



May 23, 2022  
SMS Co., Ltd.  
(Company Code: 2175, TSE Prime Market)  
<https://global.bm-sms.com/>

<PRESS RELEASE>

### **Notice regarding Partial Amendments to the Articles of Incorporation**

SMS Co., Ltd. (the “Company”) hereby announces that, on May 23, 2022, its Board of Directors has resolved to submit a proposal for partial amendments to the Articles of Incorporation to the 19<sup>th</sup> Ordinary General Meeting of Shareholders scheduled to be held on June 24, 2022.

#### **1. Reasons for the amendments**

- (1) Introducing General Meetings of Shareholders without set venues (Article 13 of the proposed amendments)

Following the enforcement of the Act for Partially Amending the Industrial Competitiveness Enhancement Act and Other Related Acts (Act No.70 of 2021) on June 16, 2021, listed companies are now able to hold shareholders meetings without a designated location under certain circumstances, so-called “virtual-only shareholders meeting,” if such is stipulated in their articles of incorporation. Accordingly, the Company proposes to newly add paragraph 2 to Article 13 *Convocation* of the current Articles of Incorporation so that the Company can hold General Meetings of Shareholders without set venues for the following purposes: to make General Meetings of Shareholders become more active, efficient, and smooth by offering more accessible meetings for our shareholders, including those located remotely; and to mitigate risks caused by the spread of infectious diseases, natural disasters, and other large-scale crises. Prior to seeking your approval on the proposed amendment, the Company has already obtained confirmation from both the Ministry of Economy, Trade and Industry and the Ministry of Justice, which is a requirement when holding general meetings of shareholders without set venues.

- (2) Introducing measures to provide informational materials for General Meetings of Shareholders in an electronic format (Article 15 of the proposed amendments)

Since the revised provisions stipulated in a proviso to Article 1 pursuant to the Supplementary Provisions of the Act Partially Amending the Companies Act (Act No.70 of 2019) are to be enforced on September 1, 2022, the Company proposes to make the following changes to its Articles of Incorporation in preparation for introducing measures to provide informational materials for General Meetings of Shareholders in an electronic format.

- 1) Paragraph 1 of Article 15 *Measures to Provide Information in an Electronic Format, etc.* will be newly established, as the Company is required to stipulate in the Articles of Incorporation that it will take measures to provide information in an electronic format for reference materials for General Meetings of Shareholders and other documents.
- 2) Paragraph 2 of Article 15 *Measures to Provide Information in an Electronic Format, etc.* will be newly established, so that the scope of matters to be included in paper copies, which are sent to shareholders upon their request, can be limited in accordance with the Ordinance of the Ministry of Justice when providing information on reference materials for General Meetings of Shareholders and other documents in an electronic format.
- 3) The current Article 15 *Internet Disclosure and Deemed Provision of Reference Materials for General Meeting of Shareholders, etc.* will be deleted, given that it is no longer relevant.
- 4) The Company proposes to set forth effective dates as for supplementary provisions for the above newly established and deleted provisions. Note that the supplementary provisions will be deleted after the effective dates.

## **2. Details of the Amendments**

The details of the amendment are set out in the attachment.

## **3. Schedule**

The date of the Ordinary General Meeting of Shareholders for the amendments: June 24, 2022

The date that amended Articles of Incorporation will be effective: June 24, 2022

(Attachment)

**Details of the Amendments**

(Changes are indicated by underline.)

Current Articles of Incorporation	Proposed amendments
Article 1–12 (Text omitted)	Article 1–12 (Unchanged)
Article 13. <i>Convocation</i> An Ordinary General Meeting of Shareholders shall be convened within three (3) months after the end of each fiscal year and an Extraordinary General Meeting of Shareholders may be convened whenever necessary. (Newly established)	Article 13. <i>Convocation</i> An Ordinary General Meeting of Shareholders shall be convened within three (3) months after the end of each fiscal year and an Extraordinary General Meeting of Shareholders may be convened whenever necessary. 2) <u>The Company may hold General Meetings of Shareholders without set venues.</u>
Article 14 (Text omitted)	Article 14 (Unchanged)
<u>Article 15. Internet Disclosure and Deemed Provision of Reference Materials for General Meeting of Shareholders, etc.</u> <u>In convening a General Meeting of Shareholders, if the Company discloses information to be stated or indicated in reference materials for the General Meeting of Shareholders, business reports, financial statements, and consolidated financial statements via the Internet in compliance with the Ordinance of the Ministry of Justice, the Company shall be deemed to have provided such documents to the shareholders.</u> (Newly established)	(Deleted)  <u>Article 15. Measures to Provide Information in an Electronic Format, etc.</u> <u>When the Company convenes a General Meeting of Shareholders, it shall take measures to provide information on reference materials for General Meetings of Shareholders and other documents in an electronic format.</u> 2) <u>Among items for which measures to provide information in an electronic format will be taken, the Company may omit all or some of those items designated by the Ordinance of the Ministry of Justice from documents sent to shareholders who requested a delivery of paper-based documents by a record date of voting rights.</u>
Article 16–46 (Text omitted)	Article 16–46 (Unchanged)

<p><i>Supplementary Provisions</i> (Text omitted)</p>	<p><i>Supplementary Provisions</i> <u>Article 1</u> (Unchanged)</p>
<p>(Newly established)</p>	<p><u>Article 2. Transitional Measures for the Provision of Informational Materials for General Meetings of Shareholders in an Electronic Format</u></p> <p>The deletion of Article 15 <u>Internet Disclosure and Deemed Provision of Reference Materials for General Meeting of Shareholders, etc.</u> and the new addition of Article 15 <u>Measures to Provide Information in an Electronic Format, etc.</u> will be effective from September 1, 2022.</p> <p>2) <u>Notwithstanding the provision of the preceding paragraph, Article 15 <i>Internet Disclosure and Deemed Provision of Reference Materials for General Meeting of Shareholders, etc.</i> shall remain effective for any General Meetings of Shareholders held within six (6) months from September 1, 2022.</u></p> <p>3) <u>Article 2 of the <i>Supplementary Provisions</i> shall be deleted on the date when six (6) months have passed from September 1, 2022, or three (3) months have passed from the date of the General Meeting of Shareholders stated in the preceding paragraph, whichever is later.</u></p>