

**【Translation】**

## **Articles of Incorporation**

**THK CO., LTD.**

# Articles of Incorporation

## Chapter 1 General Provisions

(Trade Name)

Article 1.

The Company shall be called *THK Kabushikigaisha*, which shall be indicated in English text as THK CO., LTD.

(Purpose)

Article 2.

The purpose of the Company shall be to engage in the following businesses.

1. Manufacture and sale of various bearings and vital machinery
2. Manufacture and sale of machine tools and machine parts
3. Manufacture and sale of automotive parts, bicycle parts, and transportation equipment components
4. Manufacture and sale of industrial robots and related parts
5. Manufacture and sale of measurement control equipment, electrical and electronic equipment, and other related-equipment components
6. Manufacture and sale of hydraulic and air-based equipment and other related equipment
7. Research, development, production, and sale of computer software
8. Development of construction methods, design and construction of buildings, and manufacture and sale of the related-equipment components
9. Any and all businesses that are incidental and related to the businesses mentioned in the preceding items

(Location of the Head Office)

Article 3.

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

(Corporate Bodies)

Article 4.

The Company shall establish the following bodies, in addition to the General Meeting of Shareholders and the Directors.

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

(Method of Public Notice)

Article 5.

The Company's method of public notice shall be electronic public notice; provided, however, that if, due to an accident or any other unavoidable circumstances, the Company is unable to give electronic public notice, in lieu of such notice, the public notice shall be posted in the Nihon Keizai Shimbun.

## **Chapter 2 Shares**

(Total Number of Authorized Shares)

Article 6.

The Company's total number of authorized shares shall be 465,877,700 shares.

(Acquisition of Treasury Stock)

Article 7.

Under the provisions of Article 165, paragraph (2), of the Companies Act, by resolution of the Board of Directors, the Company may acquire its own shares through market transactions or other methods.

(Share Unit Number)

Article 8.

The Company's share unit number shall be 100 shares.

(Rights of Holders of Shares Less than One Unit)

Article 9.

With respect to shares less than one unit that they hold, the Company's shareholders may not exercise any rights other than the following rights.

1. The right set forth in each item of Article 189, paragraph (2) of the Companies Act
2. The right to demand under the provisions of Article 166, paragraph (1) of the Companies Act

3. The right to receive an allotment of shares for subscription and share options for subscription in accordance with the number of shares that the shareholder holds
4. The right to demand a sale of shares less than one unit

(Demand for Sale of Shares Less than One Unit)

Article 10.

A shareholder of less than one unit of the Company's shares may demand that the Company sell to the shareholder the number of shares less than one unit that, together with the number of shares less than one unit held by the shareholder, will constitute the share unit number.

(Regulations on Handling of Shares)

Article 11.

Matters to be stated or recorded in the Company's shareholder registry and the share option registry, demands for purchases or sales of shares less than one unit, and any other matters concerning the handling and fees pertaining to shares or share options shall be subject to the provisions provided in the laws and regulations or the Articles of Incorporation. In addition, they shall also be subject to the Regulations on Handling of Shares established by the Board of Directors.

(Administrator of Shareholder Registry)

Article 12.

The Company shall appoint an Administrator of Shareholder Registry.

2. The Administrator of Shareholder Registry shall be appointed, and his or her business office shall be selected, by resolution of the Board of Directors, and public notice thereof shall be given.

(Record Date)

Article 13.

The Company shall deem the shareholders with voting rights that are stated or recorded in the final shareholder registry on March 31 of every year to be the shareholders that may exercise rights at the Ordinary General Meeting of Shareholders for the fiscal year in question.

2. Notwithstanding the preceding paragraph, if necessary, by resolution of the Board of Directors, with public notice given in advance, the Company may deem the shareholders or the registered pledgees of shares that are stated or recorded in the

shareholder registry on a certain date to be the shareholders or registered pledgees of shares that may exercise such rights.

### **Chapter 3 General Meeting of Shareholders**

(Convocation)

Article 14.

The Company's Ordinary General Meeting of Shareholders shall be convened within three (3) months from April 1 of every year, and an Extraordinary General Meeting of Shareholders shall be convened as necessary.

2. Unless otherwise provided for in the laws and regulations, by resolution of the Board of Directors, the Company's General Meeting of Shareholders shall be convened by the Director and President. If the Director and President is incapacitated, another Director, designated according to an order determined in advance by the Board of Directors, shall convene the meetings.

(Chairperson)

Article 15.

At General Meetings of Shareholders, the Director and President shall be the Chairperson. If the Director and President is incapacitated, another Director, designated according to an order determined in advance by the Board of Directors, shall act as Chairperson.

(Internet Disclosure and Deemed Provision of Reference Documents for General Meetings of Shareholders)

Article 16.

When convening a General Meeting of Shareholders, by disclosing—through a method that utilizes the Internet in accordance with the provisions of the applicable Ordinance of the Ministry of Justice—information pertaining to matters that should be recorded or indicated in reference documents for General Meetings of Shareholders, business reports, financial statements, and consolidated financial statements, the Company may be deemed to have provided the information to the shareholders.

(Method of Resolution)

Article 17.

Unless otherwise provided for in the laws and regulations or these Articles of Incorporation, resolutions of General Meetings of Shareholders shall be adopted by a majority of the votes of the attending shareholders that may exercise voting rights.

2. Resolutions pursuant to the provisions of Article 309, paragraph (2) of the Companies Act shall be adopted by not less than two-thirds (2/3) of the votes when shareholders that hold not less than one-third (1/3) of the voting rights of all of the shareholders that may exercise voting rights are present.

(Proxy Voting)

Article 18.

A shareholder may exercise the shareholder's voting rights by designating another shareholder of the Company that has voting rights as the shareholder's proxy.

2. The shareholder or the proxy is required to submit to the Company, for each General Meeting of Shareholders, a document evidencing the authority of proxy.

(Minutes)

Article 19.

The proceedings and results of General Meetings of Shareholders, as well as other matters provided for in the laws and regulations, shall be stated or recorded in minutes.

#### **Chapter 4 Directors and Board of Directors, etc.**

(Number of Directors)

Article 20.

The Company shall have no more than 25 Directors.

(Election of Directors)

Article 21.

Directors shall be elected by resolution of a General Meeting of Shareholders.

2. Resolutions to elect Directors shall be adopted by a majority of the votes when shareholders that hold not less than one-third (1/3) of the voting rights of all of the shareholders that may exercise voting rights are present.

(Elimination of Cumulative Voting)

Article 22.

None of the resolutions to elect the Company's Directors shall be determined by cumulative voting.

(Term of Office of Directors)

Article 23.

The term of office of the Directors shall be until the conclusion of the Ordinary General Meeting of Shareholders for the last fiscal year out of the fiscal years ending within one (1) year after their election.

(Representative Director)

Article 24.

The Director and President shall represent the Company.

2. In addition to the preceding paragraph, as necessary, by resolution of the Board of Directors, a Director to represent the Company may be appointed.

(Directors with Titles)

Article 25.

The Company shall appoint one (1) Director and President by resolution of the Board of Directors. The Company shall appoint one (1) Director and Chairman, one (1) Director and Executive Vice Chairman, and a few Director and Executive Vice Presidents, by resolution of the Board of Directors, if necessary.

(Areas of Responsibility)

Article 26.

The Director and President shall execute the content of provisions in the Company's Articles of Incorporation and the decisions made at the meetings of the Board of Directors, as well as comprehensively oversee and control the entire business activities of the Company.

2. The Director and Chairman, the Director and Executive Vice Chairman, the Director and Executive Vice Presidents, and other Directors whose areas of responsibility outlined by the resolution of the Board of Directors, shall each assist the Director and President and take charge of duties as determined.

(Executive Officers)

Article 27.

The Company shall, by resolution of the Board of Directors, post Executive

Officers who are authorized to execute businesses comprehensively with regard to a limited range of business duties of the Company and are responsible for such execution of duties.

2. The Company shall, by resolution of the Board of Directors, appoint a few Managing Executive Officers and Senior Managing Executive Officers from among the Executive Officers, if necessary.

3. The relationship between the Company and the Executive Officers shall be governed by the provisions on mandate.

4. Matters related to the Executive Officers shall be governed by the provisions on the Executive Officers as stipulated by the Board of Directors.

(Remunerations for Directors, etc.)

Article 28.

The remunerations for Directors, etc. shall be determined by resolution of a General Meeting of Shareholders.

(Notice to Convene a Meeting of the Board of Directors)

Article 29.

A notice to convene a meeting of the Board of Directors shall be issued to each Director and each Auditor by three (3) days prior to the day of the meeting; provided, however, that if urgently necessary, the period may be shortened.

(Convenor and Chairperson of Meetings of the Board of Directors)

Article 30.

Unless otherwise provided for in the laws and regulations, the Director and President shall convene and be the Chairperson of meetings of the Board of Directors. If the Director and President is incapacitated, another Director, who is designated according to an order determined in advance by the Board of Directors, shall convene and be the Chairperson of the meetings.

(Method of Resolution by the Board of Directors)

Article 31.

Resolutions of the Board of Directors shall be adopted by a majority of the attending Directors when a majority of the Directors are present.

(Omission of Resolutions by the Board of Directors)

Article 32.

When all the members of the Board of Directors have consented, in writing or by electromagnetic recording, with respect to a resolution matter for the Board of Directors, the Company shall deem that such resolution matter has been approved by resolution of the Board of Directors; provided, however, that this provision shall not apply if an Auditor has stated an objection to such resolution matter.

(Minutes of Meetings of the Board of Directors)

Article 33.

Pursuant to the laws and regulations, minutes shall be prepared with respect to the business of the Board of Directors. The attending Directors and Auditors shall affix their names and seals or electronic signatures to the minutes.

(Rules for the Board of Directors)

Article 34.

Unless otherwise provided for in the laws and regulations or the Articles of Incorporation, provisions on the operation of the Board of Directors shall be as provided in the Rules for the Board of Directors established by the Board of Directors.

(Limited Liability Agreement with Outside Directors)

Article 35.

Under the provisions of Article 427, paragraph (1) of the Companies Act, the Company may enter into agreements with Outside Directors to limit the liability for damages provided for in Article 423, paragraph (1) of the Companies Act; provided, however, that the maximum amount of liability for damages under an agreement shall be the higher of either a predetermined amount of not less than ¥10 million yen or the amount prescribed by the laws and regulations.

## **Chapter 5 Auditors and Board of Auditors**

(Number of Auditors)

Article 36.

The Company shall have no more than four (4) Auditors.

(Election of Auditors)

Article 37.

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

2. Resolutions to elect Auditors shall be adopted by a majority of the votes when shareholders that hold not less than one-third (1/3) of the voting rights of all of the shareholders that may exercise voting rights are present.

(Term of Office of Auditors)

Article 38.

The term of office of the Auditors shall be until the conclusion of the Ordinary General Meeting of Shareholders for the last fiscal year out of the fiscal years ending within four (4) years after their election.

2. The term of office of any Auditor elected as a substitute for an Auditor who has retired from office before the expiration of the term of office, shall be until the retired Auditor's term of office expires.

3. Resolutions to elect substitute Auditors shall remain valid until the start of the Ordinary General Meeting of Shareholders for the last fiscal year out of the fiscal years ending within four (4) years after their election.

(Standing Auditors)

Article 39.

Standing Auditors shall be appointed by resolution of the Board of Auditors.

(Notice to Convene a Meeting of the Board of Auditors)

Article 40.

A notice to convene a meeting of the Board of Auditors shall be issued to each Auditor by three (3) days prior to the day of the meeting; provided, however, that if urgently necessary, the period may be shortened.

(Method of Resolution by the Board of Auditors)

Article 41.

Unless otherwise provided for in the laws and regulations, resolutions of the Board of Auditors shall be adopted by a majority of the Auditors.

(Rules for the Board of Auditors)

Article 42.

Matters concerning the Board of Auditors shall be subject to the provisions

provided in the laws and regulations or the Articles of Incorporation, as well as to the Rules for the Board of Auditors established by the Board of Auditors.

(Minutes of Meetings of the Board of Auditors)

Article 43.

The proceedings and results of meetings of the Board of Auditors, as well as other matters provided for in the laws and regulations, shall be stated or recorded in minutes. The attending Auditors shall affix their names and seals or electronic signatures to the minutes.

(Remunerations for Auditors, etc.)

Article 44.

The remunerations for Auditors, etc. shall be determined by resolution of the General Meeting of Shareholders.

(Limited Liability Agreement with Outside Auditors)

Article 45.

Under the provisions of Article 427, paragraph (1) of the Companies Act, the Company may enter into agreements with Outside Auditors to limit the liability for damages provided for in Article 423, paragraph (1) of the Companies Act; provided, however, that the maximum amount of liability for damages under an agreement shall be the higher of either a predetermined amount of not less than ¥5 million or the amount prescribed by the laws and regulations.

## **Chapter 6 Accounting Auditors**

(Election of Accounting Auditors)

Article 46.

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

(Term of Office of Accounting Auditors)

Article 47.

The term of office of Accounting Auditors shall be until the conclusion of the Ordinary General Meeting of Shareholders for the last fiscal year out of the fiscal years

ending within one (1) year after their election.

2. Unless otherwise resolved at the Ordinary General Meeting of Shareholders under the preceding paragraph, Accounting Auditors shall be deemed to have been re-elected at such Ordinary General Meeting of Shareholders.

(Remunerations for Accounting Auditors, etc.)

Article 48.

Remunerations for Accounting Auditors, etc. shall be determined by the Representative Director with the consent of the Board of Auditors.

## **Chapter 7 Accounts**

(Fiscal Year)

Article 49.

The Company's fiscal year shall be from April 1 of every year to March 31 of the following year.

(Term-end Dividends)

Article 50.

By resolution of the General Meeting of Shareholders, the Company shall pay to the shareholders or registered pledgees of shares stated or recorded in the final shareholder registry on March 31 of every year, cash dividends of surplus (hereinafter referred to as "Term-end Dividends").

(Interim Dividends)

Article 51.

By resolution of the Board of Directors, the Company may distribute to the shareholders or registered pledgees of shares stated or recorded in the final shareholder registry on September 30 of every year, the dividends of surplus provided for in Article 454, paragraph (5) of the Companies Act (hereinafter referred to as "Interim Dividends").

(Period of Exclusion of Payment of Dividends)

Article 52.

In cases where the dividend property is monies, if the dividends have not been

received for a full three (3) years from the payment start date, the Company shall be relieved of the payment obligation.

2. No interest shall accrue on unpaid dividends.