

## ONWARD HOLDINGS CO., LTD. Articles of Incorporation

### Chapter 1 General Provisions

#### **(Trade Name)**

Article 1 The trade name of the Company shall be “Kabushiki Kaisha ONWARD HOLDINGS” and “ONWARD HOLDINGS CO., LTD.” in English.

#### **(Purpose)**

Article 2 The purpose of the Company shall be to engage in the following business operations:

- (1) Holding shares or equity interests in companies engaged in the following business operations and foreign companies engaged in business operations equivalent to said business operations, thereby controlling and managing the business activities of such companies;
  1. Trading, manufacturing, processing, and importing/exporting the following categories of goods:
    - A. Clothing, accessories, apparel, and raw materials for these items;
    - B. Sporting gear, books, toys, and household sundries;
    - C. Footwear, bags, clothing sundries, and cosmetics;
    - D. Interior decorations, furniture, bedding and accessories; and
    - E. Arts and crafts and jewelry;
  2. Trading, leasing and importing/exporting ships;
  3. Management and operation of sports and/or cultural education facilities, and ship berthing facilities;
  4. Management and operation of hotels and restaurants and the like;
  5. Planning, proposing, and operation of various events;
  6. Leasing and trading of patent rights, utility model rights, design rights, trademark rights and technical expertise (know-how);
  7. Services relating to agency and mediation for overseas and/or domestic travel;
  8. Automobile transportation services and marine transport services;
  9. Leasing, rental, and agency services for transportation equipment, office equipment and work equipment;
  10. General worker dispatching services;
  11. Management, guidance, and consulting for companies;
  12. Planning, designing and construction of commercial facilities and consulting thereon;
  13. Nonlife insurance agency services and services related to solicitation of life insurance;
  14. Trading, leasing, intermediation, and management of real estate;
  15. Any and all business operations and investments incidental or related to items 1 through 14 above;
- (2) Management consulting business for group companies;
- (3) Trading, leasing, intermediation, and management of real estate;
- (4) Leasing and trading of patent rights, utility model rights, design rights, trademark rights and technical expertise (know-how); and
- (5) Any and all business operations incidental or related to the business operations referred to in the foregoing items.

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

Article 3 The head office of the Company shall be located in Chuo-ku, Tokyo.

#### **(Method of Public Notice)**

Article 4 The method of public notice of the Company shall be electronic public notice. However, if it is not possible to issue electronic public notice due to an accident or other unavoidable circumstances, notice shall be published in the Nikkei newspaper.

### Chapter 2 Shares

#### **(Total Number of Shares Authorized to Be Issued)**

Article 5 The total number of shares authorized to be issued by the Company shall be 400 million shares

**(Acquisition of Treasury Shares)**

Article 6 The Company may acquire treasury stock by a resolution of the Board of Directors pursuant to Article 165, Paragraph 2 of the Companies Act.

**(Share Unit)**

Article 7 The share unit of the Company shall be 100 shares.

**(Demand for Purchase of Shares Less Than One Share Unit)**

Article 8 Shareholders of the Company may make a demand to the Company to sell such number of shares which, together with the number of shares less than one share unit that they hold, would constitute one share unit of shares (hereinafter referred to as “**Demand for Purchase**”); provided, however, that the foregoing shall not apply if the Company does not hold any treasury shares to be transferred when a Demand for Purchase is made.

(ii) The time periods during which a Demand for Purchase may be made and the methods therefor shall be as set forth in the Share Handling Regulations.

**(Record Date)**

Article 9 Shareholders listed or recorded in the final shareholder registry on the last day of February of each year shall be deemed by the Company to be shareholders entitled to exercise their rights at the annual general meeting of shareholders for the fiscal year.

(ii) Notwithstanding the preceding paragraph, when required, the Company may deem shareholders or registered pledgees of shares listed or recorded in the final shareholder registry on a given date to be shareholders or registered pledgees of shares who are entitled to exercise their rights by issuing a public notice in advance and by a resolution of the Board of Directors.

**(Administrator of Shareholder Registry)**

Article 10 The Company shall have a shareholder registry administrator in place.

(ii) The shareholder registry administrator and the place for handling the administrative affairs thereof shall be determined by a resolution of the Board of Directors, following which public notice thereof shall be issued.

(iii) Preparation and keeping of the shareholder registry and share option registry of the Company as well as any other administrative affairs related thereto shall be entrusted to the shareholder registry administrator and shall not be performed by the Company.

**(Share Handling Regulations)**

Article 11 The handling of shares and share options of the Company as well as relevant fees shall be governed by laws and regulations, these Articles of Incorporation, and the Share Handling Regulations established by the Board of Directors.

## Chapter 3 Meeting of Shareholders

**(Convocation)**

Article 12 An annual meeting of shareholders of the Company shall be convened within three (3) months from March 1 of each year, and an extraordinary meeting of shareholders of the Company shall be convened whenever necessary.

**(Chairperson)**

Article 13 A meeting of shareholders shall be chaired by the director and Chairperson or the president and CEO. If both of them are unable to chair the meeting, the meeting shall be chaired by another director in the order determined in advance by the Board of Directors.

**(Measures for Electronic Provision, Etc.)**

Article 14 When convening a meeting of shareholders, the Company shall take measures for the electronic provision of information that constitutes the content of the reference documents for the meeting of shareholders, etc.

(ii) With regard to all or part of the matters specified by the Ordinance of the Ministry of Justice for which measures for electronic provision are to be taken, the Company may choose not to include such matters in the documents to be delivered to shareholders who have made a request for the delivery of paper-based documents by the record date for voting rights.

**(Resolution)**

Article 15 A resolution of a meeting of shareholders shall be made by a majority of the voting rights of the shareholders who are present and are entitled to exercise their voting rights unless otherwise stipulated by laws and regulations or these Articles of Incorporation.

(ii) A resolution of a meeting of shareholders under Article 309, Paragraph 2 of the Companies Act shall be made by at least two thirds of the voting rights of the shareholders who are present at a meeting where shareholders holding at least one third of the voting rights of shareholders entitled to exercise their voting rights at such shareholders meeting are present.

**(Proxy Exercise of Voting Rights)**

Article 16 A shareholder may exercise voting rights through a proxy who is another shareholder holding voting rights in the Company. In such case, the shareholder shall be required to submit to the Company a document certifying such proxy authority for each meeting of shareholders.

Chapter 4      Directors and Board of Directors

**(Establishment of Board of Directors)**

Article 17 The Company shall have a Board of Directors.

**(Number of Directors)**

Article 18 The Company shall have no more than seven (7) directors.

**(Election Resolution)**

Article 19 A resolution to elect directors shall be adopted by a majority of the voting rights of the shareholders who are present at a meeting where shareholders holding at least one third of the voting rights of shareholders entitled to exercise voting rights at such meeting of shareholders are present.

(ii) Cumulative voting shall not be used for the election of directors of the Company.

**(Term of Office)**

Article 20 The term of office of a director shall expire at the conclusion of the annual meeting of shareholders relating to the last business year ending within one (1) year from the time of his/her election.

(ii) The term of office of a director elected to increase the number of directors or fill a vacancy shall expire at the time of expiration of the term of office of other directors in office.

**(Convocation)**

Article 21 Notice of convocation of a meeting of the Board of Directors shall be issued to directors and audit & supervisory board members (company auditors; hereinafter the same) at least three (3) days prior to the date of such meeting; notwithstanding the above, such notice period may be shortened in case of emergency.

(ii) A meeting of the Board of Directors may be held without taking the convocation procedures by agreement of all directors and audit & supervisory board members.

**(Omission of Resolution of Board of Directors)**

Article 22 If all directors of the Company agree in writing or by means of electromagnetic records to a matter for resolution at a meeting of the Board of Directors, the resolution will be deemed to have been made by the Board of Directors; provided, however, that this shall not apply to the case where an audit & supervisory board member makes an objection.

**(Directors with Titles and Representative Directors)**

Article 23 The Board of Directors may elect, by resolution, one (1) director and chairperson, one (1) director and vice chairperson, one (1) president and CEO, and a few vice presidents, a few senior managing directors, and a few managing directors from directors.

(ii) Representative directors of the Company shall be elected by a resolution of the Board of Directors.

**(Board of Directors Regulations)**

Article 24 Matters relating to the Board of Directors shall be governed by the Board of Directors Regulations established by the Board of Directors in addition to laws and regulations and these Articles of Incorporation.

**(Remuneration)**

Article 25 The remuneration and bonuses for directors and other financial benefits directors receive from the Company as consideration for the execution of their duties (hereinafter referred to as “**Remuneration**”) shall be determined

by a resolution of a meeting of shareholders.

**(Exemption of Directors from Liability)**

Article 26 Pursuant to Article 426, Paragraph 1 of the Companies Act, the Company may exempt, by resolution of the Board of Directors and to the extent allowed by laws and regulations, directors (including former directors) from liability for damage caused by failure to perform their duties.

(ii) Pursuant to Article 427, Paragraph 1 of the Companies Act, the Company may enter into an agreement with outside directors to limit their liability for damage caused by failure to perform their duties; provided, however, that the maximum amount of liability under such agreement shall be an amount provided for in laws and regulations.

Chapter 5      Audit & Supervisory Board Members and Audit & Supervisory Board

**(Establishment of Audit & Supervisory Board Members and Audit & Supervisory Board)**

Article 27 The Company shall have audit & supervisory board members and an Audit & Supervisory Board.

**(Number of Audit & Supervisory Board Members)**

Article 28 The Company shall have no more than four (4) audit & supervisory board members.

**(Election Resolution)**

Article 29 A resolution to elect audit & supervisory board members shall be adopted by a majority of the voting rights of the shareholders who are present at a meeting where shareholders holding at least one third of the voting rights of shareholders entitled to exercise voting rights at such meeting of shareholders are present.

**(Term of Office)**

Article 30 The term of office of an audit & supervisory board member shall expire at the conclusion of the annual meeting of shareholders relating to the last business year ending within four (4) year from the time of his/her election.

(ii) The term of office of an audit & supervisory board member elected to fill a vacancy shall expire at the time of expiration of the term of office of the audit & supervisory board member who resigned.

**(Standing Audit & Supervisory Board Members)**

Article 31 Standing audit & supervisory board members of the Company shall be elected by a resolution of the Audit & Supervisory Board.

**(Convocation)**

Article 32 Notice of convocation of a meeting of the Audit & Supervisory Board shall be issued to audit & supervisory board members at least three (3) days prior to the date of such meeting; notwithstanding the above, such notice period may be shortened in case of emergency.

(ii) A meeting of the Audit & Supervisory Board may be held without taking the convocation procedures by agreement of all audit & supervisory board members.

**(Audit & Supervisory Board Regulations)**

Article 33 Matters relating to the Audit & Supervisory Board shall be governed by the Audit & Supervisory Board Regulations established by the Audit & Supervisory Board in addition to laws and regulations and these Articles of Incorporation.

**(Remuneration)**

Article 34 The Remuneration for audit & supervisory board members of the Company shall be determined by a resolution of a meeting of shareholders.

**(Exemption of Audit & Supervisory Board Members from Liability)**

Article 35 Pursuant to Article 426, Paragraph 1 of the Companies Act, the Company may exempt, by resolution of the Board of Directors and to the extent allowed by laws and regulations, audit & supervisory board members (including former audit & supervisory board members) from liability for damage caused by failure to perform their duties.

(ii) Pursuant to Article 427, Paragraph 1 of the Companies Act, the Company may enter into an agreement with outside audit & supervisory board members to limit their liability for damage caused by failure to perform their duties; however, the maximum amount of liability under such agreement shall be an amount provided for in laws and regulations.

## Chapter 6 Accounting Auditors

### **(Establishment of Accounting Auditors)**

Article 36 The Company shall have accounting auditors.

### **(Election Resolution)**

Article 37 Accounting auditors of the Company shall be elected by a resolution of a meeting of shareholders.

### **(Term of Office)**

Article 38 The term of office of an accounting auditor shall expire at the conclusion of the annual meeting of shareholders relating to the last business year ending within one (1) year from the time of his/her election.

(ii) Unless otherwise resolved at the annual shareholders meeting set forth in the preceding paragraph, an accounting auditor shall be deemed to have been re-elected at such annual shareholders meeting.

### **(Remuneration)**

Article 39 The Remuneration for accounting auditors of the Company shall be determined by representative directors upon obtaining consent from the Audit & Supervisory Board.

## Chapter 7 Accounting

### **(Business Year)**

Article 40 The business year of the Company shall be from March 1 of each year to the last day of February of the following year.

### **(Dividends of Surplus)**

Article 41 The Company shall, by a resolution of a meeting of shareholders, pay dividends of surplus (hereinafter referred to as “**Dividends**”) to shareholders or registered pledgees of shares listed or recorded in the final shareholder registry on the last day of February of each year.

(ii) If Dividends are not received within five (5) full years from the commencement date of payment, the Company shall be discharged from its obligation to pay such Dividends.

(iii) The Company shall not pay any interest on unpaid Dividends.

## Chapter 8 Takeover Defense Measures

### **(Adoption of Takeover Defense Measures)**

Article 42 The Company may decide to adopt, amend, or abolish takeover defense measures by resolution of a meeting of shareholders.

(ii) The takeover defense measures set forth in the preceding paragraph refer to procedures to be adhered to by a buyer of a large number of shares or other securities issued by the Company and countermeasures against such buying in order to prevent the corporate value of the Company and the common interests of its shareholders from being impaired by an improper party, in light of the basic policy with regard to the desirable state of persons/entities that control decisions on the financial and business policies of the Company.