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# **Articles of Incorporation**

**Daio Paper Corporation**

# Articles of Incorporation of Daio Paper Corporation

## Chapter 1: General Provisions

### Article 1 (Trade Name)

The Company is named as Daio Seishi Kabushiki Kaisha and presented in English as Daio Paper Corporation.

### Article 2 (Location of Head Office)

The Company has its head office in Shikoku-Chuo City, Ehime, Japan.

### Article 3 (Purpose)

The purpose of the Company shall be to conduct the following business activities:

- (1) Manufacturing, converting, and buying/selling of paper, pulp, non-woven fabric products, and by-products thereof.
- (2) Manufacturing, converting, and sale of everyday necessities and miscellaneous goods.
- (3) Manufacturing, converting, and sale of synthetic resin materials such as functional films, adhesive sheets, and adhesive agents.
- (4) Manufacturing, converting, and buying/selling of cellulose nanofiber.
- (5) Designing, installing, and buying/selling of and providing technical guidance to plants related to the preceding items.
- (6) Manufacturing, converting, and buying/selling of raw materials and fuels for manufacturing and converting of paper and pulp.
- (7) Manufacturing, converting, and buying/selling of chemicals.
- (8) Buying/selling of forests and lumber, afforesting, lumbering, lumber working, and greening/gardening business.
- (9) Agricultural and fishery product processing business.
- (10) Buying/selling, leasing, brokering, and managing of real property.
- (11) Designing, supervising, and constructing of civil engineering and construction.
- (12) Land transportation business, marine transportation business, and warehouse business.
- (13) Planning, producing, and sale of printed matters, advertisement, events, and the like.
- (14) Manufacturing, sale, and leasing of printing equipment, office equipment, electronic equipment, and related equipment as well as related goods.
- (15) Business concerning information processing; designing, manufacturing, and sale of communication systems; and information communication service.
- (16) Managing of respective facilities for education, medical care, sports, tourists,

eating/drinking, and accommodation.

- (17) Business concerning the supply of electricity, steam, and fuels.
- (18) Processing of industrial wastes and general wastes as well as manufacturing and sale of regenerated articles of wastes.
- (19) Buying/selling of the greenhouse gas emission right.
- (20) Worker dispatching business.
- (21) Procuring, manufacturing, converting, and sale of welfare articles, medical equipment, medical appliances, pharmaceuticals, quasi drugs, and cosmetics.
- (22) Nursing care consulting and other nursing care service-related business.
- (23) Any and all businesses associated with the preceding items.

#### Article 4 (Structures)

The Company has the following structures in addition to the shareholders meeting and directors:

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

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

The public notice of the Company shall be made electronically. However, if the Company is unable to make an electronic notice due to an accident or for any other unavoidable reasons, the notice shall be published in the *Nihon Keizai Shimbun*.

## **Chapter 2: Shares**

#### Article 6 (Total Number of Authorized Shares)

The total number of authorized shares of the Company shall be 300 million.

#### Article 7 (Acquisition of Own Shares)

The Company may acquire own shares through market transactions, etc. by resolution of the Board of Directors pursuant to the provisions of Article 165, paragraph 2 of the Companies Act.

#### Article 8 (Number of Unit Shares)

The number of unit shares of the Company shall be 100.

#### Article 9 (Administrator of Shareholder Registry)

1. The Company shall have an administrator of shareholder registry with respect to its shares.
2. The administrator of shareholder registry and the place of handling registry affairs shall be determined by resolution of the Board of Directors, and a public notice about such information shall be published.
3. Preparing a shareholder registry and a share option registry of the Company and keeping them as well as other affairs concerning the shareholder registry and the share option registry shall be entrusted to the administrator of shareholder registry and shall not be handled by the Company.

#### Article 10 (Share Handling Rules)

Handling of shares of the Company shall conform to the Share Handling Rules specified by the Board of Directors in addition to laws and regulations or these Articles of Incorporation.

### Chapter 3: Shareholders Meeting

#### Article 11 (Timing of Calling)

The annual shareholders meeting of the Company shall be called in June every year, and an extraordinary shareholders meeting shall be called as necessary.

#### Article 12 (Record Date of Annual Shareholders Meeting)

The record date for voting rights at the annual shareholders meeting of the Company shall be March 31, every year.

#### Article 13 (Convener and Chairperson of Shareholders Meeting)

Unless otherwise provided for in the laws and regulations, the President and Director shall call a shareholders meeting and serve as the chairperson of the meeting. If the President and Director is unable to attend to his/her duties, another director according to the order of priority set forth in advance in the Board of Directors meeting shall call the shareholders meeting and serve as its chairperson.

#### Article 14 (Electronic Provision Measure, etc.)

1. When calling a shareholders meeting, the Company shall take an electronic provision measure for information that constitutes the contents of reference documents, etc. for the shareholders meeting.
2. The Company may not include all or part of the matters for an electronic provision measure as set forth in the Ordinance of the Ministry of Justice in the documents to be

delivered to the shareholders who submit a request for the delivery of written documents by the record date for voting rights.

#### Article 15 (Method of Resolution)

1. Unless otherwise provided for in the laws and regulations or these Articles of Incorporation, a resolution at a shareholders meeting shall be passed by a majority of the votes of the shareholders present at the meeting.
2. The resolutions at the shareholders meetings based on the provisions of Article 309, paragraph 2 of the Companies Act shall be passed by two-thirds or more of the votes of the shareholders present at the meeting, where those attending shareholders hold one-third or more of the voting rights of all the shareholders who are entitled to exercise their voting rights.

#### Article 16 (Proxy Voting)

Any shareholder or a statutory proxy thereof may exercise a voting right of the Company as a proxy of another shareholder holding the voting right. However, the voting shareholder or proxy shall submit to the Company a document demonstrating the proxy at each shareholders meeting.

#### Article 17 (Minutes)

The proceedings and the outcome of a shareholders meeting as well as other matters specified by laws and regulations shall be reduced into minutes, and the minutes shall be preserved upon the chairperson and the attending directors affixing their own name and seal thereto.

### Chapter 4: Directors, Board of Directors, and Executive Officers

#### Article 18 (Number of Directors)

The Company shall have no more than 15 directors.

#### Article 19 (Election)

1. The resolution for the election of directors shall be passed by a majority of the votes of the shareholders present at the shareholders meeting, where those attending shareholders hold one-third or more of the voting rights of all the shareholders who are entitled to exercise their voting rights.
2. The resolution for the election of directors shall not be by cumulative vote.

#### Article 20 (Term of Office)

1. The term of office of each director shall continue until the conclusion of the annual shareholders meeting for the last business year ending within one year following his/her election.
2. The term of office of a director elected to fill a vacancy shall continue until the term of office of the director who has retired from office before the expiration of the term of office expires.
3. The term of office of a director elected to increase the number of directors shall continue until the term of office of the other directors in office expires.

#### Article 21 (Representative Director, etc.)

1. The Board of Directors may elect, by its resolution, the Chairperson of the Board of Directors, President and Director, and Executive Vice Presidents and Directors.
2. The Board of Directors shall elect the Representative Director by its resolution.

#### Article 22 (Authority of the Board of Directors)

Unless otherwise provided for in the laws and regulations or these Articles of Incorporation, the Board of Directors shall decide on the execution of significant business of the Company.

#### Article 23 (Convener and Chairperson of Board of Directors Meeting)

1. Unless otherwise provided for in the laws and regulations, a Board of Directors meeting shall be called by the President and Director, and the President and Director shall serve as the chairperson of the meeting. If the President and Director is unable to attend to his/her duties, another director according to the order of priority predetermined by the Board of Directors shall call the meeting and serve as its chairperson.
2. A notice for calling a Board of Directors meeting shall be delivered to each of the directors and auditors no later than three days before the date of the meeting. When compelled in an emergency, however, a Board of Directors meeting may be held without going through the calling procedures by obtaining consent of all the directors and auditors.

#### Article 24 (Omission of Resolution at Board of Directors Meeting)

When the requirements of Article 370 of the Companies Act are satisfied, the Company shall deem that the resolution has been passed at the Board of Directors meeting.

#### Article 25 (Remuneration, etc.)

The financial benefits that directors receive from the Company as the consideration for

the execution of their duties, such as remuneration and bonuses (hereinafter, “Remuneration, etc.”) shall be determined by resolution at the shareholders meeting.

#### Article 26 (Exemption from Liability of Director)

1. Pursuant to the provisions of Article 426, paragraph 1 of the Companies Act, the Company may, by resolution of the Board of Directors, exempt a director (including those who were directors) from his/her liability to compensate for damage under Article 423, paragraph 1 of the Act, within the limit provided for in the laws and regulations if the director has acted in good faith and without gross negligence.
2. Pursuant to the provisions of Article 427, paragraph 1 of the Companies Act, the Company may conclude a contract with a director (excluding those who are executive directors, etc.) to the effect of limiting the liability to compensate for damage under Article 423, paragraph 1 of the Act, if the director has acted in good faith and without gross negligence.

However, the limit amount for the liability based on the contract shall be either the amount of 10 million yen or greater as set in advance or the amount prescribed by laws and regulations, whichever is the higher.

#### Article 27 (Executive Officers)

The Board of Directors may appoint, by its resolution, executive officers and have them execute the Company’s business.

### **Chapter 5: Auditors and Board of Auditors**

#### Article 28 (Number of Auditors)

The Company shall have no more than five auditors.

#### Article 29 (Election)

The resolution for the election of auditors shall be passed by a majority of the votes of the shareholders present at the shareholders meeting, where those attending shareholders hold one-third or more of the voting rights of all the shareholders who are entitled to exercise their voting rights.

#### Article 30 (Term of Office)

1. The term of office of each auditor shall continue until the conclusion of the annual shareholders meeting for the last business year ending within four years following his/her election.
2. The term of office of an auditor elected to fill a vacancy shall continue until the term of

office of the auditor who has retired from office before the expiration of the term of office expires.

#### Article 31 (Full-Time Auditor(s))

The Board of Auditors shall elect full-time auditor(s) by its resolution.

#### Article 32 (Authority of the Board of Auditors)

Unless otherwise provided for in the law, the Board of Auditors shall decide on matters concerning the execution of the duties of auditors only to the extent not to preclude the exercise of authority by auditors.

#### Article 33 (Convener and Chairperson of Board of Auditors Meeting)

1. A Board of Auditors meeting shall be called by the auditor predetermined by the Board of Auditors, and the auditor shall serve as the chairperson of the meeting. When necessary, however, another auditor may also call the meeting.
2. A notice for calling a Board of Auditors meeting shall be delivered to each of the auditors no later than three days before the date of the meeting. When compelled in an emergency, however, a Board of Auditors meeting may be held without going through the calling procedures by obtaining consent of all the auditors.

#### Article 34 (Remuneration, etc.)

The Remuneration, etc. for auditors shall be determined by resolution at the shareholders meeting.

#### Article 35 (Exemption from Liability of Auditor)

1. Pursuant to the provisions of Article 426, paragraph 1 of the Companies Act, the Company may, by resolution of the Board of Directors, exempt an auditor (including those who were auditors) from his/her liability to compensate for damage under Article 423, paragraph 1 of the Act, within the limit provided for in the laws and regulations if the auditor has acted in good faith and without gross negligence.
2. Pursuant to the provisions of Article 427, paragraph 1 of the Companies Act, the Company may conclude a contract with an auditor to the effect of limiting the liability to compensate for damage under Article 423, paragraph 1 of the Act, if the auditor has acted in good faith and without gross negligence. However, the limit amount for the liability based on the contract shall be either the amount of 10 million yen or greater as set in advance or the amount prescribed by laws and regulations, whichever is the higher.



## Chapter 6: Calculation

### Article 36 (Business Year)

The business year of the Company shall be one year from April 1 of every year through March 31 of the following year.

### Article 37 (Year-End Dividend)

The year-end dividend shall be paid to the shareholders or registered pledgees of shares that are stated or recorded in the final shareholders registry as of March 31 of every year.

### Article 38 (Interim Dividend)

The Company may distribute interim dividends, by resolution of the Board of Directors, as a distribution of monies to the shareholders or registered pledgees of shares that are stated or recorded in the final shareholders registry as of September 30 of every year.

### Article 39 (Period of Exclusion of Year-End Dividend, etc.)

If any dividend property as money is not received even after the elapse of three years from the date of commencement of its payment, the Company shall be released from the obligation to make the payment.

### (Supplementary Provisions)

1. The deletion of Article 14 (Disclosure via the internet and deemed provision of reference documents, etc. for General Meeting of Shareholders) of the Articles of Incorporation before amended and the new establishment of Article 14 (Electronic Provision Measure, etc.) of the Articles of Incorporation after amended shall come into effect as from September 1, 2022 (hereinafter, "Effective Date") that is the date of enforcement of the amended provisions stipulated in the proviso to Article 1 of the Supplementary Provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019).
2. Notwithstanding the provisions of the preceding paragraph, Article 14 (Disclosure via the internet and deemed provision of reference documents, etc. for General Meeting of Shareholders) of the Articles of Incorporation before amended shall remain effective at the General Meeting of Shareholders that is held on a day within six months from the Effective Date.
3. These Supplementary Provisions shall be deleted after the later of either the date six months from the Effective Date or the date three months from the date of the General Meeting of Shareholders as set forth in the preceding paragraph.

May 5, 1943: Established  
June 29, 2022: Latest amendment