

This English version of the Articles of Incorporation is a reference translation. In the event of any inconsistency or discrepancy between the Japanese original and this translation, the Japanese original shall prevail.

# Articles of Incorporation of Japan Cosmetic Center

## Chapter 1: General Provisions

### *Article 1 (Name)*

The name of this organization shall be "Japan Cosmetic Center"

### *Article 2 (Office)*

The principal office of the Corporation shall be located in Karatsu City, Saga Prefecture.

## Chapter 2: Purpose and Business

### *Article 3 (Purpose)*

The purpose of this project is to develop a business environment in the field of cosmetics through collaboration between industry, academia, and government. It aims to activate economic activities utilizing local resources through the exchange of diverse human resources and the accumulation of technologies. Additionally, it seeks to build a promotion system to expand into the global market, thereby contributing to the accumulation of the cosmetics industry in Saga Prefecture, centering on Karatsu City and Genkai Town, and by extension in Northern Kyushu, and to the creation of employment.

### *Article 4 (Business)*

In order to achieve the objectives set forth in the preceding Article, the Organization shall engage in the following activities:

1. Support for international transactions, including business exchanges with overseas companies
2. Promotion of location of cosmetics-related companies and support for new business entry
3. Support for research and development and technological innovation related to raw materials, products, etc.
4. Building a network of members
5. Research and study, collection, and provision of information on related industries
6. Businesses necessary to achieve the purposes of the corporation in addition to those listed in the preceding items

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

Public notices of the Corporation shall be given by publication in the Official Gazette.

## Chapter 3: Membership

### *Article 6 (Type of Membership)*

The membership of the Organization shall consist of the following two types: regular members and supporting members, who shall be members under the Act on General Incorporated Associations and General Incorporated Foundations (hereinafter referred to as

the "General Incorporated Associations Act"). The Regular Members and Supporting Members shall be the members (hereinafter referred to as "Members") of the Association.

1. **Regular Members:** Companies, organizations, and sole proprietors who agree with the objectives of the corporation and join the association.
2. **Supporting Members:** National organizations, local governments, universities, and organizations or individuals recognized by the Board of Directors as needing cooperation in conducting business, who agree with the objectives of the Organization and join to support its operations.

#### ***Article 7 (Admission)***

Any person who wishes to become a member of the Organization may do so by submitting a membership application to the Secretariat in the prescribed form.

2. The requirements for membership shall include:

- (1) Agreement with the charter of the corporation and the purposes stipulated in Article 3
- (2) Agreement that the member's name will be published
- (3) Acknowledgment that any information submitted to the Secretariat may be utilized by the Organization, even after membership termination, with the exception of personal information

#### ***Article 8 (Exclusion from Membership)***

Notwithstanding the provisions of the preceding two paragraphs, any person or organization that falls under any of the following categories shall not be allowed to become a member:

1. Persons or organizations associated with the Bouryokudan (organized crime groups), as defined in the Law Concerning Prevention of Unjustifiable Acts by Members of Bouryokudan (1991 Law).
2. Persons who directly or actively cooperate with or are involved in the maintenance and operation of Bouryokudan or Bouryokudan-in.

#### ***Article 9 (Member Representative)***

A member, in the case of a corporation or an organization, shall designate one person (hereinafter referred to as the "Member Representative") to exercise the rights and obligations of the member and shall notify the Secretariat of the designated representative. This procedure shall also apply in case of any change.

#### ***Article 10 (Cost Sharing)***

Regular members shall pay membership dues as separately determined by the General Assembly.

2. No dues shall be collected from Supporting Members. However, Supporting Members shall provide the necessary support for the promotion of the corporation's business.
3. Membership fees paid shall not be refunded for any reason.

#### ***Article 11 (Withdrawal from Membership)***

A member wishing to withdraw from the association may do so voluntarily by submitting a notice of withdrawal to the Secretariat.

### ***Article 12 (Expulsion)***

A member may be expelled by a special resolution of the General Assembly if:

1. The member has committed an act contrary to the purposes and objectives of the corporation.
2. The member has committed an act contrary to laws, regulations, or public order and morals.

### ***Article 13 (Disqualification of Members)***

A member shall be disqualified if:

1. They fail to pay the membership fee for more than 6 months.
2. They fall under the exclusion categories of Article 7, Paragraph 3.
3. The General Assembly agrees on the disqualification.
4. The member dies, is declared missing, or is dissolved.

### ***Article 14 (Membership List)***

The corporation shall maintain a membership list containing the names and addresses of its members.

## **Chapter 4: General Meeting of Members**

### **(General Meeting and Convocation)**

#### ***Article 13***

The general meeting of members (hereinafter referred to as the "General Meeting") of the Corporation shall consist of ordinary and extraordinary general meetings.

#### **(Held)**

#### ***Article 14***

1. An ordinary general meeting shall be held once a year within three months after the end of each fiscal year.
2. An extraordinary general meeting shall be held when one of the following events occurs:
  - (1) When the Board of Directors deems it necessary.
  - (2) When one-fifth or more of the voting rights of all members request the meeting, indicating the matters to be discussed.
  - (3) When all Auditors have made a request, indicating the matters for which the meeting is to be held.

#### **(Convocation)**

#### ***Article 15***

1. Unless otherwise provided by law, the President shall convene the General Assembly. In the absence or disability of the President, a meeting shall be convened by another Director in the order previously determined by the Board of Directors.
2. Notice of a General Assembly meeting shall be given to each member at least two weeks prior to the meeting, either in writing or by electronic means, stating the date,

time, place, and purpose of the meeting. Reference materials for the General Meeting shall be provided electronically.

**(Authority of the General Assembly)**

***Article 16***

The General Assembly shall resolve on the following matters:

- (1) Expulsion of members
- (2) Appointment or dismissal of Directors and Auditors
- (3) Amount of remuneration, etc., for Directors and Auditors
- (4) Approval of financial statements, etc.
- (5) Amendments to the Articles of Incorporation
- (6) Dissolution
- (7) Other matters provided for by law or these Articles of Incorporation to be resolved at the General Meeting.

**(Chairman)**

The chairman of the General Assembly shall be elected at the General Assembly from among the Directors present.

**(Quorum)**

***Article 18***

A General Meeting may not be held unless a majority of the members are present.

**(Method of Resolution)**

***Article 19***

1. Except as otherwise provided by law or these Articles of Incorporation, resolutions of the General Assembly shall be adopted by a majority of the voting rights of the members present. In the event of a tie, the Chairperson shall make the decision.
2. Notwithstanding the provisions of the preceding paragraph, the following resolutions shall be adopted by a majority of not less than half of the total number of members and not less than two-thirds of the total number of votes of all members:
  - (1) Expulsion of members
  - (2) Dismissal of Auditors
  - (3) Amendments to the Articles of Incorporation
  - (4) Dissolution
  - (5) Other matters required by law.

**(Voting in Writing, etc., at the General Meeting)**

***Article 20***

1. Members who are unable to attend the General Assembly for unavoidable reasons may vote in writing on the matters notified in advance or delegate another member to vote as their proxy.
2. In the case of the preceding paragraph, the member shall be deemed to be present at the General Assembly.

(Minutes)

**Article 21**

The minutes of the proceedings of the General Assembly shall be prepared as required by law. They shall be signed or affixed with the names and seals of the Chairman and two or more signers of the minutes elected at the General Assembly from among the members present at the meeting.

**Chapter 5: Officers**

(Number and Composition of Officers)

**Article 22**

The corporation shall have the following officers:

- (1) At least 3 but no more than 18 directors.
- (2) Up to 2 auditors.
2. One of the Directors shall be the President, and up to three of the Directors shall be Vice-Presidents.
3. The Chairman and the Vice Chairman set forth in the preceding paragraph shall be the Representative Directors.

(Appointment of Officers)

**Article 23**

1. Directors and Auditors shall be elected by a resolution of the General Assembly. The President and Vice-Presidents shall be selected from among the Directors by a resolution of the Board of Directors.
2. In appointing directors, the total number of directors, including the director in question, his/her spouse, relatives within the third degree of kinship, or any other person with a special relationship with the director, shall not exceed one-third of the total number of directors.

(Duties and Powers of Directors)

**Article 24**

1. The Directors shall constitute the Board of Directors and perform their duties as provided by law and these Articles of Incorporation.
2. The President shall represent the corporation, execute business, and preside over the affairs of the association.
3. The Vice President shall assist the President.
4. Directors other than those specified in the preceding items shall execute the affairs of the Association.

(Duties and Powers of Auditors)

**Article 25**

1. The Auditors shall audit the execution of the duties of the Directors and prepare an audit report as required by law.

2. The Auditors may, at any time, request reports on the business of the Directors and employees and investigate the state of affairs and assets of the Corporation.

**(Term of Office of Officers)**

***Article 26***

1. The term of office of the Officers shall expire at the conclusion of the Annual General Meeting relating to the last fiscal year ending within two (2) years after their election.
2. The term of office of a person appointed to fill a vacancy of a Director or an Auditor who retires before the expiration of his/her term shall be the same as the remaining term of office of his/her predecessor.
3. The term of office of a director elected due to an increase in the number of directors shall be the same as the remaining term of office of the other directors in office.

**(Dismissal)**

***Article 27***

Officers may be dismissed by a resolution of the General Assembly if they fall under any of the following items. In this case, the officer shall be given an opportunity to explain himself/herself before the resolution is passed:

- (1) When it is recognized that the person is unable to perform his/her duties due to a mental or physical disability.
- (2) When it is recognized that there has been a breach of professional duty or other conduct unbecoming an officer.

**(Exemption from Liability)**

***Article 28***

The Corporation shall not be liable for damages under Article 111, Paragraph 1 of the General Corporation Law for damages incurred by its officers.

The Board of Directors may, by a resolution of the Board of Directors, exempt a director, auditor, or employee of the Corporation (hereinafter referred to as "Director") from liability for damages up to the amount obtained by deducting the minimum liability amount stipulated in laws and regulations from the amount of liability for damages if the requirements stipulated in laws and regulations are met.

**(Advisors)**

***Article 29***

1. The corporation may have advisors.
2. Advisors shall be appointed by the President with the vote of the Board of Directors.
3. The Advisors may offer opinions and advice on important matters concerning the management of the corporation. However, they may not participate in resolutions.
4. The term of office of the Advisor shall be two (2) years. However, reappointment shall not be precluded.

## **Chapter 6: Board of Directors**

### **(Organization and Convening)**

#### ***Article 30***

1. The corporation shall have a Board of Directors.
2. The President shall convene a meeting of the Board of Directors when he/she deems it necessary. However, in the absence or disability of the President, a meeting of the Board of Directors shall be convened by any Director.

### **(Authority of the Board)**

The Board of Directors shall have the following duties:

- (1) Decisions on the execution of the business of the corporation.
- (2) Supervision of the execution of duties by the directors.
- (3) Selection and dismissal of the Chairman and Vice Chairman.

### **(Attendance of Auditors at Board Meetings)**

#### ***Article 32***

The Auditors may attend meetings of the Board of Directors, ask questions, and state their opinions. However, they may not participate in the resolution.

### **(Chairman)**

#### ***Article 33***

The Chairman of the Board of Directors shall be elected at the meeting from among the Directors present.

### **(Resolution)**

#### ***Article 34***

Resolutions of the Board of Directors shall be adopted by a majority of the votes of a majority of the Directors present, excluding Directors who have a special interest in the resolution.

### **(Omission of Resolutions of the Board of Directors)**

#### ***Article 35***

1. In the event that a Director makes a proposal on a matter that is the subject of a resolution of the Board of Directors, and if all eligible Directors express their consent to the proposal in writing (except when the auditor objects), the proposal shall be deemed to have been approved by a resolution of the Board of Directors.
2. In the event that the Board of Directors resolves to approve the proposal, it shall be deemed to have been approved by a resolution of the Board of Directors.

### **(Minutes)**

#### ***Article 36***

Minutes of the proceedings of the Board of Directors shall be prepared as required by law, and the Directors and Auditors present at the meeting shall sign or affix their names and seals thereto.

## Chapter 7: Calculation

### **(Fiscal Year)**

#### ***Article 37***

The fiscal year of the corporation shall begin on April 1 of each year and end on March 31 of the following year.

### **(Business Plan and Budget)**

#### ***Article 38***

1. The business plan and income and expenditure budget of the corporation shall be prepared by the President by the day before the beginning of each fiscal year, and shall be reported at the most recent general meeting after being resolved by the Board of Directors. The same shall apply in case of modifications.
2. Notwithstanding the provisions of the preceding paragraph, if the budget is not approved due to unavoidable reasons, the Chairman may, upon resolution of the Board of Directors, receive income and make expenditures in accordance with the previous year's budget until the new budget is approved.
3. The revenues and expenditures mentioned in the preceding paragraph shall be deemed as revenues and expenditures of the newly approved budget.

### **(Business Report and Financial Statements)**

#### ***Article 39***

After the end of each fiscal year, the President shall prepare the following documents, have them audited by the Auditors, obtain the approval of the Board of Directors, and submit or provide them to the Annual General Meeting:

- (1) Business report
  - (2) Financial Statements (Balance Sheets and Statements of Income)
2. In the case of the preceding paragraph, the financial statements must be approved by the Annual General Meeting, and the business report must be presented to the Annual General Meeting by the directors.

### **(Prohibition of Distribution of Surplus)**

#### ***Article 40***

The surplus of the corporation shall not be distributed at all.

### **(Attribution of Residual Assets)**

#### ***Article 41***

Residual assets in the event of liquidation of the corporation shall be donated to a public interest incorporated association with purposes similar to those of the corporation or to a national or local government upon a resolution of three-fourths or more of the total number of members at the general meeting.