

Articles of Incorporation

Sakai Chemical Industry Co., Ltd.

Chapter 1. General Provisions

Article 1. Trade Name

The trade name of the Company is 堺化学工業株式会社 and is written as Sakai Chemical Industry Co., Ltd. in English.

Article 2. Purpose

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

1. Manufacture, sale, and import/export of inorganic and organic chemical industrial products and other chemical products
2. Manufacture, sale, and import/export of pharmaceuticals, quasi-pharmaceutical products, cosmetics, and medical devices
3. Manufacture, sale, and import/export of beverages and other food products
4. Sale, purchase, lease, brokerage, and management of real estate
5. Non-life insurance agency business and life insurance solicitation
6. Holding, management, and financing of securities
7. Mining
8. Construction
9. Businesses related to each of the preceding items and all incidental operations

Article 3. Head Office Location

The head office of the Company is located in Sakai City, Osaka.

Article 4. Method of Public Notice

The Company shall provide public notices electronically.

However, in the event that it is not possible to give electronic public notice due to an accident or other unavoidable reason, the Company shall give public notice through publication in the Nihon Keizai Shimbun.

Chapter 2. Stock

Article 5. Total Number of Authorized Shares

The total number of authorized shares of the Company shall be 80 million.

Article 6. Share Unit Number

The number of the Company's shares constituting one unit shall be 100.

Article 7. Restrictions on Rights Regarding Shares of Less Than One Unit

A shareholder of the Company may not exercise any rights other than those listed below with respect to shares constituting less than one unit held by such shareholder.

1. Rights listed in the items under Article 189, Paragraph 2 of the Companies Act
2. The right to request the acquisition of shares with put options
3. The right to receive an allotment of offered shares or offered stock acquisition rights in proportion to the number of shares held by the shareholder

Article 8. Shareholder Register Administrator

The Company shall put in place a shareholder register administrator.

- (ii) The shareholder register administrator and handling office shall be appointed by a resolution of the Board of Directors, and public notice shall be given.
- (iii) The register of shareholders and the share option register of the Company shall be kept at the office of the shareholder register administrator, and the entry or recording in the shareholder register and the register of stock acquisition rights, the purchase of shares less than one unit, and other business relating to shares and stock acquisition rights shall be handled by the shareholder register administrator and not by the Company.

Article 9. Share Handling Regulations

The entry or recording in the shareholder register and the share option register, the purchase of shares constituting less than one unit, and other matters relating to shares or stock acquisition rights, and the procedures and fees for the exercise of rights by shareholders shall be governed by the Share Handling Regulations established by the Board of Directors, in addition to regulations stipulated by law or the Articles of Incorporation.

Article 10. Record Date

The Company shall deem the shareholders with voting rights whose names appear or are recorded in the final shareholder register as of March 31 of each year to be entitled to exercise their rights at the Ordinary General Meeting of Shareholders for that business year.

- (ii) Notwithstanding the preceding paragraph, if necessary, the Company may, by a resolution of the Board of Directors and with prior public notice, deem the shareholders or registered pledgees of shares last registered on the shareholder register as of a certain date to be the shareholders or registered pledgees of shares who are entitled to exercise their rights.

Chapter 3. Shareholders Meetings

Article 11. Convocation

An ordinary general meeting of shareholders shall be convened in June of each year, and extraordinary general meetings of shareholders shall be convened as necessary.

Article 12. Convenor and Chairperson

Unless otherwise provided for by laws and regulations, a general meeting of shareholders shall be convened by the President of the Company by a resolution of the Board of Directors. In the event that the President is unable to act, another Director shall convene the meeting in the order previously determined by the Board of Directors.

- (ii) The President shall preside as Chairperson at general meetings of shareholders. In the event that the President is unable to act, another Director shall preside as the Chairperson according to the order previously determined by the Board of Directors.

Article 13. Exercise of Voting Rights by Proxy

A shareholder may exercise his or her voting rights by proxy of one other shareholder of the Company who has voting rights.

- (ii) In the case set forth in the preceding paragraph, the shareholder or proxy must submit a document certifying the proxy's right of representation at each general meeting of shareholders.

Article 14. Measures for Electronic Provision, etc.

When convening a general meeting of shareholders, the Company shall take measures to provide the information contained in the reference documents for the general meeting of shareholders, etc., electronically.

- (ii) The Company may refrain from including all or part of the matters for which it takes electronic provision measures, which are provided for in the applicable Ordinance of the Ministry of Justice, in the documents to be delivered to shareholders who have submitted a request for the delivery of documents by the record date for voting rights.

Article 15. Method of Resolution

Unless otherwise provided for by laws and regulations or the Articles of Incorporation, resolutions of a general meeting of shareholders shall be adopted based on a majority of the votes cast by shareholders with voting rights who are present at the meeting.

- (ii) Unless otherwise provided for in the Articles of Incorporation, resolutions pursuant to Article 309, Paragraph 2 of the Companies Act shall be adopted by the votes cast by two-thirds or more of the shareholders with voting rights present at a meeting with at least one-third of shareholders with voting rights in attendance.

Article 16. Record of Proceedings

The gist of the proceedings of a general meeting of shareholders and the results thereof, along with other matters stipulated by laws and regulations, shall be entered or recorded in the minutes.

Chapter 4. Directors and the Board of Directors

Article 17. Establishment of the Board of Directors

The Company shall have a Board of Directors.

Article 18. Number of Directors

The Company shall have 15 or fewer Directors.

Article 19. Appointment of Directors

Directors shall be appointed by a resolution of the General Meeting of Shareholders.

- (ii) A resolution to appoint a Director shall be adopted based on a majority of the shareholders with voting rights present at a meeting with at least one-third of shareholders with voting rights in attendance.
- (iii) The resolution for the election of Directors shall not be made by cumulative voting.

Article 20. Term of Office of Directors

The term of office of directors shall expire at the conclusion of the Ordinary General Meeting of Shareholders for the last fiscal year ending within one year after their election.

Article 21. Representative Directors and Directors with Management Positions

The Company shall select Representative Directors by a resolution of the Board of Directors.

- (ii) Representative Directors shall represent the Company and execute the Company's business.
- (iii) The Board of Directors may, by resolution, appoint one Chairman of the Board, one President, and several persons each for the positions of Executive Vice President, Senior Managing Director, and Managing Director.

Article 22. Convenor and Chairperson of Meetings of the Board of Directors

Unless otherwise provided for by laws and regulations, the President of the Company shall convene and act as Chairperson at meetings of the Board of Directors. In the event that the President is unable to act, another Director shall convene and act as Chairperson according to the order previously determined by the Board of Directors.

Article 23. Notice of Convocation of Board of Directors Meetings

Notice of the convocation of a meeting of the Board of Directors shall be given to each Director and Statutory Auditor at least three days before the date of the meeting.

However, this period may be shortened in case of urgency.

Article 24. Omission of Resolutions of the Board of Directors

The Company may adopt a resolution without holding a meeting of the Board of Directors when the requirements of Article 370 of the Companies Act have been met.

Article 25. Rules of the Board of Directors

Matters concerning the Board of Directors shall be governed by the Rules of the Board of Directors established by the Board of Directors, in addition to those provided by laws and regulations or the Articles of Incorporation.

Article 26. Remuneration, etc. for Directors

The remuneration, etc. for Directors shall be determined by a resolution of the General Meeting of Shareholders.

Article 27. Liability Limitation Agreement with Directors

Pursuant to Article 427, Paragraph 1 of the Companies Act, the Company may enter into an agreement with its Directors (excluding those who are Executive Directors, etc.) that limits their liability for compensation under Article 423, Paragraph 1 of the Act.

However, the maximum amount of liability based on such an agreement shall be the amount specified by laws and regulations.

Chapter 5. Statutory Auditors and the Board of Statutory Auditors

Article 28. Establishment of Statutory Auditors and the Board of Statutory Auditors

The Company shall have Statutory Auditors and a Board of Statutory Auditors.

Article 29. Number of Statutory Auditors

The Company shall have five or fewer Statutory Auditors.

Article 30. Appointment of Statutory Auditors

Statutory Auditors shall be appointed by a resolution of the General Meeting of Shareholders.

(ii) A resolution to appoint a Statutory Auditor shall be adopted based on a majority of the shareholders with voting rights present at a meeting with at least one-third of shareholders with voting rights in attendance.

(iii) In accordance with Article 329, Paragraph 3 of the Companies Act, the Company may elect a Substitute Statutory Auditor by a resolution of a General Meeting of Shareholders in order to prepare for a shortage in the number of Statutory Auditors stipulated by laws and regulations or the Articles of Incorporation.

(iv) The resolution for the election of a Substitute Statutory Auditor referred to in the preceding paragraph shall remain in effect until the commencement of the Ordinary General Meeting of Shareholders for the last fiscal year ending within four years after the resolution is adopted.

Article 31. Term of office of Statutory Auditors

The term of office of Statutory Auditors shall expire at the conclusion of the Ordinary General Meeting of Shareholders for the last fiscal year ending within four years after their election.

(ii) The term of office of a Statutory Auditor appointed to fill the vacancy of a Statutory Auditor who resigns before the expiration of his or her term of office shall expire at the end of the term of office of the retiring Statutory Auditor. However, when a Substitute Statutory Auditor appointed pursuant to Paragraph 3 of the preceding Article assumes office as a Statutory Auditor, his or her term of office shall not go beyond the close of the Ordinary General Meeting of Shareholders for the last fiscal year ending within four years after his or her appointment as the said Substitute Auditor.

Article 32. Full-time Statutory Auditor

The Board of Statutory Auditors shall select a full-time Statutory Auditor from among the Auditors.

Article 33. Notice of Convocation of the Board of Statutory Auditors

Notice of a meeting of the Board of Statutory Auditors shall be given to each Statutory Auditor at least three days before the date of the meeting.

However, this period may be shortened in case of urgency.

Article 34. Rules of the Board of Statutory Auditors

Matters concerning the Board of Statutory Auditors shall be governed by the Rules of the Board of Statutory Auditors established by the Board of Statutory Auditors, in addition to those provided by laws and regulations or the Articles of Incorporation.

Article 35. Remuneration, etc. for Statutory Auditors

The remuneration, etc. for Statutory Auditors shall be determined by a resolution of the General Meeting of Shareholders.

Article 36. Liability Limitation Agreement with Statutory Auditors

Pursuant to Article 427, Paragraph 1 of the Companies Act, the Company may enter into an agreement with its Statutory Auditors that limits their liability for compensation under Article 423, Paragraph 1 of the Act.

However, the maximum amount of liability based on such an agreement shall be the amount specified by laws and regulations.

Chapter 6. Accounting Auditor

Article 37. Establishment of Accounting Auditor

The Company shall have Accounting Auditor.

Article 38. Appointment of Accounting Auditor

The Accounting Auditor shall be appointed by a resolution of the General Meeting of Shareholders.

Article 39. Term of office of Accounting Auditor

The term of office of Accounting Auditor shall expire at the close of the Ordinary General Meeting of Shareholders

(ii) The Accounting Auditor shall be deemed to be reappointed at the time of the Ordinary General Meeting of Shareholders unless otherwise resolved at the Ordinary General Meeting of Shareholders as described in the preceding paragraph.

The remuneration, etc. for the Accounting Auditor shall be determined by the Representative Director with the agreement of the Board of Statutory Auditors.

The Company's fiscal year shall be from April 1st to March 31st of the following year.

The Company may determine the matters set forth in each item of Article 459, Paragraph 1 of the Companies Act by resolution of the Board of Directors.

The record date for the Company's year-end dividend shall be March 31 of each year.

(ii) The record date for the Company's interim dividend shall be September 30 of each year.

(iii) In addition to the preceding two paragraphs, the Company may declare dividends of surplus by specifying a record date.

If the dividend property is in the form of money and the dividend is not received for a full three years after the date of commencement of payment, the Company shall be discharged from the obligation to pay it.

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