareholders entitled to vote are present.

2. Unless otherwise prescribed by these Articles of Incorporation, a resolution at a shareholders meeting stipulated in Article 309, Paragraph 2 of the Companies Act shall be passed by two-thirds or more of the votes of shareholders present at the meeting where the shareholders holding one-third or more of the votes of shareholders entitled to vote are present.
3. The Company must count the number of voting rights actually voted by each shareholder (or their respective proxy and/or representative) attending at the shareholders meeting in counting the votes at the shareholders meeting.
4. Where a shareholder has casted a written vote, regardless of whether such written vote was casted in favor or against the original matter or abstained, his/her vote will be counted as abstention from any last-minute amendment thereof.

#### Article 23 (Voting by Proxy or representative of shareholder)

1. A shareholder may exercise voting rights through a proxy appointed by such shareholder. A shareholder who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his/her behalf at a shareholders meeting. There is no restriction on the identity and qualification of a proxy or representative. A proxy or representative representing either a shareholder who is an individual or a shareholder which is a corporation shall be entitled to exercise the same powers on behalf of the shareholder which he/she or they represent as such shareholder could exercise.
2. If that shareholder provided for in the immediately preceding paragraph is a recognised clearing house as defined under the laws of the Listing Place or its nominee(s), it may authorise one or more than one person(s) as it thinks fit to act as its representative(s) or proxy(ies) at any shareholders' meetings; provided that, if more than one person is so authorised, the authorisation or proxy form must specify the number of shares in respect of which each such person is so authorised. The person so authorised will be deemed to have been duly authorised without the need of producing any share certificates, notarised authorisation and/or further evidence for substantiating the facts that it is duly authorised and will be entitled to exercise the same power on behalf of the recognised clearing house as that clearing house or its nominee(s) could exercise if it were an individual shareholder of the Company.
3. In the case described in the preceding two paragraphs, a document evidencing authority to act as a proxy shall be submitted to the Company at each relevant shareholders meeting by the relevant shareholder or proxy.
4. Where the Company issues form of proxy for a shareholders' meeting, such instrument may be in any usual or common form or in any other form which the board of directors may approve, provided that this shall not preclude the use of the two-way form, and shall be expressed to be valid for a particular meeting or generally until revoked and a space for voting "yes" or "no" with respect to each resolution shall be set out for each agenda for such meeting. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his/her attorney duly authorised in writing, or, if the appointor is a corporation, either under seal, or under the hand of an officer or attorney duly authorised.

#### Article 24 (Minutes of Shareholders Meetings)

Minutes in which matters prescribed by applicable laws and regulations are stated shall be prepared with respect to the proceedings of the shareholders meetings.

#### Article 25 (Addition to the Matters Required to Be Resolved by the Shareholders' Meeting)

Any matters that are required to be resolved by the shareholders' meeting under the Listing Rules and/or the Codes on Takeovers and Mergers and Share Buy-backs of the Listing Place (the "Takeovers Code") shall be resolved by the shareholders meeting.

#### Article 26 (Requirements for Implementation of the Transactions etc. Subject to the Shareholders Resolutions Pursuant to the Listing Rules and Takeovers Code)

Where a transaction or arrangement or contract or other matter is required to be approved by the shareholders meeting under the Listing Rules and/or the Takeovers Code:

- (1) a shareholders meeting shall be convened to seek the shareholders' approval of such matter;
- (2) the Share Register shall count the votes casted at the said shareholders meeting in accordance with the criteria and requirements under the Companies Act;
- (3) the Company shall appoint its compliance adviser or another independent financial or legal adviser to review the votes counted by the Share Register and confirm that the resolution would have been duly passed if the votes cast had excluded the votes of the shareholders that would otherwise be required to be abstained or otherwise uncounted under the Listing Rules and/or the Takeovers Code; and
- (4) the shareholders' approval referred to in item (2) above and the confirmation referred to in item (3) above shall be made conditions precedent of the relevant agreement and the Company shall implement such matter only if both conditions have been satisfied.

### Chapter 4 Directors and the Board of Directors

#### Article 27 (Number of Directors)

1. The Company shall have no more than ten (10) directors.
2. The number and the composition of the board of directors shall comply with the requirements under the Companies Act and the Listing Rules.

#### Article 28 (Method of Election and Dismissal of Directors)

1. The directors shall be elected at a shareholders meeting.

2. Resolutions for the election of directors shall be passed by majority vote of shareholders present at the meeting where the shareholders holding one-third or more of the votes of shareholders entitled to vote are present.
3. Directors shall not be elected by cumulative voting.
4. Resolutions for the dismissal of director(s) shall be passed by an ordinary resolution of the shareholders meeting before the expiration of the period of duty of such dismissed directors, regardless of the duty and capacity of such director(s) in the Company.
5. The Company shall, with each director, enter into a written service contract. Any claim under such service contract shall not be affected whatsoever by the dismissal of the director pursuant to the immediately preceding paragraph.
6. Except as permitted under both the Companies Act and the company laws of the Listing Place (if the Company were a public company incorporated therein), the Company shall not directly or indirectly:
  - (i) make a loan to a director or a director of any holding company of the Company or to any of their respective associates (as defined by the Listing Rules);
  - (ii) enter into any guarantee or provide any security in connection with a loan made by any person to such a director; or
  - (iii) if any one or more of the directors hold (jointly or severally or directly or indirectly) a controlling interest in another company, make a loan to such company or enter into any guarantee or provide any security for such company.
7. Subject to compliance with both the Companies Act and the company laws of the Listing Place (if the Company were a listed company incorporated therein), the Company may give financial assistance for the purpose of or in connection with a purchase made or to be made by any person of any shares in the Company.

#### Article 29 (Term of Office of Directors)

1. The term of office of each director shall expire at the close of the annual shareholders meeting relating to the most recent business year ending within one (1) year following the election of such director.
2. The term of office of a director elected in order to increase the number of directors or to fill a vacancy shall conclude simultaneously with the conclusion of the term of office of the other current directors.

#### Article 30 (Powers of the board of directors)

The board of directors shall be composed of directors and shall make decisions relating to important matters in connection with the execution of business operations in addition to matters prescribed by applicable laws and regulations or by these Articles of Incorporation, as well as supervise directors and executive officers in the performance of their duties.

#### Article 31 (Chairman of the Board)

The board of directors shall appoint one (1) chairman of the board by its resolution.

#### Article 32 (Persons Authorized to Convene Board Meetings; Chairman of the Board)

1. Meetings of the board of directors shall be convened by the chairman of the board, who shall act as the chairman at meetings of the board of directors, unless otherwise provided by applicable laws or regulations.
2. In cases where the chairman of the board is vacant or unable to so act, another director shall convene the meetings of the board of directors and act as the chairman at meetings of the board of directors in the order of succession stipulated in advance by resolution of the board of directors.
3. Notwithstanding the provisions of the preceding two (2) paragraphs, the directors constituting the nomination committee, the audit committee and the remuneration committee who are appointed to do so by each committee may convene the meetings of the board of directors.
4. Notwithstanding the provisions of the preceding three (3) paragraphs, executive officers may convene the meetings of the board of directors where permitted to do so pursuant to applicable laws and regulations.

#### Article 33 (Notice of Board Meetings)

1. Each notice for convening a meeting of the board of directors shall be sent to each director by no later than three (3) days prior to the date of the meeting; provided, however, that such period may be shortened in the event of an emergency.
2. A meeting of the board of directors may be held without conducting due convocation procedures, by unanimous consent of the directors.

#### Article 34 (Method of Resolution at Board Meetings, etc.)

1. Resolutions at meetings of the board of directors shall be passed by majority vote of the directors present at the meeting where a majority of all directors entitled to vote are present.

2. Notwithstanding the provision of the preceding paragraph, a resolution of the board of directors shall be deemed to have been adopted by the Company when the requirements prescribed in Article 370 of the Companies Act have been fulfilled.
3. A director shall not vote on any resolution of the board of directors approving any contract or arrangement or any other proposal in which he/she or any of his/her close associates (as defined by the Listing Rules) has a special interest or a material interest as explained under the Listing Rules nor shall he/she be counted in the quorum present at the meeting, unless otherwise permitted under both of the Companies Act and the Listing Rules.

#### Article 35 (Regulations of the board of directors)

Matters concerning the board of directors shall be governed by applicable laws and regulations, by these Articles of Incorporation and by the regulations of the board of directors adopted by the board of directors.

#### Article 36 (Remuneration of Directors)

Financial benefits of directors received from the Company as consideration for the execution of duties, including remuneration and bonuses shall be determined by resolution of the remuneration committee.

#### Article 37 (Minutes of Meetings of the board of directors)

Minutes in which matters prescribed by applicable laws and regulations are stated shall be prepared with respect to the proceedings of the meetings of the board of directors, which shall be signed and sealed, or electronically signed, by all directors present.

#### Article 38 (Exemption of Directors from Liability)

1. Pursuant to Article 426, Paragraph 1 of the Companies Act, the Company may, by a resolution of the board of directors, exempt any directors (including any former directors) from any liability of compensation for damages prescribed under Article 423, Paragraph 1 of the Companies Act to the extent provided under applicable laws and regulations.
2. The Company may enter into contracts with outside directors to the effect that the liability of compensation for damages under Article 423, Paragraph 1 of the Companies Act shall be limited pursuant to Article 427, Paragraph 1 of the Companies Act; provided, however, that the limit of the liability amount based of such contracts shall be the amount provided for in applicable laws and regulations.

## Chapter 5 Committee

### Article 39 (Appointment of Members)

1. The nomination committee, the audit committee and the remuneration committee shall be composed of three (3) or more directors and the majority thereof shall be outside directors.
2. The members of each committee shall be appointed and dismissed by resolution of the board of directors. The composition of each committee shall, from time to time, comply with the requirements under both the Companies Act and the Listing Rules.

### Article 40 (Minutes of each committee)

A summary of, and description of the outcome of, the proceedings of each meeting of each committee and other matters prescribed by applicable laws and regulations shall be stated or recorded in minutes, which shall be signed and sealed, or electronically signed, by all committee members present.

### Article 41 (Matters Concerning the committee)

The matters concerning each committee shall be governed by applicable laws and regulations, these Articles of Incorporation, and the rules determined by the board of directors.

## Chapter 6 Executive Officers

### Article 42 (Number of Executive Officers)

The Company shall have no more than ten (10) executive officers.

### Article 43 (Election of Executive Officers)

Executive officers shall be elected by resolution of the board of directors.

### Article 44 (Term of Office of Executive Officers)

1. The term of office of the executive officers shall expire at the close of the first meeting of the board of directors convened following the close of the annual shareholders meeting relating to the most recent business year ending within one (1) year following their election.
2. The term of office of an executive officer elected in order to fill a vacancy or to increase the number of executive officers shall conclude simultaneously with the conclusion of the term of office of the other current executive officers.

#### Article 45 (Chief Executive Officer)

The board of directors shall appoint the Chief Executive Officer by its resolution from among executive officers.

#### Article 46 (Executive Officers with Titles)

1. The board of directors may, by its resolution, appoint one (1) chairman and the executive officer, and one (1) president and the executive officer, and vice presidents and executive officers, senior managing executive officers and managing executive officers.
2. The division of duties, command system and other matters concerning relationships among executive officers may be determined by the board of directors.

#### Article 47 (Remuneration of Executive Officers)

1. Executive officers' remuneration shall be determined by resolution of the remuneration committee.
2. If an executive officer concurrently serves as an employee of the Company, including as a manager, remuneration arising out of such concurrent post shall be determined by resolution in the same manner described in the preceding paragraph.

#### Article 48 (Exemption of Executive Officers from Liability)

Pursuant to Article 426, Paragraph 1 of the Companies Act, the Company may, by resolution of the board of directors, exempt any executive officers (including any former executive officers) from any liability of compensation for damages prescribed under Article 423, Paragraph 1 of the Companies Act to the extent provided under applicable laws and regulations.

#### Article 49 (Matters concerning Executive Officers)

1. The Company may have a board of executive officers.
2. The matters concerning executive officers shall be governed by applicable laws and regulations, these Articles of Incorporation, and the rules determined by the board of directors.

### Chapter 7 Accounting Auditors

#### Article 50 (Method of Election of Accounting Auditors)

1. The accounting auditor shall be elected at a shareholders meeting.
2. Resolutions for the election of accounting auditor shall be passed by majority vote of shareholders present at the meeting where the shareholders holding one-third or more of the votes of shareholders entitled to vote are present.

#### Article 51 (Term of Office of Accounting Auditors)

1. The term of office of accounting auditor shall expire at the close of the annual shareholders meeting for the most recent business year ending within one (1) year following their election.
2. Unless otherwise resolved at the annual shareholders meeting described in the preceding paragraph, accounting auditor shall be deemed reappointed at such meeting.

#### Article 52 (Remuneration of Accounting Auditors)

Accounting auditor's remuneration shall be determined with the consent of the audit committee.

#### Article 53 (Exemption of Accounting Auditors from Liability)

1. Pursuant to Article 426, Paragraph 1 of the Companies Act, the Company may, by resolution of the board of directors, exempt any accounting auditor (including any former accounting auditor) from any liability of compensation for damages prescribed under Article 423, Paragraph 1 of the Companies Act to the extent provided under applicable laws and regulations.
2. The Company may enter into contracts with accounting auditor to the effect that the liability of compensation for damages under Article 423, Paragraph 1 of the Companies Act shall be limited pursuant to Article 427, Paragraph 1 of the Companies Act; provided, however, that the limit of the liability amount based of such contracts shall be the amount provided for in applicable laws and regulations.

### Chapter 8 Accounting

#### Article 54 (Business Year)

Each business year of the Company shall commence on April 1 of such year and end on March 31 of the following year.

#### Article 55 (Body Determining Dividends Payable out of Surplus, etc.)

1. The Company may decide the matters prescribed in items 2 to 4 of Article 459, Paragraph 1 of the Companies Act, such as dividends payable out of surplus, by resolution of the board of directors, unless otherwise provided in applicable laws or regulations.
2. The matters provided for in the preceding paragraph shall not be determined by resolution at shareholders meetings unless stipulated otherwise by applicable laws and regulations.

#### Article 56 (Record Date for Dividends Payable out of Surplus)

1. The Company may, by specifying the record date, designate shareholders whose names appear on the shareholder registry as at such record date as those who are entitled to receive dividends paid out of surplus (the "Record Date Shareholders").

2. Where the Company specifies the record date in the case of the preceding paragraph, the Company shall make public notice of such record date and the entitlements of the Record Date Shareholders to receive dividends paid out of surplus at least 2 weeks prior to such record date.

Article 57 (Statute of Limitations for Dividends Payable out of Surplus, etc.)

1. The Company may not forfeit any unreceived dividend until the lapse of six years after the date of declaration of such dividend.
2. Interest shall not accrue on unpaid dividends.

Chapter 9 Supplementary Provisions

Article 58 (First Business Year)

Notwithstanding the provisions of Article 54 (Business Year) of these Articles of Incorporation, the first business year of the Company shall be a year falling between the date of incorporation of the Company and 31 March 2013.

Article 59 (Transition Measure on Convocation Notice of the Shareholders Meeting)

1. Paragraph 2 of Article 18 shall not be applied to the annual shareholders meeting to be held in 2015.