

# **ARTICLES OF INCORPORATION**

As amended on September 1, 2011

**Nabtesco Corporation**

# ARTICLES OF INCORPORATION OF NABTESCO CORPORATION

(Nabtesco Kabushiki Kaisha)

## CHAPTER I GENERAL PROVISIONS

### Article 1 (Trade Name)

This Corporation shall be named as “Nabtesco Kabushiki Kaisha” to be expressed in English as “Nabtesco Corporation”.

### Article 2 (Objectives)

1. The Corporation has its objectives to operate following businesses and to control and manage business activities of other companies that operate businesses as below and foreign companies that operate the businesses equivalent to the businesses as below by means of acquiring the stocks or holding the shares thereof.
  - (1) Design, manufacture, sale, maintenance and repair of brake system, automatic door operators, coupling devices and safety equipment used for railway carriage as well as parts thereof;
  - (2) Design, manufacture, sale, maintenance and repair of brake system, running control gears, automatic door operators, devices for purifying exhaust gases and other various kinds of safety equipment used for automobiles as well as parts thereof;
  - (3) Design, manufacture, sale, maintenance and repair of parts used for aircrafts;
  - (4) Design, manufacture, sale, maintenance and repair of parts used for industrial robots;
  - (5) Design, manufacture, sale, maintenance and repair of manufacturing equipment for semiconductor as well as parts thereof;
  - (6) Design, manufacture, sale, maintenance and repair of manufacturing equipment used for liquid crystal substrates as well as parts thereof;
  - (7) Design, manufacture, sale, maintenance and repair of machinery and equipment for construction as well as parts thereof;
  - (8) Design, manufacture, sale, maintenance and repair of marine control system and fire-fighting facilities as well as parts thereof;
  - (9) Design, manufacture, sale, installation, maintenance and repair of automatic door operators used for buildings and general industrial applications as well as parts thereof; well as parts thereof;
  - (10) Design, manufacture, sale, maintenance and repair of equipment for elevators as well as parts thereof;
  - (11) Design, manufacture, sale, maintenance and repair of machinery and equipment used for wind power generators as well as parts thereof;
  - (12) Design, manufacture, sale, installation, maintenance and repair of equipment, parts and attachments for producing 3 dimension solid prototype;
  - (13) Development and sale of chemicals used for equipment in producing 3 dimension solid prototype;
  - (14) Design, manufacture, sale, maintenance and repair of heat exchangers as well as parts thereof;

- (15) Design, manufacture, sale, installation, maintenance and repair of machines and equipment for forming a vacuum as well as parts thereof;
- (16) Design, manufacture, sale, installation, maintenance and repair of machinery for food processing
- (17) Design, manufacture, sale, installation, maintenance and repair of packaging machinery as well as parts thereof;
- (18) Design, manufacture, sale, maintenance and repair of equipment for weighing and calculating as well as parts thereof;
- (19) Design, manufacture, sale, installation, maintenance and repair of manufacturing machine as well as parts thereof;
- (20) Design, manufacture, sale, installation, maintenance and repair of swaging machines as well as parts thereof;
- (21) Design, manufacture, sale, installation, maintenance and repair of textile machinery as well as parts thereof;
- (22) Design, manufacture, sale and installation of metal fixtures and various kinds of building-use ironware.
- (23) Design, manufacture, sale, installation, maintenance and repair of automatic assembly machines and control systems for general industrial equipment such as connecting pipes of general industrial equipment therefor as well as parts thereof;
- (24) Design, manufacture, sale, installation, maintenance and repair of multi-storied parking devices, fire and smoke prevention and smoke removing apparatus and equipment, and safety equipment for platforms as well as parts thereof;
- (25) Design, manufacture, sale, maintenance and repair of welfare-care products, home-care medical equipment and other medical devices and equipment as well as parts thereof;
- (26) Design, manufacture, sale, installation, maintenance and repair of general industrial machinery as well as parts thereof;
- (27) Design, manufacture, sale, maintenance and repair of machinery and equipment not included in preceding paragraphs.
- (28) Design, manufacture, sale, installation, maintenance and repair of computer, peripherals thereof and communications equipment;
- (29) Design, manufacture, sale, installation, maintenance and repair of computer and software for peripherals thereof;
- (30) Import/export related to preceding paragraphs.
- (31) Undertaking for construction work such as installation of machinery and equipment, construction of fire-fighting facilities and construction for fixtures;
- (32) Chemical analysis of water and air pollution etc. and measurement and certification with respect to environment;
- (33) Design, construction and administration of civil engineering, architecture, and other constructions;
- (34) Management consulting business;
- (35) Lease and rental business for various machinery and equipment;
- (36) Development of computer and software for peripherals thereof, rendering service with respect to utilization thereof and consulting services for computer;
- (37) General insurance agency and soliciting for life insurance;
- (38) Sale, purchase, lease, intermediation and management of real estate;
- (39) Investment for businesses with intention other than those purposes of preceding paragraphs when needed due to operational requirements;
- (40) Any other businesses related to any of the preceding paragraphs.

2. The Corporation may operate all other businesses incidental and relating to the preceding paragraphs (1) through (40) above.

#### Article 3 (Location of the Head Office)

The head office of the Corporation shall be located in Chiyoda-ku, Tokyo, Japan.

#### Article 4 (Organizations, etc.)

The Corporation shall have the following organizations and positions in addition to the General Meeting of Shareholders and the Directors.

1. Board of Directors
2. Corporate Auditors
3. Board of Corporate Auditors
4. Accounting Auditors

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

Public Notices of the Corporation shall be electronically given, however, in the event that such public notice is unable to be made due to accident or any other unavoidable reasons, the public notice shall be given in the Nihon Keizai Shinbun.

## **CHAPTER II SHARES**

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

The total number of shares that the Corporation may issue shall be four hundred million (400,000,000).

#### Article 7 (Acquisition of Treasury Stock)

The Corporation may, in accordance with a resolution of the Board of Directors, purchase its own stock pursuant to Article 165, Paragraph 2 of the Company Act.

#### Article 8 (Number of Shares Constituting a Share Unit)

The number of shares constituting one full unit of stock of the Corporation shall be 100.

#### Article 9 (Rights of Shareholders Holding Non-Unit-Shares)

A shareholder holding Non-Unit-Shares shall not be allowed to exercise any rights other than those mentioned below in connection with such Non-Unit-Shares;

- (1) Rights provided for in each Items of Paragraph 2, Article 189 of the Company Act.
- (2) Rights to receive the allotment of offered shares and offered stock option rights of the Corporation in proportion to the number of shares held by the shareholder; or
- (3) Right to make a request as provided for in Article 11 hereof.

#### Article 10 (Request for Additional Purchase of Non-Unit-Shares)

A shareholder holding Non-Unit-Shares may request the Corporation to sell to the shareholder such a number of shares that will, when aggregated with the Non-Unit-Shares, constitute one full unit of stock.

#### Article 11 (Share Registrar)

1. The Corporation shall appoint a share registrar with respect to its shares.
2. The share registrar and its handling office shall be designated by a resolution of the Board of Directors.
3. The register of shareholders, the register of option holders shall be prepared and kept by the share registrar on consignment from the Corporation. The Corporation shall also entrust the share registrar with other business pertaining to the register of shareholders, the register of stock option right holders and the register of lost share certificates of the Corporation. The Corporation itself shall not handle the above matters directly.

#### Article 12 (Share Handling Regulations)

The business and handling charge, etc., pertaining to shares of the Corporation shall be governed by the relevant laws and regulations, these Articles of Incorporation as well as the Share Handling Regulations as adopted or amended by a resolution of the Board of Directors.

### **CHAPTER III GENERAL MEETINGS OF SHAREHOLDERS**

#### Article 13 (Time and Venue of Convocation)

1. The Ordinary General Meeting of Shareholders shall be convened in June each year, and an Extraordinary General Meeting of Shareholders may be convened whenever necessary.
2. The General Meeting of Shareholders shall be convened in any of the Wards of Tokyo.

#### Article 14 (Record Date of Ordinary General Meeting of Shareholders)

The Corporation shall deem March 31 of a given year to be the reference date of creation of voting right at the Ordinary General Meeting of Shareholders.

#### Article 15 (Convocator of Meetings and the Chairperson)

The President previously determined by a resolution of the Board of Directors shall convene the General Meetings of Shareholders and act as the chairman thereof. Provided, however, that when such President is unable to act, another Director, who shall be elected in accordance with an order of priority previously determined by a resolution of the Board of Directors of the Corporation, shall convene such General Meetings and act as chairperson thereof.

#### Article 16 (Internet Disclosures and Deemed Provision of Reference Documents for General Meetings of Shareholders)

The Company may be deemed to have provided the shareholders with the information regarding matters to be entered or presented in the reference documents for the General Meeting of Shareholders, business report, and financial statements including consolidated financial statements required to be given to the shareholders upon the convocation of the General Meeting of Shareholders by disclosing such information via the Internet in accordance with the regulation enacted by the Department of Justice.

#### Article 17 (Method of Adopting Resolutions)

1. Except as otherwise provided for by relevant laws or by these Articles of Incorporation, all resolutions of a General Meeting of the Shareholders shall be adopted by a majority of voting rights held by the attending shareholders having rights to exercise voting rights.
2. Notwithstanding the preceding paragraph, resolutions to be adopted pursuant to Paragraph 2, Article 309 of the Company Act may be adopted by not less than two-thirds ( $2/3$ ) of the of voting rights held by the attending shareholders having rights to exercise voting rights at the General Meeting of Shareholders the quorum for which shall be the presence of shareholders who hold not less than one-third ( $1/3$ ) of the total voting rights exercisable for such meeting.

#### Article 18 (Exercise of Voting Rights by Proxy)

A shareholder or a legal representative of a shareholder may appoint one attending shareholder who may exercise the voting rights as its proxy. Provided, however, that a document evidencing the authority of such proxy must be filed with the Corporation for each General Meeting of the Shareholders.

#### Article 19 (Minutes)

The substance of the proceedings and the results at a General Meeting of Shareholders and other matters provided for by laws and regulations shall be recorded in the minutes.

### **CHAPTER IV DIRECTORS AND BOARD OF DIRECTORS**

#### Article 20 (Number of Directors)

The Corporation shall have no more than ten (10) Directors.

#### Article 21 (Election of Directors)

1. The Directors shall be elected at a General Meeting of the Shareholders.
2. Resolutions for election of the Directors shall be adopted by majority of the voting right held by the attending shareholders having rights to exercise the voting rights at the General Meeting of Shareholders the quorum for which shall be the presence of

shareholders who hold not less than one-third (1/3) of the total voting rights exercisable for such meeting.

3. With respect to the resolutions for the election of the Directors, no cumulative voting shall be permitted.

#### Article 22 (Term of Office of the Directors)

The term of office of the Directors shall expire at the closing of the Ordinary General Meeting of Shareholders to be held for the last fiscal year of the Corporation ending within one (1) year after their appointment.

#### Article 23 (Election of Representative Directors and Executive Directors)

1. The Corporation shall, by a resolution of the Board of Directors, elect one or more Directors who shall represent the Corporation.
2. The Corporation may, by a resolution of the Board of Directors, appoint one Chairman of the Board, one President and one or more Vice-Presidents, Senior Managing Directors and Junior Managing Directors.

#### Article 24 (Deemed Resolution of the Board of Directors)

If all the Directors unanimously express their consent in writing or by electronic device to a matter to be resolved by the Board of Directors and any Auditor does not make any objection thereto, such matter shall be deemed to have been adopted by a resolution of the Board of Directors.

#### Article 25 (Remuneration, etc. of the Directors)

The Corporation shall determine the remuneration, bonus and other financial benefits to be paid to the Directors in consideration of the performance of their duties (hereinafter referred to as the "Remuneration, etc.") by a resolution of the General Meeting of Shareholders.

#### Article 26 (Exemption of Directors from Liabilities)

The Corporation may, by a resolution of the Board of Directors, exempt the Directors (including former Directors) from the liabilities as provided for in Paragraph 1, Article 423 of the Company Act within the limitation permitted by the relevant laws and regulations when deemed necessary in view of the details on a factual basis for of liabilities as facts, performance condition and other situations wherever they act in good faith and without gross negligence.

#### Article 27 (Liability Limitation Agreement with External Directors)

The Corporation may enter into an agreement with External Directors that the limitation of their liabilities as provided for in Paragraph 1, Article 423 of the Company Act shall be either 10 million yen or total amount stipulated by relevant laws and regulations, whichever is higher, wherever they act in good faith and without gross negligence.

Article 28 (Notice of the Convocation of the Board of Directors)

1. Notice of a meeting of the Board of Directors shall be sent to each Director and each Corporate Auditor at least three (3) days prior to the meeting. Provided, however, that in cases of urgency, such a period may be shortened.
2. Should the Corporation obtain the consent of all Directors and Corporate Auditors, the Corporation may hold a meeting of the Board of Directors without taking the procedure of convocation.

Article 29 (Regulations of the Board of Directors)

The matters with respect to the Board of Directors shall be subject to the Regulations of the Board of Directors established by it.

**CHAPTER V CORPORATE AUDITORS AND  
BOARD OF CORPORATE AUDITORS**

Article 30 (Number of Corporate Auditors)

1. The Corporation shall have no more than five (5) Corporate Auditors.
2. In the event of a vacancy among the Corporate Auditors, the Corporation may leave the vacancy unfilled wherever the number of Corporate Auditors available meet the number legally required even in case of vacancy thereof and may thus be considered to be able to carry on their duties without disruption.

Article 31 (Election of Corporate Auditors)

1. Corporate Auditors shall be elected at the General Meetings of the Shareholders.
2. Resolutions for election of the Corporate Auditors shall be adopted by majority of the voting right held by the attending shareholders having rights to exercise the voting rights at the General Meeting of Shareholders the quorum for which shall be the presence of shareholders who hold not less than one-third (1/3) of the total voting rights exercisable for such meeting.

Article 32 (Term of Office of Corporate Auditors)

1. The term of office of Corporate Auditors shall expire at the closing of the Ordinary General Meeting of Shareholders to be held for the last fiscal year of the Corporation ending within four (4) years after their appointment.
2. Any Corporate Auditors elected to fill a vacancy of resigned Corporate Auditor shall remain in office until the expiration of the term of office of such resigned Corporate Auditor.

Article 33 (Full-Time Corporate Auditors)

Full-Time Corporate Auditors shall be elected by the Board of Auditors by its resolution.

#### Article 34 (Remuneration, etc. of Corporate Auditors)

The Corporation shall determine the remuneration, etc. of Corporate Auditors by a resolution of the General Meeting of Shareholders.

#### Article 35 (Exemption of Corporate Auditors from Liabilities)

The Corporation may, by a resolution of the Board of Directors, exempt Corporate Auditors from liabilities as provided for in Paragraph 1, Article 423 of the Company Act within the limitation permitted by the relevant laws and regulations when deemed necessary in view of details on a factual basis for liabilities, performance condition and other situations wherever they act in good faith and without gross negligence.

#### Article 36 (Liability Limitation Agreement with External Auditors)

The Corporation may enter into an agreement with External Auditors that the limitation of their liabilities as provided for in Paragraph 1, Article 423 of the Company Act shall be either 10 million yen or total amount stipulated by relevant laws and regulations, whichever is higher, wherever they act in good faith and without gross negligence.

#### Article 37 (Notice of Convocation of the Board of Corporate Auditors)

1. Notice of a meeting of the Board of Corporate Auditors shall be sent to each Corporate Auditor at least three (3) days prior to date of the meeting. Provided, however, that in case of urgency, such a period may be shortened.
2. Should the Board obtain the consent of all Corporate Auditors, the Board may hold the meeting of the Board of Corporate Auditors without the procedure of convocation.

#### Article 38 (Regulations of the Board of Corporate Auditors)

The matters with respect to the Board of Corporate Auditors shall be subject to the Regulations of the Board of Corporate Auditors established by it.

## **CHAPTER VI ACCOUNTING AUDITORS**

### Article 39 (Election of Accounting Auditors)

Accounting Auditors shall be elected at the General Meeting of Shareholders.

### Article 40(Term of Office of Accounting Auditors)

1. The term of office of Accounting Auditors shall expire at the closing of the Ordinary General Meeting of Shareholders to be held for the last fiscal year of the Corporation ending within one (1) after their appointment.
2. An Accounting Auditor shall be deemed to have been reappointed at the General Meeting of Shareholders referred to in the preceding Paragraph, unless where otherwise resolved thereat.

## **CHAPTER VII CORPORATE EXECUTIVE OFFICERS AND THE BOARD OF CORPORATE EXECUTIVE OFFICERS**

### Article 41 (Corporate Executive Officer)

The Corporation may place Corporate Executive Officers as a position in order to operate the business in a professional manner in line with decision of the Board of Directors.

### Article 42 (Election of Corporate Executive Officers)

Corporate Executive Officers shall be appointed by a resolution of the Board of Directors.

### Article 43 (Term of Office of Corporate Executive Officer)

1. The term of office of Corporate Executive Officers shall be one (1) year.
2. The Board of Directors may dismiss Corporate Executive Officer in the middle of their term of office.

### Article 44 (Remuneration, etc. of Corporate Executive Officers)

The Corporation shall determine the remuneration, etc. of Corporate Executive Officers by a resolution of the Board of Directors.

### Article 45 (Regulations of the Corporate Executive Director and the Board of Corporate Executive Officers)

The matters with respect to Corporate Executive Officers and the Board of Corporate Executive Officers shall be subject to the Regulations of the Corporate Executive Directors and the Board of Corporate Executive Officers established by the Board of Directors.

## **CHAPTER VIII ACCOUNTS**

### Article 46 (Fiscal Year and Closing of Accounts)

The fiscal year of the Corporation shall be one (1) year commencing on April 1 of each year and shall end on March 31 of the following year.

### Article 47 (Base Date for Dividends on Retained Earnings)

The base date for the year-end dividends of the Corporation shall be March 31 of each year.

### Article 48 (Interim Dividends)

The Corporation may, by a resolution of the Board of Directors, pay interim dividends on September 30 of each year as a base date.

### Article 49 (Limited Period for Payment of Dividends, etc.)

When the dividends or interim dividends are paid in cash, the Corporation shall be exempted from paying any of them after full of five (5) years have elapsed from the commencement date of payment thereof.