

This document has been translated from the Japanese original for reference purposes only.
In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail. The Company assumes no responsibility for this translation or for direct, indirect or any other forms of damages arising from the translation.

Articles of Incorporation

(Last amendment: June 26, 2015)

Faith, Inc.

Established:	October 9, 1992		
Amended:	September 17, 1997	December 27, 1999	February 7, 2000
	June 29, 2000	June 21, 2001	January 7, 2002
	June 27, 2002	June 27, 2003	May 20, 2004
	June 29, 2004	June 29, 2005	September 26, 2005
	June 29, 2006	June 28, 2007	June 26, 2008
	June 26, 2009	June 29, 2011	June 28, 2012
	June 27, 2013	June 26, 2015	

CHAPTER 1. GENERAL PROVISIONS

Article 1. (Trade Name)

The name of the Company shall be “Kabushiki Kaisha Faith,” and in English “Faith, Inc.”.

Article 2. (Purpose)

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

- (1) Design, development, licensing, sale, operation, maintenance and consulting of computer software and computer network system;
- (2) Purchase, manufacture and sale of computers, its peripherals, office equipment, communication devices, electronic audio devices and musical instruments;
- (3) Development, and licensing of and consulting on content distribution technology;
- (4) Acquisition, implementation, maintenance and licensing of industrial property rights and know-how;
- (5) Production, use, distribution, sale and licensing of movies, videos, music, software and data, and development of usage of copyrights for such works;
- (6) Planning, manufacture, sale and licensing of master disks (including CDs, video tapes, etc.) and other media related to movies, videos and music;
- (7) Acquisition, transfer, lease and management of property rights, such as copyrights related to movies, videos and music;
- (8) Planning and production of entertainment businesses such as music;
- (9) Training and management of artists;
- (10) Publishing business (including electric publishing business) of music scores and books, etc.;
- (11) Planning and development characters and licensing of designs;
- (12) Distribution of games via the Internet;
- (13) Planning and sale of cosmetics, aesthetic and/or healthcare products;
- (14) Planning and sale of health and beauty foods, including store management of such foods;
- (15) Planning and sale of groceries, health supplements and drinks;
- (16) Management, operation and distribution of medical and healthcare information via the Internet and/or mobile devices;
- (17) Planning and execution of events, such as workshops and lectures, related to medical and healthcare;
- (18) Sale and leasing of medical and healthcare products, including nursing care

products;

- (19) Mail order business;
- (20) E-commerce (sales of goods via the Internet, etc.);
- (21) Fee-charging employment placement business and labor dispatch business;
- (22) Investment for business, loan of money, debt guarantee, management consulting and undertaking of business activities, necessary for the operation of the Company;
- (23) Advertising agency business;
- (24) Operation and administration of showrooms, auditoriums and culture lessons;
- (25) Issue, sale and administration of loyalty and/or prepaid e-money cards for members only;
- (26) Real estate leasing;
- (27) Administration of and consulting for our subsidiary companies, including management, finance and accounting, personnel and labor relations, public relations, legal and intellectual properties affairs, general affairs and undertaking of activities related thereto; and
- (28) Any other business activities incidental or related to each of the foregoing items.

Article 3. (Location of Head Office)

The Company shall have its head office in Kyoto, Japan.

Article 4. (Organizations)

The Company shall have the following organizations in addition to General Meeting of Shareholders and Directors:

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

Article 5. (Method of Public Notices)

The method of public notices of the Company shall be electronic public notices; provided, however, that if the Company is unable to issue an electronic public notice due to an accident or any other unavoidable reason, public notices of the Company shall be issued in *The Nihon Keizai Shimbun* (“*The Nikkei*”).

CHAPTER 2. SHARES

Article 6. (Total Number of Shares Authorized to be Issued)

The total number of shares authorized to be issued by the Company shall be nineteen million nine hundred thousand (19,900,000) shares.

Article 7. (Number of Shares Constituting One Share Unit)

The number of shares constituting one share unit shall be one hundred (100) shares.

Article 8. (Rights with respect to Shares Constituting Less Than One Share Unit)

No Shareholder of the Company may exercise rights with respect to shares constituting less than one share unit other than those specified in the following sections:

- (1) The right listed in each item of Article 189, Paragraph 2 of the Companies Act;
- (2) The right to make a request provided for in Article 166, Paragraph 1 of the Companies Act;
- (3) The right to receive allotment of offered shares and stock options in accordance with the number of shares held by the shareholder; and
- (4) The right to make a request provided for in the following article.

Article 9. (Additional Purchase of Shares Constituting Less Than One Share Unit)

A shareholder with shares constituting less than one share unit, in accordance with the provisions of the Share Handling Regulations, may make a request to the Company for sale of such number of shares which will, together with the number of shares constituting less than one share unit held by such shareholder, constitute one share unit.

Article 10. (Acquisition of Treasury Shares)

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

Article 11. (Shareholder Registry Administrator)

1. The Company shall appoint a shareholder registry administrator.
2. The shareholder registry administrator and its business office shall be designated by a resolution of the Board of Directors, and public notice thereof shall be given.
3. The preparation and maintenance of the shareholder registry and share option registry of the Company, and any other business with respect to the shareholder registry and share option registry of the Company shall be entrusted to the shareholder registry administrator and shall not be handled by the Company.

Article 12. (Share Handling Regulations)

The handling relating to shares of the Company shall be governed by the Share Handling Regulations adopted by the Board of Directors, in addition to laws and regulations or

these Articles of Incorporation.

CHAPTER 3. GENERAL MEETING OF SHAREHOLDERS

Article 13. (Convocation)

The Ordinary General Meeting of Shareholders of the Company shall be convened within three (3) months from the day immediately following the last day of a business year, and an Extraordinary General Meeting of Shareholders of the Company shall be convened when necessary.

Article 14. (Record date of the Ordinary General Meeting of Shareholders)

The record date for voting rights at the Ordinary General Meeting of Shareholders of the Company shall be March 31 each year.

Article 15. (Person to Convene a General Meeting of Shareholders and Chairperson)

1. The President and Director shall convene a General Meeting of Shareholders and act as the chairperson thereof, based on a resolution of the Board of Directors, unless otherwise provided by laws and regulations.

2. In the event that the President and Director is unable to act, another Director, determined in accordance with an order of succession previously determined by a resolution of the Board of Directors, shall act in place of the President and Director.

Article 16. (Internet Disclosure of Reference Documents, etc. for the General Meeting of Shareholders and Deemed Provision)

The Company shall be deemed to have provided the shareholders with the necessary information with respect to the matters to be mentioned or displayed in the reference documents for a General Meeting of Shareholders, business reports, financial statements and the consolidated financial statements, by disclosing such information via the Internet in accordance with the Ordinance of the Ministry of Justice.

Article 17. (Method of Adopting Resolutions)

1. Except as otherwise provided by laws and regulations or by these Articles of Incorporation, all resolutions of a General Meeting of Shareholders shall be adopted by a majority of the voting rights of the shareholders present and entitled to exercise their voting rights.

2. Resolutions pursuant to Article 309, Paragraph 2 of the Companies Act shall be adopted by not less than two-thirds (2/3) of the voting rights of the shareholders present at such General Meeting of Shareholders who hold shares not less than one-third (1/3) of the voting rights of all shareholders entitled to exercise their voting rights.

Article 18. (Exercise of Voting Rights by Proxy)

1. A shareholder may exercise his/her voting rights by proxy who shall be another shareholder of the Company with voting rights.

2. A shareholder or his/her proxy in the previous paragraph shall file with the Company a document evidencing his/her authority of representation at each General Meeting of Shareholders.

CHAPTER 4. DIRECTORS AND BOARD OF DIRECTORS

Article 19. (Number of Directors)

The number of Directors of the Company shall not exceed ten (10).

Article 20. (Election of Directors)

1. Directors shall be elected at a General Meeting of Shareholders.

2. Resolutions for the election of Directors shall be adopted by a majority of the voting rights of the shareholders present at such General Meeting of Shareholders who hold shares not less than one-third (1/3) of the voting rights of all shareholders entitled to exercise their voting rights.

3. Resolutions for the election of Directors shall not be made by cumulative voting.

Article 21. (Term of Office)

1. The term of office of Directors shall expire at the conclusion of the Ordinary General Meeting of Shareholders held with respect to the last business year ending within two (2) years after their election.

2. The term of office of a Director elected to increase the number of Directors or to fill a vacancy of a Director prior to the expiration of his/her term of office shall be the same as the remaining term of office of the other Directors then in office.

Article 22. (Representative Directors and Executive Directors)

1. The Board of Directors shall, by its resolution, appoint a Representative Director.

2. The Board of Directors shall, by its resolution, appoint one (1) President and Director, and may appoint one (1) or a few Executive Vice Presidents and Directors, Executive Directors and Senior Managing Directors among the Directors.

Article 23. (Person to Convene the Board of Directors and Chairperson)

1. The President and Director shall convene a meeting of the Board of Directors and act as the chairperson thereof, unless otherwise provided by laws and regulations.

2. In the event that the President and Director is unable to act, another Director, determined in accordance with an order of succession previously determined by a resolution

of the Board of Directors, shall act in place of the President and Director.

Article 24. (Notice of Meetings of the Board of Directors)

Notice of a meeting of the Board of Directors shall be given to each Director and each Audit & Supervisory Board Member at least three (3) days prior to the meeting; provided, however, that in case of urgency, such period may be shortened.

Article 25. (Resolution of the Board of Directors)

Resolutions of the Board of Directors shall be adopted by a majority of the Directors present at a meeting where the majority of the Directors are present.

Article 26. (Omission of Resolution by the Board of Directors)

If all of the Directors indicate their consent in writing or in electronic form, the Company may deem such indication to be the resolution of the Board of Directors adopting a proposal, unless an Audit & Supervisory Board Member has stated his/her objection to that proposal.

Article 27. (Board of Directors Regulations)

The matters concerning the Board of Directors shall be governed by the Board of Directors Regulations established by the Board of Directors, in addition to laws and regulations or these Articles of Incorporation.

Article 28. (Limitation of Liabilities of Directors)

1. Pursuant to Article 426, Paragraph 1 of the Companies Act, the Company may, by a resolution of the Board of Directors, exempt Directors (including persons who were Directors) from their liabilities under in Article 423, Paragraph 1 of the same Act, to the extent permitted by law.

2. Pursuant to Article 427, Paragraph 1 of the Companies Act, the Company may enter into agreements with Directors (excluding Executive Directors, etc.) which limit their liabilities under in Article 423, Paragraph 1 of the same Act; provided, however, that the limitation of liabilities based on the agreements shall be restricted to the minimum amount stipulated in laws and regulations.

CHAPTER 5. AUDIT & SUPERVISORY BOARD MEMBER AND AUDIT & SUPERVISORY BOARD

Article 29. (Number of Audit & Supervisory Board Members)

The number of Audit & Supervisory Board Members of the Company shall not exceed four (4).

Article 30. (Election of Audit & Supervisory Board Members)

1. Audit & Supervisory Board Members shall be elected at a General Meeting of Shareholders.

2. Resolutions for the election of Audit & Supervisory Board Members shall be adopted by a majority of the voting rights of the shareholders present at such a General Meeting of Shareholders who hold shares not less than one-third (1/3) of the voting rights of all shareholders entitled to exercise their voting rights.

Article 31. (Term of Office)

1. The term of office of Audit & Supervisory Board Members shall expire at the conclusion of the Ordinary General Meeting of Shareholders held with respect to the last business year ending within four (4) years after their election.

2. The term of office of an Audit & Supervisory Board Member elected to fill a vacancy of an Audit & Supervisory Board Member prior to the expiration of his/her term of office shall be the same as the term of office of his/her predecessor would have expired.

3. The effective term of the resolution for election of a substitute Audit & Supervisory Board Member under Article 329, Paragraph 2 of the Companies Act shall expire at the beginning of the Ordinary General Meeting of Shareholders held with respect to the last business year ending within four (4) years after his/her election.

4. The term of office of such Audit & Supervisory Board Member assumed by a substitute Audit & Supervisory Board Member in the previous paragraph shall be the same as the term of office of his/her predecessor would have expired.

Article 32. (Full-time Audit & Supervisory Board Members)

Full-time Audit & Supervisory Board Members shall be appointed by a resolution of the Audit & Supervisory Board.

Article 33. (Notice of Meetings of the Audit & Supervisory Board)

Notice of a meeting of the Audit & Supervisory Board shall be sent to each Audit & Supervisory Board Member at least three (3) days prior to the meeting; provided, however, that in case of urgency, such period may be shortened.

Article 34. (Resolution of the Audit & Supervisory Board)

Resolutions of the Audit & Supervisory Board shall be adopted by a majority of the Audit & Supervisory Board Members, unless otherwise provided by laws and regulations.

Article 35. (Audit & Supervisory Board Regulations)

The matters concerning the Audit & Supervisory Board shall be governed by the Audit & Supervisory Board Regulations established by the Audit & Supervisory Board, in addition to laws and regulations or these Articles of Incorporation.

Article 36. (Limitation of Liabilities of Audit & Supervisory Board Members)

1. Pursuant to Article 426, Paragraph 1 of the Companies Act, the Company may, by a resolution of the Audit & Supervisory Board, exempt Audit & Supervisory Board Members (including persons who were Audit & Supervisory Board Members) from their liabilities under in Article 423, Paragraph 1 of the same Act, to the extent permitted by law.

2. Pursuant to Article 427, Paragraph 1 of the Companies Act, the Company may enter into agreements with Audit & Supervisory Board Members which limit their liabilities under in Article 423, Paragraph 1 of the same Act; provided, however, that the limitation of liabilities based on the agreements shall be restricted to the minimum amount stipulated in laws and regulations.

CHAPTER 6. ACCOUNTS

Article 37. (Business Year)

The business year of the Company shall be one-year from April 1 of each year and to March 31 of the following year.

Article 38. (Year-end Dividend)

The Company may, by a resolution of an Ordinary General Meeting of Shareholders, distribute a year-end dividend to the shareholders or registered pledgees of shares whose names appeared on the shareholder registry as of March 31 each year.

Article 39. (Interim Dividend)

The Company may, by a resolution of the Board of Directors, distribute an interim dividend to the shareholders or registered pledgees whose names appeared on the shareholder registry as of September 30 each year.

Article 40. (Expiration Period for Distribution of Dividend)

If assets to be distributed as a dividend are cash, the Company shall be exempt from its obligation to pay any cash dividends which remain unclaimed for a period of three (3) years or more from the first payable date.

END