

## **C. CONSTITUTIONAL DOCUMENTS**

### **Articles of Incorporation**

#### Chapter 1: General Provisions

(Trade Name)

#### Article 1

The name of the Company is Kabushiki Kaisha FAST RETAILING and FAST RETAILING CO., LTD. in English.

(Purpose)

#### Article 2

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

- (i) Owning the shares or an interest of the companies and foreign companies engaging in the following business activities, thereby managing and controlling such company's business activities.
  - (1) Importing, planning, manufacture and sales of clothing and clothing accessories.
  - (2) Importing, planning, manufacture and sales of accessories.
  - (3) Exporting and importing, planning, manufacture and sales of shoes, shoe products and bags.
  - (4) Sales of cosmetics, skin care and hair care products.
  - (5) Planning and sales of information recording media such as compact discs.
  - (6) Management of golf driving ranges.
  - (7) Sales of golfing products.
  - (8) Management of restaurants.
  - (9) Planning, sales and purchase of advertising and public relations information media.
  - (10) Management and support of computer systems.
  - (11) Provision of corporate administration and management services to affiliated companies for management guidance purposes.
  - (12) Loans to, guarantees for, and investment in affiliated companies.
  - (13) Agency operations for non-life insurance.
  - (14) Lease and management of real estate.
  - (15) Management of corporate training facilities.
  - (16) Warehousing business and warehouse management business.
  - (17) Forwarding business.

- (18) Sales of fresh flowers, house plants and other vegetation, and artificial flowers.
  - (19) Planning and sales of magazines, books and other printed materials, stationery, daily necessities and miscellaneous goods.
  - (20) Exporting and importing, planning, manufacture and sales of medical supplies, hygiene products, and other items.
  - (21) All business which are incidental to or related to those set forth in preceding items.
- (ii) License for computer software and computer network system.
  - (iii) Lease and installation guide for computers and relating equipments.
  - (iv) Practicing, using, licensing, preserving and managing intellectual property rights (patent right, trademark right, utility model right, design right, copyright, and merchandising rights, etc.)
  - (v) Provision of corporate administration and management services to affiliated companies for management guidance purposes.
  - (vi) Loans to, guarantees for, and investment in affiliated companies.
  - (vii) Agency operations for non-life insurance.
  - (viii) Lease and management of real estate.
  - (ix) All business that are incidental to or related to those set forth in preceding items.

(Location of the Head Office)

#### Article 3

The head office of the Company shall be located in Yamaguchi city, Yamaguchi prefecture, Japan.

(Governing Bodies)

#### Article 4

In addition to the general meetings of shareholders and Directors, the Company shall establish the following governing bodies.

- (1) Board of Directors
- (2) Statutory Auditors
- (3) Board of Statutory Auditors
- (4) Accounting Auditors

(Method of Public Notice)

#### Article 5

The public notices of the Company shall be published via electronic media. However, where publication via electronic media is impossible due to unavoidable circumstances, the Company's public notices shall be published in the Nippon Keizai Shimbun (Nikkei).

## Chapter 2: Shares

(Total Number of Issuable Shares)

### Article 6

The total number of issuable shares of the Company is 300 million (300,000,000) shares.

(Number of Shares Per Unit and Non-issuance of Share Certificates Less Than One Unit)

### Article 7

The number of shares per unit of the Company is one hundred (100) shares.

(Right Concerning Shares Less Than One Unit)

### Article 8

The shareholders of the Company may not exercise rights in relation to the shares less than one unit that they own, except for those listed below:

- (i) Rights listed in each item under Article 189, Paragraph 2 of the Companies Act;
- (ii) Right to make a request pursuant to Article 166, Paragraph 1 under the Companies Act;
- (iii) Right to receive allotment of shares, and allotment of stock acquisition rights (*shinkabu yoyakuken*) in proportion to the number of shares owned by the shareholders; and
- (iv) Right to make the demand provided in the next Article.

(Demand for Adding to Holdings of Shares Less than One Unit)

### Article 9

The shareholders of the Company may demand, pursuant to the provisions of the Share Handling Regulations, the sale of such number of shares that, together with the number of shares less than one unit that they own, will constitute one share unit. Provided, however, that this shall not apply if the Company does not own the shares regarding such demand or otherwise provided in the Share Handling Regulations.

(Shareholder Register Manager)

### Article 10

1. The Company will have a shareholder register manager.
2. The shareholder register manager and its office location will be determined upon resolution by the Board of Directors and such determination will be notified publicly.
3. The preparation as well as keeping of the Company's shareholder register and stock acquisition rights ledgers, and other clerical work with regard to shareholder register and stock acquisition rights ledgers will be consigned to the shareholder register manager, and the Company will not handle such work.

(Share Handling Regulations)

## Article 11

Handling of the Company's shares and its fees shall be in accordance with the Share Handling Regulations determined by the Board of Directors, in addition to the laws or regulations or the Articles of Incorporation.

## Chapter 3: General Meetings of Shareholders

(Convocation of a General Meeting of Shareholders)

## Article 12

1. An ordinary general meeting of shareholders of the Company shall be convened within three (3) months from the day immediately after the accounts closing date of each Business Year and extraordinary general meetings of shareholders shall be convened as necessary.
2. A general meeting of shareholders shall be held at a location in the local administrative district in which the head office is located, a location in a local administrative district adjacent to the local administrative district in which the head office is located, or other locations within any one of the wards in Tokyo.
3. Unless otherwise provided for in any laws or regulations, the Chairman of the Board of Directors shall convene a general meeting of shareholders upon resolution by the Board of Directors. If the Chairman of the Board of Directors is unable to act, another Director in the order of priority predetermined by a resolution of the Board of Directors shall convene a general meeting of shareholders.

(Record Date for Ordinary General Meetings of Shareholders)

## Article 13

The record date for voting rights at ordinary general meetings of shareholders shall be the last day of August each year.

(Chairman)

## Article 14

The Chairman of the Board of Directors shall take the chair at the general meeting of shareholders. If the Chairman of the Board of Directors is unable to act, another Director shall take his/her place in the order of priority predetermined by a resolution of the Board of Directors.

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

## Article 15

The Company may, upon the convocation of a shareholders meeting, be deemed to have provided the shareholders, by disclosing through the method of using the internet pursuant to the provisions of the applicable Ordinance of the Ministry of Justice, information regarding the matters that should be stated or appear on the documents for reference of the general meeting of shareholders, business reports, financial statements and consolidated financial statements.

(Method of Resolution)

## Article 16

1. Unless otherwise provided for in any laws or regulations or the Articles of Incorporation, resolutions of a general meeting of shareholders shall be adopted by a majority of the votes of the shareholders present at the meeting who are entitled to vote on the relevant resolution.
2. The resolutions provided under Article 309, Paragraph 2 of the Companies Act shall be made by two thirds or more of the votes of the shareholders at the meeting where the shareholders holding one third or more of the votes of the shareholders entitled to exercise their votes are present.

(Exercise of Voting Rights by Proxy)

Article 17

1. A shareholder may exercise his/her voting rights by appointing another shareholder with voting rights in the Company as his/her proxy.
2. In the case set forth in the preceding paragraph, the shareholder or proxy must submit to the Company a document evidencing the authority of that proxy for each general meeting of shareholders.

#### Chapter 4: Directors and Board of Directors

(Number of Directors)

Article 18

The Company shall elect no less than three (3) and no more than ten (10) Directors.

(Election of Directors)

Article 19

1. Directors shall be elected by a resolution of a general meeting of shareholders.
2. The election of Directors shall not be by cumulative voting.
3. The election of Directors shall be made by a majority of the votes of the shareholders where the shareholders holding one third or more of the votes of the shareholders entitled to exercise their votes are present.

(Term of Office of Directors)

Article 20

The term of office of the Directors shall expire at the conclusion of the ordinary general meeting of shareholders for the final business year ending within one (1) year from the time of their election as Directors.

(Representative and Managing Directors)

Article 21

1. The Board of Directors shall elect, by its resolution, one Director & President, and may elect one Chairman of the Board of Directors, one Vice-Chairman of the Board of Directors, a number of Vice-presidents, and a number of both Senior Executive Directors and Executive

Directors.

2. The Chairman of the Board of Directors and the Director & President shall represent the Company and execute its business.
3. The Board of Directors may elect, by its resolution, Directors to represent the Company, in addition to the Chairman of the Board of Directors and the Director & President.

(In-house Consultant and Advisor)

Article 22

The Company may have an in-house consultant or an in-house advisor by the resolution of the Board of Directors.

(Remuneration for Directors)

Article 23

The remuneration, bonuses, and other financial benefits (referred to after as "Remuneration") that the Company pays to Directors as consideration for executing duties shall be determined by a resolution of a general meeting of shareholders.

(Authority of the Board of Directors)

Article 24

The Board of Directors shall determine the execution of important business of the Company, in addition to the matters specifically set forth in laws, regulations or the Articles of Incorporation.

(Convocation Notice of a Board of Directors Meeting)

Article 25

1. A convocation notice of a Board of Directors meeting shall be dispatched to each Director and Statutory Auditor three (3) days or more prior to the date of the meeting. However, where necessary due to urgent circumstances, this notice period may be shortened.
2. A Board of Directors meeting may be held without the convocation procedures if all Directors and Statutory Auditors agree.

(Convener and Chairman of Board of Directors Meetings)

Article 26

Unless otherwise provided for in laws or regulations, the Chairman of the Board of Directors shall convene Board of Directors meetings and shall take the chair at such meetings. If the Chairman of the Board of Directors is unable to act, another Director shall take his/her place in the order of priority predetermined by a resolution of the Board of Directors.

(Omission of Resolution of the Board of Directors)

Article 27

Where all Directors has, either in writing or by electromagnetic medium, consented to a matter to be resolved by the Board of Directors, the Company deems that said resolution item has been approved by a resolution of the Board of Directors. This provision, however, does not apply where any objection is raised by any of Statutory Auditors.

(Exemption of Director Liability)

Article 28

Pursuant to the provisions of Article 426, Paragraph 1 of the Companies Act, the Company may, by a resolution of the Board of Directors, exempt its Directors (including those who used to be Directors) from liability to compensate for damages suffered due to their negligence in the execution of duties to the extent permitted by laws and regulations.

(Agreements Concerning Limitations on the Liability of Non-Executive Directors)

Article 29

Pursuant to Article 427, Paragraph 1 of the Companies Act, the Company may enter into agreements with Directors (excluding those who are Executive Directors, etc. as defined in Article 2, Item 15(a) of the Companies Act) to limit their liability to compensate for damages suffered due to their negligence in the execution of duties. However, the maximum amount of the compensation for damage under such agreement shall be the higher of either a predetermined amount equivalent to or in excess of five million yen (¥5,000,000) or the amount stipulated by laws or regulations.

#### Chapter 5: Statutory Auditors and Board of Statutory Auditors

(Number of Statutory Auditors)

Article 30

The Company shall appoint no less than three (3) and no more than seven (7) Statutory

Auditors. (Election of Statutory Auditors)

Article 31

1. Statutory Auditors shall be elected by a resolution of a general meeting of shareholders.
2. The election of Statutory Auditors shall be made by a majority of the votes of the shareholders where the shareholders holding one third or more of the votes of the shareholders entitled to exercise their votes are present.

(Term of Office of Statutory Auditors)

Article 32

1. The term of office of the Statutory Auditors shall expire at the conclusion of the ordinary general meeting of shareholders for the final business year ending during the four (4) year period after their election as Statutory Auditors.
2. The term of office of a Statutory Auditor elected to fill a vacancy shall be the same as the remaining term of office of his/her predecessor.

(Full-Time Statutory Auditor)

Article 33

The Board of Statutory Auditors shall elect a full-time Statutory Auditor by its resolution.

(Remuneration for Statutory Auditors)

Article 34

Remuneration for Statutory Auditors shall be determined by a resolution of a general meeting of shareholders.

(Authority of the Board of Statutory Auditors)

Article 35

The Board of Statutory Auditors shall determine the matters related to the Statutory Auditors' execution of duties within the scope not to hinder the exercise of authority of each Statutory Auditor, in addition to the matters specifically set forth in laws or regulations or the Articles of Incorporation.

(Convocation Notice of a Board of Statutory Auditors Meeting)

Article 36

1. A convocation notice of a Board of Statutory Auditors meeting shall be dispatched to each Statutory Auditor three (3) days or more prior to the date of the meeting. However, where necessary due to urgent circumstances, this notice period may be shortened.
2. A Board of Statutory Auditors meeting may be held without the convocation procedures if all Statutory Auditors agree.

(Exemption of Statutory Auditor Liability)

Article 37

Pursuant to the provisions of Article 426, Paragraph 1 of the Companies Act, the Company may, by a resolution of the Board of Directors, exempt its Statutory Auditors (including those who used to be Statutory Auditors) from liability to compensate for damages suffered due to their negligence in the execution of duties to the extent permitted by laws and regulations.

(Agreements Concerning Limitations on the Liability of Statutory Auditors)

Article 38

Pursuant to Article 427, Paragraph 1 of the Companies Act, the Company may enter into agreements with Statutory Auditors to limit their liability to compensate damages suffered due to their negligence in the execution of duties. However, the maximum amount of the compensation for damage under such agreement shall be the higher of either a predetermined amount equivalent to or in excess of five million yen (¥5,000,000) or the amount stipulated by laws or regulations.

## Chapter 6: Accounting Auditors

(Election of Accounting Auditors)

Article 39

Accounting Auditors shall be elected by a resolution of a general meeting of shareholders.



(Term of Office of Accounting Auditors)

Article 40

1. The term of office of the Accounting Auditors shall expire at the conclusion of the ordinary general meeting of shareholders for the final business year ending during one (1) year after their election as Accounting Auditors.
2. Unless otherwise resolved at the ordinary general meeting of shareholders of the preceding paragraph, the Accounting Auditor is deemed to have been re-elected at said ordinary general meeting of shareholders.

(Remuneration for Accounting Auditors)

Article 41

Remuneration for Accounting Auditors shall be determined by the Representative Director upon obtaining consent from the Board of Statutory Auditors.

(Agreements Concerning Limitations on the Liability of Accounting Auditors)

Article 42

Pursuant to Article 427, Paragraph 1 of the Companies Act, the Company may enter into agreements with Accounting Auditors to limit their liability to compensate for damages suffered due to their negligence in the execution of duties. However, the maximum amount of the compensation under such agreement shall be the amount stipulated by laws or regulations.

Chapter 7: Accounts

(Business Year)

Article 43

The business year of the Company shall begin on September 1 of each year and end on August 31 of the following year.

(Decision Making Organization of Dividends of Surplus)

Article 44

The Company shall determine the matters provided in each item under Article 459, Paragraph 1 of the Companies Act such as dividends of surplus, by the resolution of the Board of Directors and not by the resolution of the general meeting of shareholders unless otherwise provided in laws and regulations.

(Record Date for Dividends)

Article 45

1. The record date for year-end dividends of the Company shall be the last day of August each year.
2. The record date for interim dividends of the Company shall be the last day of February each year.
3. In addition to the preceding two paragraphs, the Company may distribute dividends upon determining a record date.

(Statute of Limitation on

Dividends) Article 46

1. Where assets to be distributed are monetary, if any shareholder fails to receive within three (3) full years from the date on which said distribution of assets became due and payable, the Company shall be exempted from its obligation to pay such dividends.
2. No interest shall accrue on unpaid dividends.

Supplementary  
Provisions

Article 1

The preparation as well as keeping of the Company's lost share certificate directories, and other clerical work with regard to the lost share certificate directories will be consigned to the shareholder register manager, and the Company will not handle such work.

Article 2

Entry or record in the Company's lost share certificate directories shall be in accordance with the Share Handling Regulations determined by the Board of Directors.

Article 3

Articles 1 through 3 in this Supplementary Provisions shall be deleted on January 6, 2010.