

**GLORY**

## **THE ARTICLES OF INCORPORATION**

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June 26, 2015

**GLORY LTD.**

# THE ARTICLES OF INCORPORATION

## Chapter I: GENERAL PROVISIONS

### Article 1 (Trade Name)

The name of the Company shall be “GLORY *Kabushiki Kaisha*” which is expressed in English as “GLORY LTD.”

### Article 2 (Purposes)

The purposes of the Company shall be to engage in the following business activities:

- (1) Manufacture, sales, repair and lease of money handling machines, data processing equipment, peripheral devices, and other electric and electronic equipment
- (2) Manufacture, sales, repair and lease of vending machines and self-service equipment
- (3) Manufacture, sales, repair and lease of data communications equipment
- (4) Information provision and electronic funds transfer services through data communications systems
- (5) Data processing services
- (6) Sales of goods by vending machines
- (7) Planning, design, execution and supervision of construction works, and interior and exterior works
- (8) Motor transportation service of general cargo
- (9) Manufacture, sales, maintenance and lease of rehabilitation equipment, self-support equipment, and other welfare and nursing apparatuses
- (10) Nonlife insurance agency business and life insurance agency business
- (11) Specified workers dispatch service
- (12) Development and sales of systems and software related to any of the foregoing items;  
and
- (13) Any businesses related to any of the foregoing items

### Article 3 (Location of Head Office)

The head office of the Company shall be located in Himeji, Hyogo.

### Article 4 (Governing Bodies)

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

- (1) Board of Directors
- (2) Corporate Auditors
- (3) Board of Corporate Auditors
- (4) Accounting Auditors

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

The Company shall give public notice by electronic notice, provided, however, that if the Company is unable to give public notice by electronic means due to an incident or other unavoidable circumstances, the notice shall be published in the Nihon Keizai Shimbun.

## **Chapter II: 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 one hundred and fifty million (150,000,000) shares.

**Article 7** (Acquisition of Company's Own Shares)

The Company may, by resolution of the Board of Directors, acquire its own shares through market trading or other means pursuant to the provisions of Paragraph 2, Article 165 of the Companies Act.

**Article 8** (Number of Shares Constituting One Unit of Shares)

The number of shares of the Company constituting one (1) unit shall be one hundred (100).

**Article 9** (Rights with Respect to Fractional Shares)

Shareholders of the Company may not exercise any rights other than those set forth below with respect to shares less than one unit ("Fractional Shares") they hold:

- (1) Rights provided for in Paragraph 2, Article 189 of the Companies Act.
- (2) Right to make a demand pursuant to Paragraph 1, Article 166 of the Companies Act.
- (3) Right to receive allotments of offered Shares and offered Stock Acquisition Rights for the number of shares held.
- (4) Right to make a demand under the following article.

**Article 10** (Purchases of Fractional Shares)

Shareholders of the Company may demand the Company sell them the number of shares that, together with the number of Fractional Shares they hold, will make up the number of shares constituting one unit in accordance with the Share Handling Rules.

**Article 11** (Administrator of Shareholders Registry)

1. The Company shall have an administrator of the shareholders registry.
2. The administrator of the shareholders registry and the location of its handling office shall be determined by resolution of the Board of Directors, and public notice thereof shall be given.
3. The preparation and keeping of the Company's shareholders registry and the list of stock acquisition rights, and other administrative work relating to the registry and the list shall be entrusted to the administrator of the shareholders registry and shall not be handled by the Company itself.

**Article 12** (Share Handling Rules)

The handling and fees relating to the shares of the Company shall be governed by the Share Handling Rules established by the Board of Directors, as well as applicable laws, ordinances and these Articles of Incorporation.

### **Chapter III: GENERAL MEETING OF SHAREHOLDERS**

**Article 13** (Convocation)

An Ordinary General Meeting of Shareholders of the Company shall be convened in June each year, and an Extraordinary General Meeting of Shareholders may be convened whenever necessary.

**Article 14** (Place of General Meeting of Shareholders)

The Company shall convene a General Meeting of Shareholders at the location of the head office of the Company or any place in the vicinity thereof.

**Article 15** (Record Date for Ordinary General Meeting of Shareholders)

The record date for exercising the voting right at the Ordinary General Meeting of Shareholders shall be March 31 each year.

**Article 16** (Convener and Chairperson)

1. A General Meeting of Shareholders shall be convened by the President of the Company, who shall act as chairperson thereof.
2. When the President is unable to act in the above capacity, another Director shall convene such General Meeting of Shareholders and act as the chairperson thereof in the order determined in advance by resolution of the Board of Directors.

**Article 17** (Deemed Disclosure of Reference Materials for the General Meeting of Shareholders through the Internet)

In convening a General Meeting of Shareholders, it may be deemed that the Company has provided its shareholders with necessary information for matters that should be described or indicated in the reference materials for the General Meeting of Shareholders, business reports, non-consolidated financial statements and consolidated financial statements, by disclosing them through the Internet in accordance with the relevant provisions of the Ministry of Justice Ordinance.

**Article 18** (Method of Resolution)

1. Unless otherwise provided for in the relevant laws, ordinances or these Articles of Incorporation, the resolutions of a General Meeting of Shareholders shall be adopted by a majority of the voting rights held by the shareholders present who are entitled to exercise their voting rights.
2. The resolutions provided for in Paragraph 2, Article 309 of the Companies Act shall be adopted by not less than two-thirds of the voting rights of the shareholders who are entitled to exercise voting rights and attend the General Meeting of Shareholders, which shareholders having one-third or more of the total voting rights shall attend.

**Article 19** (Exercise of Voting Rights by Proxy)

1. A shareholder may exercise his or her voting right by proxy, who shall be one (1) other shareholder having voting rights in the Company.
2. A shareholder or its proxy shall submit to the Company documentation that proves the authority of the proxy for each General Meeting of Shareholders.

## **Chapter IV: DIRECTORS AND BOARD OF DIRECTORS**

**Article 20** (Number of Directors)

The Company shall have not more than ten (10) Directors.

**Article 21** (Method of Appointment of Directors)

1. Directors shall be appointed at a General Meeting of Shareholders.
2. The resolution to appoint Directors shall be adopted by a majority of the voting rights of the shareholders who are entitled to exercise voting rights and attend the General Meeting of Shareholders, which shareholders having one-third or more of the total voting rights shall attend.
3. The resolution to appoint Directors shall not be made by cumulative voting.

**Article 22** (Term of Office)

The term of office of a Director shall expire at the conclusion of the Ordinary General Meeting of shareholders for the last business year ending within one (1) year from his or her appointment.

**Article 23** (Representative Directors and Directors with Titles)

1. The Board of Directors shall appoint a Representative Director by its resolution.
2. The Board of Directors may appoint one (1) Chairman of the Board and one (1) President by its resolution.

**Article 24** (Convener and Chairperson of a Meeting of the Board of Directors)

1. Except as otherwise provided by applicable laws and ordinances, the President shall convene a meeting of the Board of Directors and act as chairperson thereof.
2. When the President is unable to act in the above capacity, another Director shall convene such meetings of the Board of the Directors and act as the chairperson thereof in the order determined in advance by resolution of the Board of Directors.

**Article 25** (Notice of a Meeting of the Board of Directors)

1. Notice of a meeting of the Board of Directors shall be given to each Director and Corporate Auditor at least three (3) days prior to the date of such meeting, provided, however, that such period may be shortened in case of emergency.
2. Notwithstanding the foregoing, a meeting of the Board of Directors may be convened without following the procedures as set forth herein if the Directors and Corporate Auditors unanimously agree to that effect.

**Article 26** (Omission of Resolution by the Board of Directors)

When the requirements under Article 370 of the Companies Act are met, the Company shall deem that a resolution of the Board of Directors has been adopted.

**Article 27** (Rules for the Board of Directors)

Matters concerning the Board of Directors shall be governed by applicable laws, ordinances and these Articles of Incorporation, as well as by the Rules for the Board of Directors established by the Board of Directors.

**Article 28** (Limitation of Directors' Liability)

In accordance with the provisions of Paragraph 1, Article 427 of the Companies Act, the Company may enter into an agreement with a Director (excluding an executive Director and the like.) which shall limit his or her liability for damages as provided for under Paragraph 1, Article 423 of the Companies Act. However, this limit shall be the minimum liability amount stipulated by applicable laws and ordinances.

**Article 29** (Remuneration and Other Benefits)

The remuneration, bonuses and other monetary benefits to be received by Directors from the Company as consideration for execution of duties (hereinafter referred to as "Remuneration") shall be determined by resolution of a General Meeting of Shareholders.

**Chapter V: CORPORATE AUDITORS AND BOARD OF CORPORATE AUDITORS**

**Article 30** (Number of Corporate Auditors)

The Company shall have not more than four (4) Corporate Auditors.

**Article 31** (Method of Appointment of Corporate Auditors)

1. Corporate Auditors shall be appointed by a General Meeting of Shareholders.
2. The resolution to appoint Corporate Auditors shall be adopted by a majority of the voting rights of the shareholders who are entitled to exercise voting rights and attend the General Meeting of Shareholders, which shareholders having one-third or more of the total voting rights shall attend.

**Article 32** (Term of Office)

1. The term of office of a Corporate Auditor shall expire at the conclusion of the Ordinary General Meeting of Shareholders for the last business year ending within four (4) years from his or her appointment.
2. The term of office of a Corporate Auditor appointed to fill a vacancy following a Corporate Auditor retiring before the expiration of his or her term of office shall expire at the time of expiration of the term of office of the retiring Corporate Auditor.

**Article 33** (Standing Corporate Auditors)

The Board of Auditors shall appoint Standing Corporate Auditor(s) by its resolution.

**Article 34** (Notice of a Meeting of the Board of Corporate Auditors)

1. Notice of a Meeting of the Board of Corporate Auditors shall be given to each Corporate Auditor at least three (3) days prior to the date of such meeting, provided, however, that such period may be shortened in case of emergency.

2. Notwithstanding the foregoing, a meeting of the Board of Corporate Auditors may be convened without following the procedures as set forth herein in case the Corporate Auditors agree unanimously to that effect.

**Article 35** (Rules for the Board of Corporate Auditors)

Matters concerning the Board of Corporate Auditors shall be governed by applicable laws, ordinances and these Articles of Incorporation, as well as by the Rules for the Board of Corporate Auditors established by the Board of Corporate Auditors.

**Article 36** (Limitation of Corporate Auditors' Liability)

In accordance with the provisions of Paragraph 1, Article 427 of the Companies Act, the Company may enter into an agreement with a Corporate Auditor which shall limit his or her liability for damages as provided for under Paragraph 1, Article 423 of the Companies Act. However, this limit shall be the minimum liability amount stipulated by applicable laws and ordinances.

**Article 37** (Remuneration)

The Remuneration to be received by Corporate Auditors from the Company shall be determined by resolution of a General Meeting of Shareholders.

## **Chapter VI: ACCOUNTS**

**Article 38** (Business Year)

The business year of the Company shall be the period of one (1) year from April 1 of each year to March 31 of the following year.

**Article 39** (Record Date for Distribution of Retained Earnings)

1. The Record Date for the year-end dividends of the Company shall be March 31 of each year.
2. In addition to the preceding paragraph, the Company may distribute a dividend from retained earnings by a record date other than that in the preceding paragraph.

**Article 40** (Interim Dividends)

The Company may, by resolution of the Board of Directors, distribute interim dividends from retained earnings by the record date of September 30 each year.

**Article 41** (Expiration Period for Dividends)

In case of monetary dividends, the Company shall be relieved of the obligation to pay such dividends that remain unclaimed after three (3) years have lapsed from the date of commencement of payment thereof.