

**Articles of Incorporation of MEGMILK SNOW BRAND Co., Ltd.**

(Revised on: June 28, 2022)

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## **Chapter I GENERAL**

### **Article 1 (Trade Name)**

The name of the Company shall be Yukijirushi Megumiruku Kabushiki Kaisha and in English translation it shall be MEGMILK SNOW BRAND Co., Ltd.

### **Article 2 (Location of the Head Office)**

The Company's head office shall be located in Sapporo City.

### **Article 3 (Purpose)**

The Company shall conduct the following business activities, and directly or indirectly owns shares or equity in companies conducting the following business activities as well as foreign companies engaging in business activities corresponding to such activities, thereby controlling and managing operations of those companies:

- (1) Process of milk and manufacture and sale of milk products
- (2) Manufacture and sale of fruit drinks, beverages and carbonated drinks
- (3) Manufacture and sale of confectionery, edible fat and oil, seasonings and other processed agricultural products derived from grain
- (4) Manufacture and sale of agricultural products, livestock products and marine products and their processed foods
- (5) Manufacture and sale of ice creams and frozen foods.
- (6) Manufacture and sale of nursery items
- (7) Manufacture and sale of medical drugs, quasi-medical drugs and cosmetics
- (8) Manufacture and sale of liquors and alcohols
- (9) Manufacture and sale of animal feeds and seeds.
- (10) Sale of daily goods and health aids
- (11) Management and operation of ranches and agricultural farms
- (12) Management and operation of restaurants
- (13) Management and operation of cultural, welfare and educational facilities
- (14) Management and operation of freight carriers and warehouses
- (15) Lease, sale, management, mediation and appraisal of real estates
- (16) Acquisition, planning, development, design, preservation, leasing and sale of industrial rights, know-how and software related to information systems

- (17) Design, construction, supervision and subcontract of architectural and utility works
- (18) Manufacture, sale and guidance of manufacturing equipment for foods and medical drugs, waste water treatment equipment, general waste treatment equipment, industrial waste treatment equipment, transportation equipment for industrial use, measuring instruments and analytical instruments
- (19) Planning, development, quality inspection and analysis of foods, medical drugs, quasi-medical drugs and cosmetics
- (20) Order acceptance, logistic management and inventory control of foods, medical drugs, quasi-medical drugs and cosmetics
- (21) Sanitary control guidance at food manufacturing plants
- (22) Calculation of salary, bookkeeping, accounting and settlement of accounts and providing guidance for them
- (23) Loan, financing, foreign exchange operation and fund management with respect to businesses of affiliates and agent operation for those activities
- (24) Works related to welfare packages and insurance
- (25) Planning and implementation of public relation works and planning and production of advertisements
- (26) Operation, management, maintenance and inspection of hardware and software related to information systems
- (27) Industrial waste treatment
- (28) Above works (item 1-27) under consignment by enterprises and organizations
- (29) Administration and management and management consultant operation with respect to business activities of affiliates
- (30) All other affairs incidental and related to each of the above

#### **Article 4 (Governing Bodies)**

In addition to general meetings of shareholders and Directors, the Company shall have the following bodies:

- (1) Board of Directors;
- (2) Audit & Supervisory Committee;
- (3) Accounting Auditors.

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

Public notices of the Company shall be given by means of electronic notification. However, in cases where electronic notification is not available due to any unavoidable reason, public notices shall be given in the Nihon Keizai Shimbun.

## **Chapter II**

### **SHARES**

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

Total number of shares authorized to be issued by the Company shall be two hundred and eighty million (280,000,000).

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

The Company may, by resolution of the Board of Directors, acquire its own shares pursuant to Article 165, Paragraph 2 of the Companies Act.

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

Number of shares constituting one unit of stock shall be one hundred (100).

#### **Article 9 (Rights Vested in Shares Constituting Less Than One Unit)**

Shareholders of the Company may not exercise rights other than those listed below with respect to shares constituting less than one unit:

- (1) Rights set out in Article 189, Paragraph 2 of the Companies Act
- (2) The right to demand for acquisition of shares with put option pursuant to Article 166, Paragraph 1 of the Companies Act;
- (3) The right to receive the allotment of shares for subscription and share options for subscription based on the number of shares held by each shareholder;
- (4) Rights to solicit additional subscription of shares constituting less than one unit prescribed in the following Article.

#### **Article 10 (Additional Subscription of Shares Constituting Less Than One Unit)**

Shareholders of the Company may, pursuant to the Share Handling Rules, demand for the sale of the number of shares which, together with the number of shares less than one unit held by such shareholders, will constitute one share unit.

#### **Article 11 (Administrator of Shareholder Registry)**

1. The Company shall appoint an "Administrator of Shareholder Registry."
2. The Administrator of Shareholder Registry and its handling office shall be designated by resolution of the Board of Directors of the Company and public notice thereof shall be given by

the Company.

3. The Company shall entrust an Administrator of Shareholder Registry to handle the administration of the shareholder registry including preparing and keeping the shareholder registry and the register of new share subscription right and the Company shall not be responsible for such administration by itself.

#### **Article 12 (Share Handling Rules)**

Procedures for the exercise of shareholders' right of the Company, other handlings and commissions and fees shall be governed by laws and regulations, the Articles of Incorporation, or the Share Handling Rules provided by the Board of Directors.

### **Chapter III General Meetings of Shareholders**

#### **Article 13 (Convocation)**

1. An annual general meeting of shareholders shall be convened in June each year, and an extraordinary general meeting of shareholders shall be convened whenever necessary.
2. The general meeting of shareholders shall be convened by the Representative Director by resolution of the Board of Directors, unless otherwise required by law.

#### **Article 14 (Record Date for General Meetings of Shareholders)**

The Record Date for voting rights of general meetings of shareholders of the Company shall be March 31 each year.

#### **Article 15 (Chairperson)**

The President shall act as the chairperson of general meetings of shareholders. When the President is unable to act due to accidents, another Director appointed by resolution of the Board of Directors in advance shall act as the chairperson.

#### **Article 16 (Measures for Electronic Provision, etc.)**

1. The Company shall, when convening a general meeting of shareholders, provide electronically information that is the content of reference material for the general meeting of shareholders, etc.
2. Of the matters to which electronic provision measures apply, the Company may choose not to record all or part of matters stipulated in the Ordinance of the Ministry of Justice in the physical documents provided to shareholders who made requests for provision of physical documents by

the record date for voting rights.

**Article 17 (Method of Resolution)**

1. Except as otherwise provided by laws and regulations or by these Articles of Incorporation, all resolutions at a general meeting of shareholders shall be adopted by a majority of the votes of the attending shareholders who are entitled to exercise voting rights.
2. Resolutions to be adopted pursuant to Article 309, Paragraph 2 of the Companies Act may be adopted by not less than two-thirds (2/3) of the votes held by the attending shareholders who hold not less than one-third (1/3) of the votes of the shareholders who are entitled to exercise voting rights.

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

1. A shareholder may exercise his/her voting rights by authorizing one (1) shareholder to act for the shareholder as proxy who holds voting rights of the Company.
2. A shareholder who exercises his/her voting rights by proxy voting or a proxy shall submit documents evidencing the authority of a proxy to the Company at each general meeting of shareholders.

**Article 19 (Meeting of Minutes)**

Progress of agendas discussed and the results thereof at a general meeting of shareholders shall be stated or recorded in a meeting of minutes together with other matters provided by laws and regulations.

**Chapter IV**

**DIRECTORS AND BOARD OF DIRECTORS**

**Article 20 (Number of Directors)**

1. The Company shall have up to fifteen (15) Directors (excluding Directors serving as Audit and Supervisory Committee Members).
2. The Company shall have up to five (5) Directors serving as Audit and Supervisory Committee Members.

**Article 21 (Election of Directors)**

1. Election of Directors at the general meeting of shareholders shall be distinguished between Directors serving as Audit and Supervisory Committee Members and other Directors.

2. Directors shall be elected by resolution of the general meeting of shareholders by a majority vote of the shareholders present at the meeting who hold not less than one-third (1/3) of the voting rights of the shareholders who are entitled to exercise voting rights.
3. Resolution on the election of Directors shall be made by no cumulative voting.

#### **Article 22 (Dismissal)**

1. A Director (excluding a Director serving as Audit and Supervisory Committee Member) shall be dismissed by resolution of the general meeting of shareholders by two-thirds (2/3) of votes of the shareholders present at the meeting who hold not less than one-third (1/3) of the voting rights of the shareholders who are entitled to exercise voting rights.
2. A Director serving as Audit and Supervisory Committee Member shall be dismissed by resolution of the general meeting of shareholders by two-thirds (2/3) of votes of the shareholders present at the meeting who hold not less than one-third (1/3) of the voting rights of the shareholders who are entitled to exercise voting rights.

#### **Article 23 (Term of Office of Directors)**

1. The term of office of a Director (excluding Directors serving as Audit and Supervisory Committee Members) shall expire at the conclusion of the annual general meeting of shareholders held with respect to the latest business year ending within one (1) year after his or her election to the office.
2. The term of office of a Director serving as Audit and Supervisory Committee Member shall expire at the conclusion of the annual general meeting of shareholders held with respect to the latest business year ending within two (2) years after his or her election to the office.
3. The term of office of a Director appointed as a substitute to fill the vacancy of a Director serving as Audit and Supervisory Committee Member who resigned prior to the expiration of his or her term of office shall be the remaining term of office of such resigned Director.

#### **Article 24 (Representative Director)**

The Board of Directors shall appoint Representative Director(s) from among the Directors (excluding Directors serving as Audit and Supervisory Committee Members) by resolution.

#### **Article 25 (Appointment of Other Officers)**

The Board of Directors may by its resolution have one (1) Director and Chairperson, one (1) Director and Vice Chairperson, one (1) President, a few Executive Vice Presidents, Senior Managing Directors and Managing Directors from among the Directors (excluding Directors serving as Audit and Supervisory Committee Members).

**Article 26 (Meetings of the Board of Directors)**

1. The Board of Director shall determine matters stipulated by laws and regulations or by these Articles of Incorporation and other important matters relating to business operations of the Company.
2. The Board of Directors shall be convened and its chairperson appointed pursuant to determination by the Board of Directors.
3. Notice of a meeting of the Board of Directors prescribed in the preceding Paragraph shall be sent to each Director at least three (3) days prior to the date of such meeting; provided, however, that in case of urgency, such period may be shortened.
4. Notwithstanding Paragraph 3 above, with unanimous consent of the Directors, the meetings of the Board of Directors may be convened without following the usual procedures for convocation.
5. Resolutions of the Board of Directors shall be adopted by a majority of the Directors present, which present Directors shall constitute in number a majority of the total number of Directors.
6. Progress of agendas discussed and the results thereof at a meeting of the Board of Directors shall be stated and recorded in the minutes together with other matters provided by laws and regulations, signed, sealed or electronically sealed by all Directors present at the meeting and shall be retained for ten (10) years at the head office of the Company.

**Article 27 (Delegation of Important Business Execution Decisions)**

The Company, based on the stipulations in Article 399-13, Paragraph 6 of the Companies Act, subsequent to resolution by the Board of Directors, may delegate authority to execute important business (excluding those items set forth in each item of Paragraph 5 of the same Article) in part or in whole.

**Article 28 (Omission of Resolution of the Board of Directors Meeting)**

Resolution of the Board of Directors shall be deemed as duly adopted when it satisfies the requirements stipulated in Article 370 of the Companies Act.

**Article 29 (Senior Corporate Advisers, Corporate Advisers and Advisers)**

The Company may appoint Senior Corporate Advisers, Corporate Advisers and Advisers by resolution of the Board of Directors of the Company.

**Article 30 (Remunerations, etc.)**

Financial benefits to be paid to Directors from the Company as a consideration for the execution of the duties such as remunerations and bonuses (hereinafter referred to as the “Remunerations, etc.”) shall be determined by resolution at a general meeting of shareholders, distinguishing between



Directors serving as Audit and Supervisory Committee Members and the other Directors.

**Article 31 (Exemption from Liability)**

1. Pursuant to Article 426, Paragraph 1 of the Companies Act, the Company may, by resolution of the Board of Directors, give an exception from liability to its Directors (including former Directors) who committed gross negligence, to the extent of the amount provided by laws and regulations.
2. The Company may, pursuant to Article 427, Paragraph 1 of the Companies Act, enter into an agreement with Directors (excluding Executive Directors and employees) to apply statutory limit with respect to liability of gross negligence provided that the upper limit of liability toward the Company shall be an amount set to be ten million (10,000,000) yen or higher, or the amount required by laws and regulations, whichever is greater.

**Chapter V**  
**Audit & Supervisory Committee**

**Article 32 (Standing Audit and Supervisory Committee Members)**

The Audit and Supervisory Committee shall elect Standing Audit and Supervisory Committee Members by resolution.

**Article 33 (Meetings of the Audit and Supervisory Committee)**

1. Notice of a meeting of the Audit and Supervisory Committee of the Company shall be sent to each Audit and Supervisory Committee Member at least three (3) days prior to the meeting; provided, however, that in case of urgency, such period may be shortened.
2. Notwithstanding Paragraph 1 above, with unanimous consent of the Audit and Supervisory Committee Members, meeting of the Audit and Supervisory Committee may be convened without following the usual procedures for convocation.
3. Except as otherwise provided by laws and regulations, resolutions of a meeting of Audit and Supervisory Committee of the Company shall be made by a majority vote of the Audit and Supervisory Committee Members present, provided that a majority of Audit and Supervisory Committee Members able to take part in resolutions are present.
4. Progress of agendas discussed and the results thereof at the Audit and Supervisory Committee meeting shall be recorded and mentioned in the minutes together with other matters provided by laws and regulations, and signed, sealed or electronically sealed by the Audit and Supervisory Committee Members present at the meeting. The meeting of minutes shall be retained for ten (10)

years at the head office of the Company.

**Article 34 (Audit and Supervisory Committee Rules)**

Matters concerning Audit and Supervisory Committee shall be governed by laws and regulations, these Articles of Incorporation, or the Audit and Supervisory Committee Rules provided by the Audit and Supervisory Committee.

**Chapter VI  
ACCOUNTS**

**Article 35 (Business Year)**

The business year of the Company shall commence on April 1 of each year and shall end on March 31 of the following year.

**Article 36 (Body to Determine Appropriation of Surplus, etc.)**

Concerning matters provided for by each Item in Article 459, Paragraph 1 of the Companies Act, such as appropriation of surplus, etc., excluding situations where explicitly stipulated by laws and regulations, the Company may determine these matters via resolution by the Board of Directors, without resolution by a General Meeting of Shareholders.

**Article 37 (Dividends Paid out of Surplus)**

1. The Company shall pay year-end dividends to shareholders or registered pledgees of shares listed or recorded on the shareholder registry as of the close of March 31 each year.
2. In the case of dividends paid in cash, the Company shall be exempted from paying dividends not received for full five (5) years from the date when payment of such dividends commenced.
3. The dividends prescribed in the preceding Paragraph 2 shall not be subject to interest payment.

**Chapter VII  
Buyout Prevention**

**Article 38 (Resolutions)**

1. The Company may make a resolution on introduction of any buyout prevention measure at the general meetings of shareholders other than the matters provided in the Company Law.
2. The buyout prevention measures introduced by resolution of the general meetings of

shareholders may be revised/ abolished by resolution of the meetings of the Board of Directors.

### **Supplementary Provision**

#### **Article 1 (Transitional Measures Regarding Exemption of Liability of Audit & Supervisory Board Members)**

Pursuant to the provision of Article 426, Paragraph 1 of the Companies Act, the Company may, by resolution of the Board of Directors, give an exemption from liability for damages from negligence of duties to its Audit & Supervisory Board Members (including former Audit & Supervisory Board Members) to the extent of the amount provided by laws and regulations prior to the effective date of the partial amendments to the Articles of Incorporation made at the 7th Annual General Meeting of Shareholders.

#### **Article 2 (Transitional Measures Regarding Limitation of Liability Contracts of Audit & Supervisory Board Members)**

Contracts limiting the liability of Audit & Supervisory Board Members (including former Audit & Supervisory Board Members) pursuant to the provision of Article 427, Paragraph 1 of the Companies Act for actions prior to the conclusion of the 7th Annual General Meeting of Shareholders shall follow the prior example.

#### **Article 3 (Transitional Measures Regarding Amendment of Article 16)**

1. Article 16 of the proposed amendments shall take effect on September 1, 2022, the date of enforcement of the revised stipulations stipulated in the proviso of Article 1 of the supplementary provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019; the “Enforcement Date”).
2. Notwithstanding the provisions of the previous paragraph, Article 16 (Disclosure of Reference Material for General Meetings of Shareholders on the Internet and the Deemed Provision of Such Material) of the Articles of Incorporation shall remain valid for general meetings of shareholders held on a day that is within six months of the Enforcement Date.
3. These supplementary provisions shall be deleted on the day after which six months have elapsed since the Enforcement Date or the day after which three months have elapsed since the day of the general meeting of shareholders in the previous paragraph, whichever is later.