

## **Articles of Incorporation**

### **Chapter 1: General Provisions**

#### Article 1: Trade Name

The Company's name shall be MUGEN ESTATE which shall be written as MUGEN ESTATE Co., Ltd. in English.

#### Article 2: Purpose

The purpose of the Company is to engage in the following businesses:

- (1) Real estate trading, leasing, brokerage and management;
- (2) Construction work;
- (3) Interior and exterior refurbishment;
- (4) Design, construction and supervision of buildings;
- (5) Management of hotels, inns, restaurants and coffee shops;
- (6) Planning, management and maintenance of sports facilities;
- (7) Information processing service;
- (8) Type II telecommunications business under the Telecommunications Business Act;
- (9) Agency business for telecommunication carriers under the Telecommunications Business Act;
- (10) Rental and sale of telephone, office and telecommunications equipment;
- (11) Installation and maintenance of telecommunications facilities;
- (12) Non-life insurance agency;
- (13) Arrangement, marketing, and management of subdividing real estate under the Real Estate Specified Joint Enterprise Act; and
- (14) Any businesses incidental to those described in the respective Items above.

#### Article 3: Location of Head Office

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

#### Article 4: Organs

The Company shall have the following organs in addition to the general meeting of shareholders and directors:

- (1) Board of Directors;
- (2) Audit & Supervisory Board Members;
- (3) Audit & Supervisory Board; and
- (4) Accounting Auditors.

#### Article 5: Method of Public Notices

The Company shall issue its public notices electronically; provided, however, that if accidents or other unavoidable reasons prevent the Company from issuing public notices electronically, the Company shall issue a public notice in the *Nihon Keizai Shimbun*.

### **Chapter 2: Shares**

#### Article 6: Total Number of Shares Authorized to be Issued

The total number of shares authorized to be issued by the Company shall be sixty four million (64,000,000) shares.

#### Article 7: Acquisition of Own Shares

The Company may acquire its own shares by resolution of the Board of Directors according to the provisions of Paragraph 2, Article 165 of the Companies Act.

#### Article 8: Number of Shares Constituting One Unit

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

#### Article 9: Rights with Respect to Shares Constituting Less than One Unit

The shareholders holding shares of less than one unit of the Company may not exercise any rights other than the following rights as shown below.

- (1) Rights set forth in the respective Items of Paragraph 2, Article 189 of the Companies Act;
- (2) Right to make demands according to the provisions of Paragraph 1, Article 166 of the Companies Act; and
- (3) Right to receive an allotment of shares for subscription and the register of subscription rights according to the number of shares held by the shareholders.

#### Article 10: Administrator of Shareholders' Register

1. The Company shall have an administrator of shareholders' register.
2. The administrator of shareholders' register and the handling office for the shareholder service shall be selected by resolution of the Board of Directors.
3. The preparation and maintenance of the shareholders' register and the register of subscription rights of the Company and other administration thereof shall be assigned to the administrator of shareholders' register, and shall not be handled by the Company.

#### Article 11: Share Handling Regulations

The handling and fees for the shares of the Company shall be governed by the Share Handling Regulations that are stipulated by the Board of Directors, as well as the laws and regulations or these Articles of Incorporation.

### **Chapter 3: General Meeting of Shareholders**

#### Article 12: Convening

The annual general meeting of shareholders shall be called within three (3) months from the end of each fiscal year, and extraordinary general meetings of shareholders shall be called when necessary.

#### Article 13: Record Date

1. Shareholders with voting rights whose names are listed or recorded in the last register of shareholders as of December 31 of each year shall be deemed by the Company to be shareholders who are entitled to exercise their rights at the annual general meeting of shareholders to be held with respect to such fiscal year.
2. In addition to the preceding Paragraph, the shareholders or the registered pledgees of shares whose names are listed or recorded in the last register of shareholders as of a certain date subject

to prior public notice shall be deemed by resolution of the Board of Directors to be the shareholders or the registered pledgees of shares who are entitled to exercise their rights.

#### Article 14: Convener and Chairperson

1. Unless otherwise provided for in laws and regulations, the president shall call the general meeting of shareholders by resolution of the Board of Directors. In the absence of the president, the other directors shall call the meeting in the order predetermined at the meeting of the Board of Directors.
2. The president shall preside over the general meeting of shareholders. In the absence of the president, the other directors shall preside in the order predetermined at the meeting of the Board of Directors.

#### Article 15: Exercise of Voting Rights by Proxy

1. The shareholders may exercise their voting rights by appointing another shareholder with the voting rights of the Company as the proxy.
2. In the case of the preceding Paragraph, the shareholders or the proxy shall submit a document containing the power of proxy to the Company for each general meeting of shareholders.

#### Article 16: Method of Resolution

1. Unless otherwise provided for in laws and regulations or the Articles of Incorporation, a resolution of the general meeting of shareholders shall be passed by a majority of the voting rights of the shareholders who are entitled to exercise voting rights present at the meeting.
2. Unless otherwise provided for under the Articles of Incorporation, a resolution according to the provisions of Paragraph 2, Article 309 of the Companies Act shall be passed by two thirds or more of the voting rights of the shareholders present at the meeting who hold one third or more of the voting rights of the shareholders entitled to exercise the voting rights.

#### Article 17: Minutes

The outlines of the proceedings and the outcome of the general meeting of shareholders and any other matters specified in laws and regulations shall be stated or recorded in the minutes.

Article 18: Internet Disclosure and Deemed Provision of Reference Documents for General Meeting of Shareholders, etc.

In calling a general meeting of shareholders, the Company may deem that the disclosure of information regarding the matters stated or indicated in the reference documents for the shareholders' meeting, business reports, financial statements and consolidated financial statements by using the Internet according to the provisions of the Ordinance of the Ministry of Justice constitutes the provision thereof to the shareholders.

#### **Chapter 4: Directors and the Board of Directors**

##### Article 19: Number of Directors

The Company shall have no more than seven (7) directors.

##### Article 20: Method of Election

1. Directors shall be elected by resolution of a general meeting of shareholders.
2. A resolution of the election of directors shall be passed by a majority of the voting rights of the shareholders present at the meeting who hold one third or more of the voting rights of the shareholders entitled to exercise the voting rights.
3. In the election of directors, cumulative voting shall not be used.

##### Article 21: Term of Office

1. The term of office of directors shall continue until the conclusion of the annual general meeting of shareholders for the last fiscal year ending within two (2) years after their election.
2. The term of office of directors appointed to increase the number of directors or as a substitute shall continue until the expiry of the term of office of the other incumbent directors.

##### Article 22: Representative Directors and Directors with Specific Titles

1. The representative directors shall be elected by resolution of the Board of Directors.
2. The representative directors shall represent the Company and execute the business of the Company.
3. The Board of Directors shall elect one (1) president and, as necessary, one (1) chairman, several vice presidents, senior managing directors and managing directors.
4. In the case of the absence of the president, the other directors shall act on behalf of the president.

#### Article 23: Convener and Chairperson of the Board of Directors

Unless otherwise provided for in laws and regulations, the president shall call and preside over the meeting of the Board of Directors. In the case of the absence of the president, the other directors shall call and preside over the meeting in the order predetermined at the Board of Directors' meeting.

#### Article 24: Notice of the Meeting of the Board of Directors

1. A notice of the meeting of the Board of Directors shall be issued to each director and audit & supervisory board member at least three (3) days prior to the date of the meeting; provided, however, that in case of emergency, the said notice period may be shortened.
2. If all the directors and audit & supervisory board members provide their consent, the meeting of the Board of Directors may be held without taking the procedures for calling it.

#### Article 25: Method of Resolution of the Board of Directors

A resolution of the Board of Directors shall be passed by the majority of the directors present at the meeting who constitute the majority of the directors entitled to participate in the voting.

#### Article 26: Omission of Resolution of the Board of Directors

The Company shall deem that the consent of all the directors to the matters to be resolved by the Board of Directors in writing or by electromagnetic record constitutes a resolution of the Board of Directors approving the said matters to be resolved, unless the audit & supervisory board members make an objection to it.

#### Article 27: Minutes of the Board of Directors

The outlines of the proceedings and the outcome of the meeting of the Board of Directors and any other matters specified in laws and regulations shall be stated or recorded in the minutes, and the directors and audit & supervisory board members present at the meeting shall affix their respective names and seals or electronic signatures thereto.

#### Article 28: Regulations for the Board of Directors

The matters regarding the Board of Directors shall be governed by the regulations for the Board of Directors that are stipulated by the Board of Directors, as well as laws and regulations or these Articles of Incorporation.

#### Article 29: Remuneration, etc. for Directors

The remuneration, etc. for directors shall be determined by resolution of the general meeting of shareholders.

#### Article 30: Exemption from Liability of Directors

1. The Company may exempt the directors (including the former directors) from liability in cases falling under Paragraph 1, Article 423 of the Companies Act by resolution of the Board of Directors up to the amount obtained by deducting the minimum liability specified under laws and regulations from the relevant liability when the requirements stipulated in the laws and regulations are met.
2. With respect to the liability specified under Paragraph 1, Article 423 of the Companies Act, the Company may execute the agreement for limitation of liability with the directors (other than the executive directors, among others) when the requirements stipulated in laws and regulations are met; provided, however, that the limit of liability under the said agreement shall be the minimum liability specified under the laws and regulations.

### **Chapter 5: Audit & Supervisory Board Members and Audit & Supervisory Board**

#### Article 31: Number of Audit & Supervisory Board Members

The Company shall have no more than three (3) audit & supervisory board members.

#### Article 32: Method of Election

1. Audit & supervisory board members shall be elected by resolution of the general meeting of shareholders.
2. A resolution of the election of audit & supervisory board members shall be passed by the majority of the voting rights of the shareholders present at the meeting who hold one third or more of the voting rights of the shareholders entitled to exercise the voting rights.

Article 33: Term of Office

1. The term of office of audit & supervisory board members shall continue until the conclusion of the annual general meeting of shareholders for the last fiscal year ending within four (4) years after their election.
2. The term of office of audit & supervisory board members who are elected as substitutes shall continue until the expiry of the term of office of the retired audit & supervisory board members.

Article 34: Full-Time Audit & Supervisory Board Members

Full-time audit & supervisory board members shall be elected by resolution of the Audit & Supervisory Board.

Article 35: Notice of the Meeting of the Audit & Supervisory Board

1. A notice of the meeting of the Audit & Supervisory Board shall be issued to each audit & supervisory board member at least three (3) days prior to the date of the meeting; provided, however, that in case of emergency, the said notice period may be shortened.
2. If all the audit & supervisory board members provide their consent, the meeting of the Audit & Supervisory Board may be held without taking the procedures for calling it.

Article 36: Method of Resolution of the Audit & Supervisory Board

Unless otherwise provided for in laws and regulations, a resolution of the Audit & Supervisory Board shall be passed by the majority of the audit & supervisory board members.

Article 37: Minutes of the Audit & Supervisory Board

The outlines of the proceedings and the outcome of the meeting of the Audit & Supervisory Board and any other matters specified in laws and regulations shall be stated or recorded in the minutes, and the audit & supervisory board members present at the meeting shall affix their respective names and seals or electronic signatures thereto.

Article 38: Regulations for the Audit & Supervisory Board

The matters regarding the Audit & Supervisory Board shall be governed by the regulations for the



Audit & Supervisory Board that are stipulated by the Audit & Supervisory Board as well as laws and regulations or these Articles of Incorporation.

#### Article 39: Remuneration, etc. for the Audit & Supervisory Board Members

The remuneration, etc. for the audit & supervisory board members shall be determined by resolution of the general meeting of shareholders.

#### Article 40: Exemption from Liability of Audit & Supervisory Board Members

1. The Company may exempt the audit & supervisory board members (including the former audit & supervisory board members) from liability in cases falling under Paragraph 1, Article 423 of the Companies Act by resolution of the Board of Directors up to the amount obtained by deducting the minimum liability specified under laws and regulations from the relevant liability when the requirements stipulated in the laws and regulations are met.
2. With respect to the liability specified under Paragraph 1, Article 423 of the Companies Act, the Company may execute the agreement for limitation of liability with the audit & supervisory board members when the requirements stipulated in laws and regulations are met; provided, however, that the limit of liability under the said agreement shall be the minimum liability specified under the laws and regulations.

### **Chapter 6: Accounting Auditors**

#### Article 41: Method of Election

The accounting auditors shall be appointed by resolution of the general meeting of shareholders.

#### Article 42: Term of Office of Accounting Auditors

1. The term of office of the accounting auditors shall continue until the conclusion of the annual general meeting of shareholders for the last fiscal year ending within one (1) year from their election.
2. Unless otherwise resolved at the annual general meeting of shareholders described in the preceding Paragraph, the accounting auditors shall be deemed to be reelected at the said annual general meeting of shareholders.

#### Article 43: Limitation of Liability of Accounting Auditors

With respect to the liability of the accounting auditors as specified under Paragraph 1, Article 423 of the Companies Act, the Company may execute the agreement with the accounting auditors for the burden of liability up to the amount specified in laws and regulations when they act in good faith without gross negligence.

### **Chapter 7: Accounts**

#### Article 44: Fiscal Year

The fiscal year of the Company shall start on January 1 of each year and continue until December 31 of the same year.

#### Article 45: Year-End Dividends

The Company shall pay the dividends of surplus in currency to the shareholders or the registered pledgees of shares listed or recorded in the last register of shareholders as of December 31 of each year (hereinafter referred to as the “Year-End Dividends”) by resolution of the general meeting of shareholders.

#### Article 46: Interim Dividends

The Company may pay the dividends of surplus as specified under Paragraph 5, Article 454 of the Companies Act to the shareholders or the registered pledgees of shares listed or recorded in the last register of shareholders as of June 30 of each year (hereinafter referred to as the “Interim Dividends”) by resolution of the Board of Directors.

#### Article 47: Period of Exclusion for Dividends

1. If payment of the Year-End Dividends or the Interim Dividends is not received after three (3) full years have passed since the date of the start of payment, the Company shall be relieved of the obligation of the said payment.
2. No interest shall accrue on the outstanding Year-End Dividends and the outstanding Interim Dividends.