

(Translation)

## ARTICLES OF INCORPORATION

### CHAPTER 1 GENERAL RULES

#### (Corporate Name)

Article 1 The name of the Company shall be “Nxera Pharma Kabushiki Kaisha,” and shall be “Nxera Pharma Co., Ltd.” in English.

#### (Purpose)

Article 2 The purpose of the Company shall be to engage in the following businesses:

(1) As a holding company, control and manage, invest through partnerships in, the companies engaged in the following business, and conduct any business incidental to the following business:

(i) Research, development, import and export, production, production by commission, and sales of pharmaceutical products, quasi-drugs, raw materials for pharmaceutical products, medical devices, medical supplies, animal health products, agrochemicals, cosmetics and health foods.

(ii) Consultant services relating to pharmaceutical products, quasi-drugs, raw materials for pharmaceutical products, medical devices, medical supplies, animal health products, agrochemicals, cosmetics and health foods.

(iii) Undertake and entrust commissioned research and development in the medical and agricultural fields.

(iv) Transfer, purchase, and manage patent rights in the medical and agricultural fields.

(v) Research, development and technology transfer of transplantation and regenerative medicine, and the production, import and export, and sales of regenerative medicine products.

- (vi) Compose, operate, and manage partnerships for investment in the companies engaged in the business set forth in the preceding items (i) to (v).
- (2) Conduct the businesses set forth in the preceding items (i) to (vi)
- (3) Conduct any business incidental to the preceding items.

**(Head Office)**

Article 3 The head office of the Company shall be located in Minato -Ku, Tokyo, Japan.

**(Method of Public Notice)**

Article 4 Public notices of the Company shall be made by electronic public notice.  
2 If public notice cannot be made by electronic public notice due to an accident or other unavoidable causes, public notice shall be given 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 forty-nine million three hundred seventy-six thousand (149,376,000) shares.

**(Share-Trading Unit)**

Article 6 The number of shares constituting one unit of the Company shall be one hundred (100) shares.

**(Additional Purchase of Shares Constituting Less than One Unit)**

Article 7 A shareholder who holds shares of the Company representing less than one unit may demand that the Company sell a number of shares that, when combined with fractional shares held by such shareholder, will constitute a full unit of shares.

**(Rights of Fractional Shareholders)**

Article 8 Shareholders of the Company may not exercise rights with regard to shares representing less than one unit other than those listed below.

- (1) Rights set forth in Article 189, Paragraph 2 of the Companies Act;
- (2) Right to receive an allotment of shares for subscription or stock acquisition rights for subscription
- (3) Right to claim the sale of fraction shares as specified in the preceding article.

**(Acquisition by the Company of its Own Shares)**

Article 9 The Company may, by a resolution of the Board of Directors, acquire its own shares through market transactions, etc. pursuant to the provision of Article 165, Paragraph 2 of the Companies Act.

**(Transfer Agent)**

Article 10 The Company shall have a transfer agent with respect to its shares.

2 The transfer agent and its place of business shall be determined by a resolution of the Board of Directors or an Executive Officer authorized by a resolution of the Board of Directors.

**(Share Handling Regulations)**

Article 11 Other than as provided by law or in these Articles of Incorporation, the matters with respect to the entry or record in the register of shareholders and register of stock acquisition rights, as well as other matters relating to the handling of shares and stock acquisition rights and fees shall be governed by the Share Handling Regulations established by a resolution of the Board of Directors or an Executive Officer authorized by a resolution of the Board of Directors.

## CHAPTER 3 GENERAL MEETING OF SHAREHOLDERS

### **(Convocation)**

Article 12 The Ordinary General Meeting of Shareholders of the Company shall be convened within three months after the end of each business year and an Extraordinary General Meeting of Shareholders shall be convened whenever necessary.

### **(Record Date)**

Article 13 The record date to determine the shareholders who are entitled to exercise voting rights at the Ordinary General Meeting of Shareholders shall be December 31 every year.

### **(Measures for Provision of Information in Electronic Format, etc.)**

Article 14 The Company, in convening a General Meeting of Shareholders, shall take measures to provide information that constitutes the content of reference documents for shareholder meeting, etc. in electronic format.

2 Among items for which the measures for providing information in electronic format will be taken, the Company may exclude all or some of those items designated by the Ministry of Justice Order from statements in the paper-based documents to be delivered to shareholders who requested the delivery of paper-based documents by the record date of voting rights.

### **(Convocation and Chairperson)**

Article 15 Unless otherwise provided by law, a General Meeting of Shareholders shall be convened by a Director predetermined by the Board of Directors and chaired by a Director or Executive Officer predetermined by the Board of Directors pursuant to a resolution of the Board of Directors.

2 If the person who shall preside at the meeting pursuant to the foregoing paragraph is unable to act, one of the other Directors shall convene and one of the other Directors or Executive Officers shall preside at a General Meeting of Shareholders in the order of priority as predetermined by the Board of Directors.

**(Method of Making Decisions)**

Article 16 Unless otherwise provided by law 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 at the meeting who are entitled to exercise their voting rights.

2 Unless otherwise provided in these Articles of Incorporation, resolutions pursuant to the provision in Article 309, Paragraph 2 of the Companies Act shall be adopted by not less than two-thirds of the votes of shareholders present at the meetings who hold not less than one-third of the voting rights of all shareholders entitled to exercise their voting rights.

**(Voting by a Proxy)**

Article 17 A shareholder may exercise his/her voting right by a proxy, who shall also be a shareholder of the Company having voting right.

2 In the case of the preceding paragraph, such shareholder or proxy shall submit to the Company a document evidencing his/her authority

**CHAPTER 4 DIRECTORS, BOARD OF DIRECTORS, AND COMMITTEES**

**(Board of Directors)**

Article 18 The Company shall have a Board of Directors.

2 The Board of Directors shall make decisions on items as provided by law and by these Articles of Incorporation and oversee the performance of duties of the Directors and Executive Officers.

**(Number of Directors)**

Article 19 The Company shall have no more than twelve (12) Directors.

**(Election of Directors)**

Article 20 Directors shall be elected by resolutions of the General Meetings of Shareholders.

2 Resolutions for the election of Directors shall be adopted by a majority

vote of shareholders present at the meeting who hold not less than one-third of the voting rights of all shareholders entitled to exercise their voting rights.

3 Cumulative voting shall not be used with respect to resolution to elect Directors.

**(Term of Office of Directors)**

Article 21 The term of office of a Director shall expire at the close of the Ordinary General Meeting of Shareholders held for the last business year ending within one year after assumption of office

2 The term of office of those Directors elected to fill a vacancy or to increase the number shall be same as the remaining term of office of the other Directors then in office.

**(Convocation and Chairperson of Meetings of the Board of Directors)**

Article 22 Unless otherwise provided by law, the Chairman of the Board of Directors shall convene meetings of the Board of Directors and shall act as the chairperson of the meetings.

2 If the Chairman of the Board of Directors is unable to act or the position is vacant, one of the other Directors shall convene the meetings in the order of precedence predetermined by the Board of Directors and act as the chairperson of the meeting.

3 Notwithstanding the preceding two paragraphs, a person elected by a Committee from its Committee members may convene a meeting of the Board of Directors.

4 Notwithstanding the paragraphs 1 and 2 above, Executive Officers may request the convocation or convene a meeting of the Board of Directors in accordance with the provisions of the law.

**(Notice of Convocation of Meetings of the Board of Directors)**

Article 23 The notice for convening meetings of the Board of Directors shall be sent to all the Directors at least three (3) days prior to the date of the meeting; provided that such period may be shortened in case of emergency.

**(Chairman of the Board of Directors)**

Article 24 The Company may, by a resolution of the Board of Directors, elect one (1) Chairman of the Board of Directors as needed.

**(Exemption of Outside Directors from Liabilities)**

Article 25 The Company may enter into a liability limitation agreement with Directors (excluding Executive Directors, etc.) that limits his/her liability provided in Article 423, Paragraph 1 of the Companies Act to an amount not to exceed the minimum liability amount as defined in Article 425, Paragraph 1 of the Companies Act if the conditions required by law are fulfilled.

**(Method of Decision Making of Meetings of the Board of Directors)**

Article 26 A resolution of a meeting of the Board of Directors shall be adopted by a majority vote of the Directors present at the meeting who shall constitute a majority of all Directors entitled to vote.

**(Omission of the Resolution of the Board of Directors)**

Article 27 The Company may deem that a resolution of the Board of Directors has been adopted in case the conditions stipulated in Article 370 of the Companies Act have been fulfilled.

**(Regulations of the Board of Directors)**

Article 28 Other than as provided by law or by these Articles of Incorporation, matters pertaining to the meetings of the Board of Directors shall be governed by the Regulations of the Board of Directors established by the Board of Directors.

**(Compensation of Directors)**

Article 29 Compensation of Directors shall be determined by the Compensation Committee.

**(Committees)**

Article 30 The Company shall have the Nominating Committee, the Audit Committee, and the Compensation Committee.

**(Regulations of the Committees)**

Article 31 Other than as provided by law or by these Articles of Incorporation, or the resolutions of the Board of Directors, matters pertaining to each Committee shall be governed by the regulations thereof established by each such Committee.

**CHAPTER 5 EXECUTIVE OFFICERS**

**(Election of Executive Officers)**

Article 32 Executive Officers shall be elected by resolutions of the Board of Directors.

**(Term of Office of Executive Officers)**

Article 33 The term of office of Executive Officers shall expire at the close of the first meeting of the Board of Directors that is convened immediately after the close of the Ordinary General Meeting of Shareholders held for the last business year ending within one year after election.

2 The term of office of an Executive Officer elected to fill a vacancy or to increase the number shall be for the remaining term of office of the other Executive Officers then in office.

**(Representative Executive Officer)**

Article 34 The Representative Executive Officer shall be elected by a resolution of the Board of Directors.

**(Compensation of Executive Officers)**

Article 35 Compensation of the Executive Officers shall be determined by the Compensation Committee.



## CHAPTER 6 ACCOUNTING AUDITORS

### **(Accounting Auditors)**

Article 36 The Company shall have Accounting Auditors

### **(Election of Accounting Auditors)**

Article 37 Accounting Auditors shall be elected by a resolution of the General Meeting of Shareholders.

### **(Term of Accounting Auditors)**

Article 38 The term of office of Accounting Auditors shall expire at the close of the Ordinary General Meeting of Shareholders held for the last business year ending within one year after election.

2 Unless otherwise resolved at the Ordinary General Meeting of Shareholders mentioned in the preceding paragraph, Accounting Auditors will be deemed re-elected at such Ordinary General Meeting of Shareholders.

### **(Compensation of Accounting Auditors)**

Article 39 Compensation of the Accounting Auditors shall be determined by the Representative Executive Officer with the consent of the Compensation Committee.

## CHAPTER 7 ACCOUNTS

### **(Business Year)**

Article 40 The business year of the Company shall be from January 1 to December 31 every year.

### **(Dividends of Surplus etc.)**

Article 41 Unless otherwise provided by law, the Company may determine by a resolution of the Board of Directors distribution of dividends of surplus

and other matters stipulated under each item of Article 459, Paragraph 1 of the Companies Act without a resolution at the General Meeting of Shareholders.

- 2 The record date for year-end dividends of the Company shall be December 31 of each year.
- 3 The record date for interim dividends of the Company shall be June 30 of each year.

**(Statute of Limitations for Unclaimed Dividends)**

- Article 42 The Company shall be exempted from its obligation to pay outstanding dividends or interim dividends if it is left unclaimed for three full years from the date of commencement of payment.
- 2 No interest shall accrue on unclaimed dividends or interim dividends.

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