

Articles of Incorporation

Morinaga Milk Industry Co., Ltd.

Articles of Incorporation, Morinaga Milk Industry Co., Ltd.

Established on

March 4, 1949

Amended on

April 11, 1949	September 13, 1949	September 27, 1951
November 27, 1953	November 30, 1955	August 19, 1957
May 30, 1960	May 30, 1961	May 30, 1962
November 30, 1964	May 30, 1966	May 30, 1969
May 31, 1971	May 30, 1972	May 29, 1975
June 28, 1982	June 27, 1991	June 29, 1994
June 26, 1998	June 27, 2002	June 27, 2003
June 29, 2004	June 29, 2005	June 29, 2006
June 28, 2007	June 26, 2009	June 28, 2012
June 27, 2014	June 29, 2016	June 29, 2017
October 1, 2017		

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Chapter 1 General Provisions

(Trade Name)

Article 1

The Company shall be called Morinaga Nyugyo Kabushiki Kaisha and shall be expressed in English as MORINAGA MILK INDUSTRY CO., LTD. (abbreviated as “MOMICO”).

(Purposes)

Article 2

The purposes of the Company shall be to engage in the following businesses:

1. Production processing of milk, manufacture of dairy products, and sale and export/import of such products;
2. Manufacture, sale and export/import of food using milk as a raw material, and raw materials of such food;
3. Manufacture, sale and export/import of edible oil, ice cream, confectionery, beverages, and ice/foodstuff, and processing, sale and export/import of other agricultural/animal/marine products;
4. Manufacture, sale and export/import of food for special dietary uses (based on the Health Promotion Act), nutritional foods for medical treatment, nutritious/healthy/tasty foods, infant foods, infant beverages, and food additives;
5. Manufacture, lease, sale and export/import of drugs, quasi-drugs, cosmetics, raw materials thereof and medical appliances;
6. Manufacture, sale and export/import of drugs for animals and medical appliances for animals;
7. Manufacture, sale and export/import of chemicals, chemical products, and raw materials thereof;
8. Manufacture, sale and export/import of liquors, alcohol, microbial cells, and products using microbial cells;
9. Manufacture, sale and export/import of feed stuff, feed stuff additives, and fertilizer;
10. Management of pastures and agricultural farms, and raising, lease, intermediation, sale and export/import of pet animals and domestic poultry;
11. Production, sale and export/import of cattle sperm and fertilized eggs;
12. Production, sale and export/import of flowering plants;
13. Manufacture, sale and export/import of apparel textile products, ornaments, toys, stationery, and baby supplies, and provision and processing of information related to these products and goods, and advertising thereof;
14. Manufacture, sale and export/import of packages and packaging materials of the products and goods set forth in each of the foregoing items;
15. Manufacture, lease, rental, intermediation, sale and export/import of dairy appliances, food processing related equipment, agricultural/dairy/livestock equipment, sanitary equipment, household equipment, wastewater treatment equipment, freezers, testing and inspection equipment, plant automation related equipment, transportation equipment, and related items equivalent to the foregoing, and manufacturing equipment of the products and goods set forth in each of the foregoing items;
16. Undertaking of testing and inspection of, and management and guidance concerning the quality of, foods, beverages, containers and packing materials, and drainage;
17. Acquisition, planning, preservation, use, lease, licensing, intermediation, sale and export/import of intellectual property rights, know how, system engineering related to factory equipment automation, and other software;
18. Undertaking of information processing, and preparation, lease, sale and export/import of computer software;
19. Lease, sale and export/import of vehicles;
20. Money lending business;
21. Sale and purchase, exchange and lease of real estate, and agency business thereof, and brokerage, ownership, management, use development and appraisal of real estate;

22. Design, execution, supervision and contracting of civil engineering and construction work, construction plumbing and structures;
23. Automobile transport business, consigned freight forwarding business, port transport business, and management and administration business of delivery centers, and sorting and management of cargo, and warehousing business and customs business;
24. Operation of restaurants, sight-seeing facilities, amusement facilities, lodging facilities, sports facilities, culture centers, supplementary tutorial schools and parking facilities;
25. Sale and export/import of cigarettes, stamps, fuel, and daily necessities and miscellaneous goods, and sale of revenue stamps;
26. Publishing business, and sale and export/import of publications;
27. Travel industry;
28. Worker dispatching business;
29. Nursing care, nursing care related business, and manufacture, lease, sale and export/import of equipment and devices used for nursing care;
30. Undertaking of the provision of education and training;
31. Non-life insurance agency business, and life insurance solicitation business;
32. Power generation and power selling business; and
33. Businesses related to each of the foregoing items

(Location of Head Office)

Article 3

The head office of the Company shall be located in Minato-ku, Tokyo.

(Method of Public Notice)

Article 4

1. The Company's method of public notice shall be electronic public notice.
2. If the Company is unable to give a public notice by way of an electronic public notice due to an accident or any other unavoidable reason, it shall be made by publishing the notice in the Nihon Keizai Shimbun.

Chapter 2 Shares

(Total Number of Authorized Shares)

Article 5

The total number of shares authorized to be issued by the Company shall be one hundred and forty-four million (144,000,000) shares.

(Acquisition of Own Shares)

Article 6

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

(Share Unit Number)

Article 7

The number of shares as a basic unit of the Company shall be one hundred (100) shares.

(Demand for Sale to Holder of Shares Less Than One Unit)

Article 8

1. A shareholder holding shares less than one unit (hereinafter referred to as "Shares Less Than One Unit") may demand the Company to sell the exact number of shares that would constitute one unit when combined with the Shares Less Than One Unit that such shareholder holds (hereinafter referred to as "Additional Purchase").

2. When the demand set forth in the preceding paragraph is made and the Company does not have the number of shares to be sold, the Company may choose not accept to the demand under the preceding paragraph.

(Restriction on Rights in relation to Shareholdings less than One Unit)

Article 9

Shareholders of the Company may not exercise its rights other than the rights listed below with respect to their Shares Less than One Unit:

- (1) The rights provided for in each item of Paragraph 2 of Article 189 of the Companies Act;
- (2) The right to demand the acquisition of the shares with a put option;
- (3) The right to receive an allotment of shares for subscription and shares options for subscriptions; and
- (4) The right to make a demand for Additional Purchase as provided for in the preceding article.

(Administrator of Shareholder Registry)

Article 10

1. The Company shall have an Administrator of Shareholder Registry in place.
2. The Administrator of Shareholder Registry and its office shall be designated based on a resolution of the Board of Directors, and public notice shall be given with regard thereto.
3. The Company shall delegate to the Administrator of Shareholder Registry the administration of the shareholder registry and the share option registry including the preparation and the keeping of the shareholder registry and the share option registry, and the Company shall not handle such administration.

(Share Handling Regulations)

Article 11

Matters concerning the making of entries or records in the shareholder registry and the share option registry of the Company, purchases and Additional Purchase of Shares Less Than One Unit, as well as handling shares or share option, and fees related thereto, shall be governed by the Share Handling Regulations determined by the Board of Directors, as well as applicable laws and ordinances or these Articles of Incorporation.

(Record Date)

Article 12

1. The Company shall deem any shareholder stated or recorded in the final register of shareholders on March 31 of each business year to be a shareholder who is entitled to exercise his or her rights as a shareholder at the Annual General Meeting of Shareholders concerning such business year.
2. Notwithstanding the provision of the preceding paragraph, if it is necessary, the shareholders or registered pledgees of shares stated or recorded on the shareholder registry as of a specific date of which advance public notice is given in accordance with the resolution of the Board of Directors, shall be deemed the shareholders or pledgees entitled to exercise the rights of shareholders or pledgees.

(Organization to Determine Allotment of Share Options without Contribution)

Article 13

Matters concerning the allotment of share options without contribution shall be determined based on a resolution of a General Meeting of Shareholders or a Board of Directors' resolution delegated under a resolution of a General Meeting of Shareholders, in addition to a resolution of the Board of Directors.

Chapter 3 General Meeting of Shareholders

(Convocation)

Article 14

An Annual General Meeting of Shareholders of the Company shall be convened in June of each year, and an Extraordinary General Meeting of Shareholders shall be convened whenever necessary.

(Convener and Chairperson)

Article 15

1. Unless otherwise provided by laws or ordinances, the President and Director of the Company shall convene a General Meeting of Shareholders of the Company in accordance with a resolution adopted by the Board of Directors. In cases where the President and Director is unable to act due to an accident, one of the other directors, in the order fixed in advance by the Board of Directors, shall convene the meeting.
2. The President and Director shall act as chairperson at each General Meeting of Shareholders of the Company. In cases where the President and Director is unable to act due to an accident, one of the other directors, in the order fixed in advance by the Board of Directors, shall act as chairperson thereat.

(Disclosure through the Internet of Reference Documents for General Meeting of Shareholders, Etc., and Deemed Provision)

Article 16

In convening a General Meeting of Shareholders, it may be deemed that the Company has provided the shareholders with the necessary information that should be described or indicated in the reference documents for the General Meeting of Shareholders, business reports, non-consolidated financial statements and consolidated financial statements, on the condition that such information is disclosed through the Internet in accordance with the applicable Ordinance of the Ministry of Justice.

(Exercise of Voting Right by Proxy)

Article 17

1. A shareholder may exercise his or her voting right by a proxy, who shall be a shareholder of the Company with the right to vote.
2. The shareholder or the proxy under the preceding paragraph shall, at every General Meeting of Shareholders, file with the Company a document certifying the rights held by the proxy.

(Method of Resolutions)

Article 18

1. Except where provided otherwise in related laws and ordinances or in these Articles of Incorporation, resolutions of a General Meeting of Shareholders shall be made based on a majority of the votes of the shareholders who are present at the meeting and entitled to exercise their voting rights.
2. The resolutions provided for in Paragraph 2 of Article 309 of the Companies Act shall be made based on two thirds or more of the votes of the shareholders present at a meeting where shareholders holding one third or more of the voting rights of the shareholders entitled to exercise their voting rights at such meeting are present.

(Minutes)

Article 19

With respect to the business of General Meeting of Shareholders, minutes shall be prepared pursuant to the provisions of the applicable Ordinance of the Ministry of Justice.

Chapter 4 Directors and Board of Directors

(Establishment of Board of Directors)

Article 20

The Company shall have a Board of Directors.

(Number of Directors)

Article 21

The number of directors of the Company shall be twelve (12) or less.

(Election of Directors)

Article 22

1. Directors shall be elected by a resolution of a General Meeting of Shareholders.
2. A resolution electing directors shall be adopted by the majority vote of the shareholders present at a General Meeting of Shareholders at which the shareholders representing not less than one-third of the voting rights of all shareholders entitled to exercise voting rights are present.
3. No cumulative voting shall be used for a resolution electing directors.

(Terms of Office of Directors)

Article 23

The term of office of a director shall expire at the conclusion of the Annual General Meeting of Shareholders held with respect to the last business year ending within one (1) year following his/her election.

(Representative Directors and Executive Directors)

Article 24

1. The Company may, by a resolution of the Board of Directors, elect Representative Directors.
2. Representative Directors shall represent the Company and execute the operations of the Company.
3. The Board of Directors may, by its resolution, elect one (1) Chairman and Director and one (1) President and Director, and some Executive Vice President and Directors, some Senior Managing Directors and some Managing Directors.

(Convener and Chairperson of the Board of Directors Meeting)

Article 25

Unless otherwise provided by laws or ordinances, the Representative Director of the Company shall convene and chair a Board of Directors Meeting. In cases where the Representative Director is unable to act due to an accident, one of the other directors, in the order fixed in advance by the Board of Directors, shall convene and chair the meeting.

(Notice of Convocation of the Board of Directors Meeting)

Article 26

1. Notice of the convocation of the Board of Directors Meeting shall be dispatched to each director and Audit & Supervisory Board Member at least three (3) days before the scheduled date of such meeting; provided, however, that in the case of an emergency, such period may be shortened.
2. If the consent of all directors and Audit & Supervisory Board Member is obtained, a Board of Directors Meeting may be held without taking the convocation procedures.

(Method of Resolution of the Board of Directors)

Article 27

A resolution of a Board of Directors Meeting shall be made by a majority of the votes of the directors present at a meeting at which a majority of the directors entitled to participate in the vote are present.

(Omission of Resolutions of the Board of Directors)

Article 28

If all of the directors (excluding any director not entitled to vote on the relevant matter) have expressed their agreement, in writing or by electronic means, to a proposal in connection with a matter to be resolved at the Board of Directors, then a resolution in favor of such proposal will be deemed to have been passed, unless an Audit & Supervisory Board Member raises any objection thereto.

(Minutes of the Board of Directors Meeting)

Article 29

With respect to the business of Board of Directors Meetings, minutes shall be prepared pursuant to the provisions of the applicable Ordinance of the Ministry of Justice, and the attending directors and Audit & Supervisory Board Member shall affix their signatures, or names and seals, or electronic signatures, to the minutes.

(Regulations of Board of Directors)

Article 30

Matters relating to the Board of Directors shall be governed by the applicable laws and ordinances and these Articles of Incorporation, as well as by the Regulations of Board of Directors determined by the Board of Directors.

(Remuneration of Directors)

Article 31

Remuneration and other financial benefits given by the Company to the directors in consideration of their performance of duties (hereinafter referred to as the "Remuneration, Etc.") shall be fixed by a resolution of a General Meeting of Shareholders.

(Liability Limitation Contract with External Directors)

Article 32

The Company may, pursuant to the provision of Paragraph 1 of Article 427 of the Companies Act, enter into a contract with its external directors to limit their liabilities to the Company, as provided in Paragraph 1 of Article 423 of the same Act, to the minimum liability amount defined by the applicable laws.

Chapter 5 Audit & Supervisory Board Member and Audit & Supervisory Board

(Audit & Supervisory Board Member and Establishment of the Audit & Supervisory Board)

Article 33

The Company shall have Audit & Supervisory Board Member and Audit & Supervisory Board.

(Number of Audit & Supervisory Board Member)

Article 34

The number of Audit & Supervisory Board Member shall be four (4) or less.

(Election of Audit & Supervisory Board Member)

Article 35

1. Audit & Supervisory Board Member shall be elected based on a resolution of a General Meeting of Shareholders.
2. A resolution electing Audit & Supervisory Board Member shall be adopted by a majority of the votes of the shareholders present at a General Meeting of Shareholders at which the shareholders representing not less than one-third of the voting rights of all shareholders entitled to exercise voting rights are present.

(Terms of Office of Audit & Supervisory Board Member)

Article 36

1. The term of office of an Audit & Supervisory Board Member shall expire at the conclusion of the Annual General Meeting of Shareholders held with respect to the last business year ending within four (4) years following his/her election.
2. The term of office of an Audit & Supervisory Board Member elected to fill a vacancy shall terminate at the time when the term of office of the retired Audit & Supervisory Board Member expires.

(Full Time Audit & Supervisory Board Member)

Article 37

The Audit & Supervisory Board shall elect Full-time Audit & Supervisory Board Member from among the Audit & Supervisory Board Member.

(Notice of Convocation of the Audit & Supervisory Board)

Article 38

1. Notice of the convocation of the Audit & Supervisory Board shall be dispatched to each Audit & Supervisory Board Member at least one (1) week before the scheduled date of such meeting; provided, however, that in the case of an emergency, such period may be shortened.
2. If the consent of all Audit & Supervisory Board Member is obtained, Audit & Supervisory Board may be held without taking the convocation procedures.

(Method of Resolution of the Audit & Supervisory Board)

Article 39

Unless otherwise stipulated in laws and ordinances, a resolution of the Audit & Supervisory Board shall be made by a majority of the votes of the Audit & Supervisory Board Member.

(Minutes of the Audit & Supervisory Board)

Article 40

With respect to the business of Audit & Supervisory Board, minutes shall be prepared pursuant to the provisions of the applicable Ordinance of the Ministry of Justice, and the attending Audit & Supervisory Board Member shall affix their signatures, or names and seals, or electronic signatures to the minutes.

(Regulations of Audit & Supervisory Board)

Article 41

Matters relating to the Audit & Supervisory Board shall be governed by the applicable laws and ordinances and these Articles of Incorporation, as well as by the Regulations of Audit & Supervisory Board determined by the Audit & Supervisory Board.

(Remuneration, Etc. of Audit & Supervisory Board Member)

Article 42

Remuneration, Etc. of the Audit & Supervisory Board Member shall be fixed by a resolution of a General Meeting of Shareholders.

(Liability Limitation Contract with External Audit & Supervisory Board Member)

Article 43

The Company may, pursuant to the provision of Paragraph 1 of Article 427 of the Companies Act, enter into a contract with its external Audit & Supervisory Board Member to limit their liabilities to the Company, as provided in Paragraph 1 of Article 423 of the same Act, to the minimum liability amount defined by the applicable laws.

Chapter 6 Accounting Auditors

(Appointment of Accounting Auditors)

Article 44

The Company shall appoint Accounting Auditors.

(Election of Accounting Auditors)

Article 45

Accounting Auditors shall be elected by a resolution of a General Meeting of Shareholders.

(Terms of Office of Accounting Auditors)

Article 46

1. The term of office of an Accounting Auditor shall expire at the conclusion of the Annual General Meeting of Shareholders held with respect to the last business year ending within one (1) year following his/her election.
2. Unless otherwise resolved at the Annual General Meeting of Shareholders under the preceding paragraph, an Accounting Auditor shall be deemed to have been re-elected at such Annual General Meeting of Shareholders.

(Remuneration, Etc. of Accounting Auditors)

Article 47

Remuneration, etc. of the Accounting Auditors shall be fixed by the Representative Director with consent of the Audit & Supervisory Board.

Chapter 7 Accounting

(Business Year)

Article 48

The business year of the Company shall be from April 1 of each year until March 31 of the following year.

(Distribution of Surplus, etc.)

Article 49

1. The Company shall, by a resolution of a General Meeting of Shareholders, pay cash dividends of surplus to the shareholders or registered pledgees stated or recorded on the final shareholder registry as of March 31 of each year (hereinafter referred to as "Year-End Dividends").
2. Notwithstanding the provision of the preceding paragraph, if unexpected circumstances arise such as a disaster, and the Board of Directors determines that it will be difficult to hold a General Meeting of Shareholders, the Board of Directors may determine via its resolution matters stipulated in Article 459, Paragraph 1, Item 2 to Item 4 such as the distribution of surplus unless otherwise stipulated by laws and ordinances.

(Period of Exclusion concerning Payment of Year-End Dividends)

Article 50

1. In cases where Year-End Dividends remain unclaimed after the lapse of three (3) years from the day on which payment thereof was commenced, the Company shall be released from the responsibility for the payment thereof.
2. Unpaid Year-End Dividends shall not bear any interest.