



November 22, 2016

For Immediate Release

Company name: SEPTENI HOLDINGS CO., LTD.  
Representative: President and Representative Director  
Koki Sato  
(JASDAQ code: 4293)

### **Notice of Partial Amendments to the Articles of Incorporation**

Septeni Holdings Co., Ltd. (the Company) hereby announces that at the meeting of the Board of Directors held on November 22, 2016, it decided to submit a partial amendment to the Articles of Incorporation to the 26th annual general meeting of shareholders to be held on December 20, 2016, as follows.

#### 1. Reasons for the proposal

- (1) In order to increase the efficiency of managing holders of shares less than one unit, to introduce a provision to limit the rights of shares less than one unit (Article 8 of the proposed amendments).
- (2) From the perspective of improving services to all shareholders, to introduce a system to buy additional shares less than one unit as provided in Article 194 of the Companies Act (Article 9 of the proposed amendments).
- (3) From the perspective of thoroughly informing all shareholders, to determine to give public notice of an administrator or administrators of the shareholder register and its or their handling office or offices (Article 10, paragraph (2) of the proposed amendments).
- (4) In order to provide more flexible management of the shareholders meeting and the board of directors, to change the person who has the right to call a shareholders meeting and a meeting of the board of directors and the chairperson of such meetings to the director who was previously fixed by the board of directors (Article 15 and Article 28 of the proposed amendments).
- (5) In order to clarify procedures concerning the exercise by proxy of voting rights at the shareholders meeting, to make necessary amendments (Article 17 of the proposed amendments).
- (6) In order to ensure a clear separation between the management decision-making function and the business execution function from the perspective of strengthening corporate governance, to introduce a corporate officer system in which business activities are executed in accordance with management policies or the like determined by the board of directors (Article 27 of the proposed amendments). Together with the introduction of the corporate officer system, to abolish directors with titles and remove all those directors' positions (Article 26 of the current articles of incorporation).
- (7) To make other necessary amendments, including correcting wording and renumbering articles together with the amendments mentioned above.

## 2. Details of the amendments

The details of the amendments are as set forth below.

(Underlined parts denote amendments.)

Current articles of incorporation	Proposed amendments
Chapter I General Provisions Article 1 to Article 5 (Article text omitted)	Chapter I General Provisions Article 1 to Article 5 (Remains the same)
Chapter II Shares Article 6 to Article 7 (Article text omitted) <u>Article 8 (Acquisition of Own Shares)</u> <u>The Company may acquire its own shares based on the resolution of the board of directors.</u> (New article)	Chapter II Shares Article 6 to Article 7 (Remains the same) (Deleted) <u>Article 8 (Rights Concerning Shares Less Than One Unit)</u> <u>The Company's shareholders shall not exercise their rights other than the following rights, with respect to their shares that are less than one unit:</u> <u>(1) rights provided in each item of Article 189, paragraph (2) of the Companies Act;</u> <u>(2) rights to demand for acquisition of shares with put option;</u> <u>(3) rights to receive an allotment of shares for subscription and an allotment of share options in accordance with the number of shares held by shareholders; and</u> <u>(4) rights to make the request set forth in the following article.</u> <u>Article 9 (Purchase of Additional Shares Less Than One Unit)</u> <u>The Company's shareholders may request the Company to sell shares that may constitute one share unit together with shares less than one unit that the shareholder is holding in accordance with the share-handling regulations.</u>
Article 9 (Administrator(s) of a Shareholder Register) 1. (Article text omitted) 2. The administrator(s) of the shareholder register, and its or their handling office or offices shall be determined by resolution of the board of directors. 3. Preparation, retention, and other administrative matters of, or relating to, the shareholder register and the share option register of the Company shall be entrusted to the administrator(s) of the shareholder register; and the Company shall not handle such matters. Article 10 (Share-handling Regulations) The handling services and fees related to the Company's shares shall be in accordance with the share-handling regulations determined by the board of directors.	Article 10 (Administrator(s) of a Shareholder Register) 1. (Remains the same) 2. <u>The Company shall determine</u> the administrator(s) of the shareholder register, and its or their handling office or offices shall be determined by resolution of the board of directors <u>and a public notice of such resolution shall be given.</u> 3. (Amendments to the Japanese text and no material changes to the provision.)
Article 11 (Article text omitted) Chapter III Shareholders Meeting Article 12 (Calling) An annual shareholders meeting shall be called <u>within three months from the next day of the end of each business year</u> , and an extraordinary shareholders meeting may be called whenever necessary.	Article 11 (Share-handling Regulations) The handling services and fees related to the Company's shares shall be <u>decided</u> in accordance with the share-handling regulations determined by the board of directors, <u>in addition to laws and regulations or these articles of incorporation.</u> Article 12 (Remains the same) Chapter III Shareholders Meeting Article 13 (Calling) An annual shareholders meeting shall be called <u>in December</u> each year, and an extraordinary shareholders meeting may be called whenever necessary.

Current articles of incorporation	Proposed amendments
<p>Article <u>13</u> (Record Date for the Annual Shareholders Meeting)  The Company <u>determines shareholders stated or recorded in the final shareholder register at the end of each business year, as the shareholders who should exercise their right</u> at the annual shareholders meeting <u>for the business year.</u></p>	<p>Article <u>14</u> (Record Date for the Annual Shareholders Meeting)  The record date for the voting rights at the annual shareholders meeting <u>of the Company is September 30 each year.</u></p>
<p>Article <u>14</u> (Person to Call a Shareholders Meeting and Chairperson)  1. Unless otherwise prescribed in laws and regulations, the <u>representative</u> director shall call and be <u>appointed as a chairperson</u> of a shareholders meeting. <u>If there are a multiple number of representative directors, the order of priority shall be determined by the board of directors in advance.</u>  2. When the <u>representative</u> director is <u>unable to do so or is absent</u>, another director, <u>in an order of priority</u> established by the board of directors <u>in advance</u>, shall <u>undertake the role.</u></p>	<p>Article 15 (Person <u>Who Have the Right</u> to Call a Shareholders Meeting and Chairperson)  1. Unless otherwise prescribed in laws and regulations, the director, <u>as previously fixed by the board of directors</u>, shall call and be a chairperson of a shareholders meeting.  2. When the director <u>stated in the preceding paragraph is unable to act</u>, another director, <u>in an order of priority</u> established by the board of directors <u>in advance</u>, <u>shall call and act as chairperson of the shareholders meeting.</u></p>
<p>Article <u>15</u> (Method of Determining a Resolution)  1. Unless otherwise provided by laws and regulations or these articles of incorporation, a resolution of the shareholders meeting shall be determined by majority vote held by the shareholders present who are entitled to exercise voting rights.  2. A resolution of the shareholders meeting pursuant to Article 309, paragraph (2) of the Companies Act shall be adopted by two thirds or more of the voting rights held by the shareholders present who are entitled to exercise voting rights, where shareholders holding one third or more of the voting rights of all the voting shareholders attend.</p>	<p>Article <u>16</u> (Method of Determining a Resolution)  1. (Amendments to the Japanese text and no material changes to the provision.)  2. (Amendments to the Japanese text and no material changes to the provision.)</p>
<p>Article <u>16</u> (Exercise by Proxy of Voting Rights)  <u>If shareholders are to exercise their respective voting rights by proxy, the proxy shall be limited to a shareholder of the Company with a voting right.</u></p>	<p>Article <u>17</u> (Exercise by Proxy of Voting Rights)  Shareholders <u>are entitled to exercise their respective voting rights by one proxy who is a shareholder of the Company with a voting right. In this case, such shareholder or proxy shall present to the Company a document evidencing the grant of the power of representation for each shareholders meeting.</u></p>
<p>Article <u>17</u> (Minutes)  The outline of proceedings and results of the shareholders meeting and other matters provided by relevant laws and regulations shall be stated or recorded in the minutes.</p>	<p>Article <u>18</u> (Minutes)  (Amendments to the Japanese text and no material changes to the provision.)</p>
<p>Article <u>18</u> (Internet Disclosure and Deemed Provision of Reference Documents, Etc. for Shareholders Meetings)  When calling the shareholders meeting, the Company may disclose information to be indicated or represented in reference documents of a shareholders meeting, business reports, financial statements, and consolidated financial statements through the Internet in accordance with the Ordinance of the Ministry of Justice; and this shall be deemed provision to shareholders.</p>	<p>Article <u>19</u> (Internet Disclosure and Deemed Provision of Reference Documents, Etc. for Shareholders Meetings)  (Amendments to the Japanese text and no material changes to the provision.)</p>
<p>Article <u>19</u> (Resolution for Policy on Handling Large scale Purchases of the Company's Share Certificates, Etc. (Anti takeover Measures))  1. The matters otherwise provided by laws and regulations or these articles of incorporation shall be resolved at a shareholders meeting; furthermore, the introduction, change, continuance, or abolition of the policy on handling large scale purchases of the Company's share certificates, etc. (anti takeover measures) may also be determined by its resolution.</p>	<p>Article <u>20</u> (Resolution for Policy on Handling Large scale Purchases of the Company's Share Certificates, Etc. (Anti takeover Measures))  1. (Amendments to the Japanese text and no material changes to the provision.)</p>

Current articles of incorporation	Proposed amendments
<p>2. The policy on handling large scale purchases of the Company's share certificates, etc. (anti takeover measures) set forth in the preceding article means the procedures where the Company will require those who attempt to conduct large scale purchases to comply with, as well as rules including the requirements for, procedures and details of the countermeasures that the Company will take against the large scale purchases or similar acts, in order to avoid a situation in which inappropriate persons control decisions on the Company's financial and business policies in light of the basic policy concerning what and how a person controlling decisions on the Company's financial and business policies should be.</p>	<p>2. (Amendments to the Japanese text and no material changes to the provision.)</p>
<p>Article <u>20</u> (Decision on Allotment of Share Options Without Contribution)</p>	<p>Article <u>21</u> (Decision on Allotment of Share Options Without Contribution)</p>
<p>1. The Company may determine the matters concerning the allotment of share options without contribution by resolution of the board of directors, as well as by resolution of the shareholders meeting or by a resolution of the board of directors based on the authority delegated by resolution of the shareholders meeting.</p>	<p>1. (Amendments to the Japanese text and no material changes to the provision.)</p>
<p>2. As one of the countermeasures against the large scale purchases of the Company's share certificates, etc. set forth in paragraph 2 of the preceding article, when determining the matters concerning the allotment of share options without contribution based on the preceding paragraph, the Company may determine different contents of share options such as exercise conditions and call options to certain share option holders from those for other share option holders.</p>	<p>2. (Amendments to the Japanese text and no material changes to the provision.)</p>
<p>Chapter IV Directors <u>and</u> the Board of Directors</p>	<p>Chapter IV Directors, <u>the Board of Directors, and Executive Officers</u></p>
<p>Article <u>21</u> to Article <u>25</u> (Article text omitted)</p>	<p>Article <u>22</u> to Article <u>26</u> (Remains the same)</p>
<p><u>Article 26 (Directors with Titles)</u></p>	<p>(Deleted)</p>
<p><u>By resolution of the board of directors, a director and president shall be appointed; and as necessary, a director and chairman, a director and vice chairman, one or more vice presidents, one or more senior managing directors, and one or more managing directors may be appointed.</u></p>	
<p>(New article)</p>	<p><u>Article 27 (Executive Officer)</u></p>
	<p><u>1. The Company shall appoint executive officers by resolution of the board of directors; and unless otherwise provided by laws and regulations or these articles of incorporation, the Company may have them execute business pertaining to the Company's business, the business of an operating company that belongs to the Company's corporate group, or the business of multiple operating companies that belong to the Company's corporate group.</u></p>
	<p><u>2. The board of directors may, by its resolution, determine a president and executive officer and a senior executive officer or senior executive officers from among the executive officers.</u></p>
	<p><u>3. Matters concerning the executive officers shall be decided in accordance with the regulations of the executive officers established by the board of directors, in addition to these articles of incorporation.</u></p>

Current articles of incorporation	Proposed amendments
<p>Article <u>27</u> (Board of Directors)</p> <p>1. Unless otherwise prescribed in laws and regulations, the director <u>and president</u> shall call and <u>be appointed as</u> the chairperson of a meeting of the board of directors. <u>However, when the director and president is unable to do so or is absent, another director, in an order of priority established by the board of directors in advance, shall undertake the role.</u></p> <p style="text-align: center;">(New provision)</p> <p><u>2.</u> (Article text omitted)</p> <p><u>3.</u> (Article text omitted)</p>	<p>Article <u>28</u> (Board of Directors)</p> <p>1. Unless otherwise prescribed in laws and regulations, the director, <u>as previously fixed by the board of directors</u>, shall call and <u>be</u> the chairperson of a meeting of the board of directors.</p> <p><u>2. When the director stated in the preceding paragraph is unable to act, another director, in an order of priority established by the board of directors in advance, shall call and act as chairperson of the meeting of the board of directors.</u></p> <p><u>3.</u> (Remains the same)</p> <p><u>4.</u> (Remains the same)</p>
<p>Article <u>28</u> (Method of Determining a Resolution of the Board of Directors)</p> <p>1. (Article text omitted)</p> <p>2. In the Company, with respect to a matter that is the purpose of the resolution of the board of directors meeting, <u>if the requirement prescribed by Article 370 of the Companies Act is met</u>, it shall be deemed that the resolution to approve the proposal at the board of directors meeting has been made.</p>	<p>Article <u>29</u> (Method of Determining a Resolution of the Board of Directors)</p> <p>1. (Remains the same)</p> <p>2. In the Company, <u>in cases where directors submit a proposal</u> with respect to a matter that is the purpose of the resolution of board of directors meeting, <u>if all directors who are entitled to participate in votes with respect to such proposal manifest their intention to agree to such proposal in writing or by means of electromagnetic records (except for the case where a company auditor states his/her objections to such proposal)</u>, it shall be deemed that the resolution to approve such proposal at the board of directors meeting has been made.</p>
<p>Article <u>29</u> (Minutes of a Meeting of the Board of Directors)</p> <p>The outline of proceedings and results of the board of directors meeting and other matters provided by relevant laws and regulations shall be stated or recorded in the minutes, to which the directors and company auditors present at that meeting shall affix their respective names and seal impressions, or electronic signatures.</p> <p>Article <u>30</u> (Regulations of the Board of Directors)</p> <p>Matters concerning the board of directors shall be decided in accordance with the regulations of the board of directors established by the board of directors, in addition to laws and regulations or these articles of incorporation.</p>	<p>Article <u>30</u> (Minutes of a Meeting of the Board of Directors)</p> <p>(Amendments to the Japanese text and no material changes to the provision.)</p> <p>Article <u>31</u> (Regulations of the Board of Directors)</p> <p>(Amendments to the Japanese text and no material changes to the provision.)</p>
<p>Article <u>31</u> (Article text omitted)</p> <p>Article <u>32</u> (Exemption from Liability of Directors)</p> <p>1. (Article text omitted)</p> <p>2. The Company and the outside directors may conclude an agreement that limits the liability of the outside directors provided in Article 423, paragraph (1) of the Companies Act to the higher of either a prefixed amount exceeding 5 million yen or the amount provided by laws and regulations in cases where the relevant outside directors are without knowledge and are not grossly negligent.</p> <p style="text-align: center;">Chapter V Company Auditors and the Board of Company Auditors</p>	<p>Article <u>32</u> (Remains the same)</p> <p>Article <u>33</u> (Exemption from Liability of Directors)</p> <p>1. (Remains the same)</p> <p>2. (Amendments to the Japanese text and no material changes to the provision.)</p> <p style="text-align: center;">Chapter V Company Auditors and the Board of Company Auditors</p>
<p>Article <u>33</u> to Article <u>38</u> (Article text omitted)</p>	<p>Article <u>34</u> to Article <u>39</u> (Remains the same)</p>

Current articles of incorporation	Proposed amendments
<p>Article <u>39</u> (Minutes of a Meeting of the Board of Company Auditors) The outline of proceedings and results of the board of company auditors meeting and other matters provided by relevant laws and regulations shall be stated or recorded in the minutes, to which the company auditors present at that meeting shall affix their respective names and seal impressions, or electronic signatures.</p> <p>Article <u>40</u> (Regulations of the Board of Company Auditors) Matters concerning the board of company auditors shall be decided in accordance with the regulations of the board of company auditors established by the board of company auditors, in addition to laws and regulations or these articles of incorporation.</p> <p>Article <u>41</u> (Article text omitted)</p> <p>Article <u>42</u> (Exemption from Liability of Company Auditors) 1. (Article text omitted) 2. The Company and the outside company auditors may conclude an agreement that limits the liability of the outside company auditors provided in Article 423, paragraph (1) of the Companies Act to the higher of either a prefixed amount exceeding 5 million yen or the amount provided by laws and regulations in cases where the relevant outside company auditors are without knowledge and are not grossly negligent.</p> <p style="text-align: center;">Chapter VI Financial Auditors</p> <p>Article <u>43</u> (Article text omitted)</p> <p>Article <u>44</u> (Term of Office) 1. (Article text omitted) 2. Unless otherwise resolved at the annual shareholders meeting stated in the preceding paragraph, a financial auditor shall be deemed reelected at the annual shareholders meeting.</p> <p>Article <u>45</u> (Exemption from Liability of Financial Auditors) 1. (Article text omitted)</p>	<p>Article <u>40</u> (Minutes of a Meeting of the Board of Company Auditors) (Amendments to the Japanese text and no material changes to the provision.)</p> <p>Article <u>41</u> (Regulations of the Board of Company Auditors) (Amendments to the Japanese text and no material changes to the provision.)</p> <p>Article <u>42</u> (Remains the same)</p> <p>Article <u>43</u> (Exemption from Liability of Company Auditors) 1. (Remains the same) 2. (Amendments to the Japanese text and no material changes to the provision.)</p> <p style="text-align: center;">Chapter VI Financial Auditors</p> <p>Article <u>44</u> (Remains the same)</p> <p>Article <u>45</u> (Term of Office) 1. (Remains the same) 2. (Amendments to the Japanese text and no material changes to the provision.)</p> <p>Article <u>46</u> (Exemption from Liability of Financial Auditors) 1. (Remains the same)</p>
<p>2. The Company and the financial auditors may conclude an agreement that limits the liability of the financial auditors provided in Article 423, paragraph (1) of the Companies Act to the higher of either a prefixed amount exceeding 30 million yen or the amount provided by laws and regulations in cases where the relevant financial auditors are without knowledge and are not grossly negligent.</p> <p style="text-align: center;">Chapter VII Accounting</p> <p>Article <u>46</u> (Article text omitted)</p> <p>Article <u>47</u> (Organ to Determine Dividends of Surplus, Etc.) Unless otherwise provided by laws or regulations, the Company shall determine matters prescribed in each item of Article 459, paragraph (1) of the Companies Act including dividends of surplus by resolution of the board of directors, not by resolution of the shareholders meeting.</p> <p>Article <u>48</u> (Record Date of Dividends from Surplus) 1. The year-end dividends <u>may be paid to shareholders or registered pledgees of shares stated or recorded in the final shareholders register at the end of each business year.</u> 2. (Article text omitted)</p> <p>Article <u>49</u> (Article text omitted)</p>	<p>2. (Amendments to the Japanese text and no material changes to the provision.)</p> <p style="text-align: center;">Chapter VII Accounting</p> <p>Article <u>47</u> (Remains the same)</p> <p>Article <u>48</u> (Organ to Determine Dividends of Surplus, Etc.) Unless otherwise provided by laws or regulations, the Company shall determine matters prescribed in each item of Article 459, paragraph (1) of the Companies Act including dividends of surplus <u>and the acquisition of its own shares</u> by resolution of the board of directors, not by resolution of the shareholders meeting.</p> <p>Article <u>49</u> (Record Date of Dividends from Surplus) 1. The <u>record date of year-end dividends of the Company is September 30 each year.</u> 2. (Remains the same)</p> <p>Article <u>50</u> (Remains the same)</p>

### 3. Schedule

Date of the Ordinary General Meeting of Shareholders for the amendment to the Articles of Incorporation: December 20, 2016 (Tue)

Effective date of the amendment to the Articles of Incorporation : December 20, 2016 (Tue)

■ Inquiries about this news release

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