

Articles of Incorporation

Tosei Corporation

Revised on April 27, 1952
Revised on January 27, 1975
Revised on November 1, 1976
Revised on February 12, 1983
Revised on November 1, 1983
Revised on January 26, 1984
Revised on January 8, 1986
Revised on January 8, 1988
Revised on February 14, 1996
Revised on January 26, 1998
Revised on November 6, 2001
Revised on February 15, 2002
Revised on October 25, 2002
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Revised on April 25, 2003
Revised on May 27, 2003
Revised on July 20, 2004
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Revised on February 24, 2006
Revised on October 1, 2006
Revised on February 27, 2007
Revised on February 26, 2008
Revised on February 25, 2009
Revised on July 1, 2013

Articles of Incorporation

Chapter 1: General Provisions

Article 1. Trade Name

The Company shall be referred to as Tosei Corporation in Japanese and as Tosei Corporation in English (hereinafter the “Company”).

Article 2. Purpose

The purpose of the Company shall be to engage in the following businesses:

1. Selling and buying, leasing, intermediation, management, and appraisal of real estate
2. Contracting, planning, and management of building, carpentry, plastering, scaffolding, civil engineering, and concrete-work projects; stonework, roofing, electrical work, piping, tiling, bricklaying, and block-work projects; and steel metal work, steel structure work, reinforcing steel work, glass work, painting, waterproofing, interior finishing, machinery and appliance installation, heat insulation, telecommunication, fitting, fire equipment, and landscaping projects
3. Contracting of maintenance and management, cleaning, and security of buildings and annexed equipment and instruments
4. Non-life insurance agency business
5. Insurance agency business under the Automobile Liability Security Act
6. Investment advisory services for real estate

7. Investment management business, investment trust business, and investment corporation organizational businesses under the Act on Investment Trusts and Investment Corporations
8. Businesses under the Real Estate Specified Joint Enterprise Act
9. Investment business in financial assets, such as real estate securitization products, claims, and securities
10. Second financial instruments business under the Financial Instruments and Exchange Act
11. Investment advisory and agency business provided for in the Financial Instruments and Exchange Act
12. Lending of money, guarantee of debt, and other financial services
13. Any other business incidental or relating to the businesses referred to in any of the foregoing items

Article 3. Location of Head Office

The head office of the Company shall be located in Minato-ku, Tokyo.

Article 4. Organs

The Company shall have the following organs in place in addition to the General Meeting of Shareholders and Directors:

1. Board of Directors
2. Statutory Auditors
3. Board of Statutory Auditors
4. Accounting Auditors

Article 5. Method of Public Notice

The Company shall issue its public notices electronically. However, in the event that an accident or other unavoidable reason prevents the Company from being able to issue an electronic public notice, the Company shall post an announcement in the *Nihon Keizai Shimbun* newspaper.

Chapter 2: Shares

Article 6. Total Number of Authorized Shares

The total number of shares authorized to be issued by the Company shall be ~~one million and five hundred thousand (1,500,000)~~ and fifty million (150,000,000).

~~Article 7.7:~~ Number of shares constituting one unit

The number of shares of the Company constituting one unit shall be one hundred(100) shares.

Article 8. Acquisition of the Company's Own Shares

Pursuant to the provision of Article 165, Paragraph 2, of the Companies Act, the Company may acquire its own shares using market transactions or certain other specified methods by a resolution at its Board of Directors' meeting.

~~Article 8.9.~~ Share Handling Regulations

In addition to laws, regulations, or these Articles of Incorporation, the handling and fees associated with the Company's shares and procedures relating to shareholders' rights shall be prescribed by the Share Handling Regulations established by the Board of Directors of the Company.

Article ~~9-10~~ Shareholder Registrar

- (1) The Company shall have a shareholder registrar in place.
- (2) The shareholder registrar and place of business shall be determined by a resolution of the Board of Directors.
- (3) The preparation and retention of the shareholder registry and the ledger of stock acquisition rights of the Company, as well as any other business relating to the shareholder registry and the ledger of stock acquisition rights, shall be entrusted to the shareholder registrar and shall not be handled by the Company.

Chapter 3: General Meeting of Shareholders

Article ~~10-11~~ Convocation

- (1) An Ordinary General Meeting of Shareholders of the Company shall be convened in February of each year, and an Extraordinary General Meeting of Shareholders shall be convened whenever the need arises.
- (2) The General Meeting of Shareholders of the Company shall be convened within the wards of Tokyo.

Article ~~11-12~~ Record Date for Ordinary General Meeting of Shareholders

The record date for the Ordinary General Meeting of Shareholders of the Company shall be November 30 of each year.

Article ~~12-13~~ Proxy Voting

- (1) A shareholder may exercise voting rights by appointing a shareholder who holds Company voting rights to act as a proxy.
- (2) A shareholder or a proxy shall submit to the Company a document that certifies the authority of representation at each General Meeting of Shareholders convened.

Article ~~13-14~~ Convenor and Chairperson

- (1) Unless otherwise provided for by laws and regulations, the president-and-director shall convene a General Meeting of Shareholders by a resolution of the Board of Directors' meeting, and shall act as chairperson to such General Meeting of Shareholders.
- (2) When the president-and-director is unable to act as chairperson, due to an accident or other such circumstances, one of the other directors shall act in lieu of the president-and-director in the order of priority determined in advance by the Board of Directors.

Article ~~14-15~~ Internet-Based Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders

At the time of convening a General Meeting of Shareholders, the Company may provide its shareholders with information on matters that should be stated or indicated in the reference documents for the General Meeting of Shareholders, business reports, financial statements, and consolidated financial statements, by disclosing the said information on the Internet pursuant to the provisions of the applicable Ordinance of the Ministry of Justice and may deem it as the provision of the information to shareholders.

Article ~~15-16~~ Resolution Method

(1) Unless otherwise provided for by laws and regulations or these Articles of Incorporation, the resolution of a General Meeting of Shareholders shall be adopted by the majority of the votes of shareholders present who are entitled to exercise their voting rights.

(2) The resolution prescribed in Article 309, Paragraph 2, of the Companies Act shall be adopted by two-thirds or more of the votes at a General Meeting of Shareholders at which one-third or more of the votes of the shareholders entitled to exercise voting rights are present.

Article ~~16~~17. Minutes of General Meeting of Shareholders

The minutes of the General Meeting of Shareholders shall be prepared as prescribed by the applicable laws and regulations.

Chapter 4: Directors and Board of Directors

Article ~~17~~18. Number of Directors

The number of directors of the Company shall be six (6) or less.

Article ~~18~~19. Election and Dismissal of Directors

(1) Directors shall be elected and dismissed by a resolution adopted at a General Meeting of Shareholders.

(2) Directors shall be elected by a resolution adopted by a majority of the votes at a General Meeting of Shareholders at which one-third or more of the votes of the shareholders entitled to exercise voting rights are present.

(3) A resolution to elect directors shall not be based on a cumulative vote.

(4) Directors shall be dismissed by a resolution adopted by two-thirds or more of the votes at a General Meeting of Shareholders at which a majority of the votes of the shareholders entitled to exercise voting rights are present.

Article ~~19~~20. Terms of Office for Directors

(1) The terms of office for directors shall continue until the conclusion of the Ordinary General Meeting of Shareholders for the last fiscal year that ends within two years from the time of their election.

(2) The term of office for a director elected as an additional member of the Board or as a substitute shall continue until the terms of office for the other directors expire.

Article ~~20~~21. Convenor and Chairperson

(1) Unless otherwise provided for by laws and regulations, the president-and-director shall convene a Board of Directors' meeting and act as chairperson.

(2) When the president-and-director is unable to act as chairperson, due to an accident or other such circumstances, one of the other directors shall act in lieu of the president-and-director in the order of priority determined in advance by the Board of Directors.

(3) A notice of convocation of the Board of Directors' meeting shall be issued to each director and each statutory auditor at least three days prior to the date of the meeting. However, this period may be shortened in urgent cases.

(4) If the consent of all directors and statutory auditors has been obtained, a Board of Directors' meeting may be held without formal convocation.

Article ~~21~~22. Representative Directors

Representative directors shall be appointed by a resolution at a Board of Directors' meeting. The president-and-director, however, must serve as representative director.

Article ~~22-23~~ Executive Directors

The Board of Directors shall, via its resolution, appoint one president-and-director from among the directors, and may appoint one or more chairman-and-directors, vice-presidents-and-directors, senior managing directors, and managing directors from among the directors whenever the need arises.

Article ~~23-24~~ Resolution Method

(1) A resolution at a Board of Directors' meeting shall be adopted by a majority of the votes of the directors present at the meeting at which a majority of the directors entitled to participate in the vote are present.

(2) When the requirements specified in Article 370 of the Companies Act have been fulfilled, the Company shall deem that a resolution of the Board of Directors has been made.

Article ~~24-25~~ Minutes of Board of Directors' Meetings

The minutes of a Board of Directors' meeting shall be prepared as prescribed by the applicable laws and regulations, and the directors and the statutory auditors present at the meeting shall seal and sign their documents by hand or electronically.

Article ~~25-26~~ Board of Directors' Regulations

In addition to the relevant laws and regulations as well as these Articles of Incorporation, matters relating to the Board of Directors' meetings shall be governed by the Board of Directors' Regulations established by the Board of Directors of the Company.

Article ~~26-27~~ Compensation, etc., for Directors

Remuneration, bonuses, and other economic benefits that the directors receive from the Company as compensation for the execution of their duties (hereinafter referred to as the "Compensation, etc.") shall be determined by a resolution of a General Meeting of Shareholders.

Article ~~27-28~~ Exemption of Directors from Liability

(1) Pursuant to the provision of Article 426, Paragraph 1, of the Companies Act, the Company may release directors (including former directors) from damage liability attributable to their negligence in executing their duties, within the limits of the relevant laws and regulations, by a resolution of the Board of Directors.

(2) Pursuant to the provision of Article 427, Paragraph 1, of the Companies Act, the Company may enter into a contract with outside directors to limit damage liability attributable to their negligence in executing their duties. However, the limit of liability pursuant to the contract shall be the amount prescribed by the relevant laws and regulations.

Chapter 5: Statutory Auditors and Board of Statutory Auditors

Article ~~28-29~~ Number of Statutory Auditors

The number of statutory auditors of the Company shall be four (4) or less.

Article ~~29-30~~ Election of Statutory Auditors

(1) Statutory auditors of the Company shall be elected by a resolution adopted at a General Meeting of

Shareholders.

(2) Statutory auditors of the Company shall be elected by a resolution adopted by a majority of the votes at a General Meeting of Shareholders at which one-third or more of the shareholders entitled to exercise voting rights are present.

Article ~~30-31~~ 31 Terms of Office for Statutory Auditors

(1) The terms of office for statutory auditors shall continue until the conclusion of the Ordinary General Meeting of Shareholders for the last fiscal year that ends within four years from the time of their election.

(2) The term of office for a statutory auditor elected as a substitute for a statutory auditor who has resigned before his/her term of office expires shall continue until the term of office for the statutory auditor who has resigned expires.

Article ~~31-32~~ 32 Full-Time Statutory Auditors

By its resolution, the Board of Statutory Auditors shall appoint full-time statutory auditors from among its statutory auditors.

Article ~~32-33~~ 33 Notice of Convocation of Board of Statutory Auditors' Meeting

(1) A notice of convocation of a Board of Statutory Auditors' meeting shall be issued to each statutory auditor at least three days prior to the date of the meeting. However, this period may be shortened in urgent cases.

(2) If the consent of all statutory auditors has been obtained, a Board of Statutory Auditors' meeting may be held without formal convocation.

Article ~~33-34~~ 34 Resolution Method

A resolution of the Board of Statutory Auditors shall be adopted by a majority of the votes of the statutory auditors present at a meeting unless otherwise specifically prescribed by the relevant laws or regulations.

Article ~~34-35~~ 35 Minutes of Board of Auditors' Meetings

The minutes of a Board of Auditors' meeting shall be prepared as prescribed by the applicable laws and regulations, and the corporate auditors present at the meeting shall seal and sign their documents by hand or electronically.

Article ~~35-36~~ 36 Board of Statutory Auditors' Regulations

In addition to the relevant laws and regulations as well as these Articles of Incorporation, matters relating to the Board of Statutory Auditors' meetings shall be governed by the Board of Statutory Auditors' Regulations established by the Board of Statutory Auditors of the Company.

Article ~~36-37~~ 37 Compensation, etc., to Statutory Auditors

Compensation, etc., for statutory auditors shall be determined by a resolution of a General Meeting of Shareholders.

Article ~~37-38~~ 38 Exemption of Statutory Auditors from Liability

(1) Pursuant to Article 426, Paragraph 1, of the Companies Act, the Company may release statutory auditors (including former statutory auditors) from damage liability attributable to their negligence in executing their duties, within the limits of the relevant laws and regulations, by a resolution of the

Board of Directors.

(2) Pursuant to the provision of Article 427, Paragraph 1, of the Companies Act, the Company may enter into a contract with outside statutory auditors to limit damage liability attributable to their negligence in executing their duties. However, the limit of liability pursuant to the contract shall be the amount prescribed by the relevant laws and regulations.

Chapter 6: Independent Auditor

Article ~~38-39~~ Election of Independent Auditor

An independent auditor shall be elected by a resolution of a General Meeting of Shareholders.

Article ~~39-40~~ Term of Office for Independent Auditor

(1) The term of office for an independent auditor shall continue until the conclusion of the Ordinary General Meeting of Shareholders for the last fiscal year that ends within one year from the time of his or her election.

(2) Unless otherwise resolved at the Ordinary General Meeting of Shareholders in the preceding paragraph, the independent auditor shall be deemed as being reelected at such meeting.

Article ~~40-41~~ Compensation, etc., for Independent Auditor

Compensation, etc., for an independent auditor shall be determined by the representative director with the consent of the Board of Statutory Auditors.

Chapter 7: Accounting

Article ~~41-42~~ Fiscal Year

The fiscal year of the Company shall begin on December 1 of each year and end on November 30 of the following year.

Article ~~42-43~~ Record Date for Year-End Dividends

The record date for year-end dividends from surplus of the Company shall be November 30 of each year.

Article ~~43-44~~ Interim Dividends

The Company may distribute interim dividends by a resolution of the Board of Directors as of the record date of May 31 of each year.

Article ~~44-45~~ Exclusion from Dividends

(1) If the dividend property is monetary, the Company shall be exempted from its obligation to pay dividends when said property is not claimed after the lapse of three full years from the date of commencement of payment.

(2) Interest shall not be accrued on unpaid year-end dividends and interim dividends.

Chapter 8: Takeover Defense

Article ~~45-46~~ Takeover Defense

(1) The General Meeting of Shareholders may resolve to adopt, exercise, maintain, and abolish

takeover defense measures.

(2) The takeover defense measures in the preceding paragraph shall refer to those measures intended to make it difficult to accomplish a takeover of the Company, including the issuance or allotment of shares or share options for purposes other than business purposes such as fund-raising, which are adopted by the Company prior to the commencement of a takeover against the Company for the purpose of protecting and enhancing the corporate value of the Company and the common interests of shareholders.

(3) When deciding matters relating to the issuance or allotment of share options as part of takeover defense measures, the Company may put in place all or part of the following:

1. Certain persons specified in the takeover defense measures (hereinafter referred to as the “Non-Qualified Persons”) shall not exercise the share options.
2. The Company may acquire share options only from persons other than the Non-Qualified Persons and deliver the Company’s shares in exchange.
3. The Company may acquire share options from the Non-Qualified Persons and deliver the Company’s shares, new share options, bonds, cash, or other considerations in exchange.

- End -