

Articles of Incorporation of BOOKOFF GROUP HOLDINGS LIMITED

Chapter 1. General Provisions

(Trade Name)

Article 1. The trade name of the Company shall be BOOKOFF GROUP HOLDINGS Kabushiki Kaisha, expressed in English as BOOKOFF GROUP HOLDINGS LIMITED.

(Purposes)

Article 2. The Company will hold stock and other ownership interests in companies that perform the following activities for the purpose of overseeing the management of these companies and conducting related activities.

1. Purchases, sales, consigned sales, repairs, processing and imports/exports of used merchandise
2. Purchases, sales, consigned sales, repairs, processing and imports/exports of used merchandise using the Internet
3. Operation of an Internet shopping mall
4. Solicitation of operators of franchised secondhand bookstores and oversight of the operations of these stores
5. Transactions involving the stores, store equipment and furniture, and operating rights of franchisees
6. Purchases, sales, rentals and imports/exports of merchandise
7. Operation and intermediary services for movies, stage plays and vocal performances
8. Agency services for imports and exports of used merchandise
9. Activities involving the use of credit cards
10. Activities involving photo development, etc.
11. Management of restaurants
12. Sales of groceries and beverages
13. Purchases, sales, leasing, brokerage, arrangement, management, and appraisal of real estate
14. Planning, designs, execution and management of the construction of store buildings and installation of equipment and interior finishing and decoration work
15. Purchases and sales, leasing and maintenance for store building interior equipment, furniture, machinery and other facilities
16. Acquisition and holding of securities
17. Sale, storage and management of freight
18. Freight transportation business
19. Provision of credit, including loans, loan guarantees and purchases of monetary claims
20. General management consulting
21. Intermediary services for corporate mergers and alliances for technologies, sales, manufacturing and other activities
22. Management and administrative services for assets of investment partnerships
23. Management and administrative services for assets of small and medium-sized companies' investment limited liability partnerships
24. Investment advisory business
25. Development, sales and exports of educational equipment for children
26. Planning and operation of cultural activity schools
27. Planning, design, operation and management of amusement equipment for children
28. Non-life insurance agency and life insurance sales
29. Mobile phone sales agencies business; sales of mobile phones and agency business for phone subscription application procedures
30. Activities involving purchases and sales of tickets for movies, concerts, travel and other items and of gift certificates
31. Collection, transport, disposal and reuse of general and industrial waste and sales and imports and exports of products made from waste materials
32. Retail and wholesale sales of alcoholic beverages
33. Money transfers and the internal or third-party issuance of prepayment methods
34. All activities associated with the above items

(Location of Head Office)

Article 3 The head office of the Company shall be located in Sagamihara, Kanagawa.

(Organization Elements)

Article 4 The Company shall have a General Meeting of Shareholders, Board Directors, and the following entities.

- (1) Board of Directors
- (2) Audit & Supervisory Board Members
- (3) Audit & Supervisory Board (4) Accounting Auditor (Method of Public Notice)

Article 5. Public notices of the Company shall be carried out by electronic publication. If an accident or other unavoidable circumstances do not permit notification through electronic means, public notice shall be conducted through publication in the Nihon Keizai Shimbun (Nikkei) newspaper.

Chapter 2. Shares

(Total Number of Authorized Shares)

Article 6. The total number of authorized shares of the Company shall be 40,000,000 shares.

(Purchase of Treasury Shares)

Article 7. The Company may, by resolution of the Board of Directors, acquire its own shares through market trading or otherwise pursuant to the provisions of Paragraph 2, Article 165 of the Companies Act.

(Number of Share Unit)

Article 8. Share unit of the Company shall be 100 shares.

(Rights of Holdings of Shares Less Than One Unit)

Article 9. The Company's shareholders may not exercise any rights other than those listed below with respect to their shares less than one unit.

- (1) Rights set forth in each item of Paragraph 2, Article 189 of the Companies Act
- (2) Right to make a request as provided for in Paragraph 1, Article 166 of the Companies Act
- (3) Right to receive allocations of shares or share acquisition rights offered in proportion to the number of shares held by each shareholder

(Administrator of Shareholder Registry)

Article 10. The Company shall appoint an administrator of shareholder registry.

2. The administrator of shareholder registry and its administration office shall be designated by a resolution of the Board of Directors and this information will be announced.
3. The register of shareholders and the register of share acquisition rights will be created and kept at administrator of shareholder registry. The any other matters related to the register of shareholders and the register of share acquisition rights shall be handled by the administrator of shareholder registry and not by the Company.

(Share Handling Regulations)

Article 11. The handling of the Company's stock and related fees shall be governed by laws, regulations or the Articles of Incorporation as well as by the Share Handling Regulations established by the Board of Directors.

Chapter 3. General Meeting of Shareholders

(Convocation)

Article 12. The Ordinary General Meeting of Shareholders shall be convened in August every year, and an extraordinary general meeting of shareholders shall be convened whenever necessary.

(Record Date for Ordinary General Meeting of Shareholders)

Article 13. The record date for voting rights at the Ordinary General Meeting of Shareholders of the Company shall be the 31st of May each year.

(Convener and Chairman)

Article 14. The President and CEO shall convene the General Meeting of Shareholders and act as the chairman thereof.

2. If the President and CEO is unable to serve as the chairman due to an accident, another Director, who is selected in accordance with the order of priority determined by Board of Directors in advance, shall convene the General Meeting of Shareholders and act as the chairman thereof.

(Disclosure and Deemed Provision of Reference Documents for General Meeting of Shareholders through the Internet)

Article 15. In convening a General Meeting of Shareholders, it may be deemed that the Company has provided the shareholders with the necessary information to be described or indicated in the reference documents for the General Meeting of Shareholders, business reports, non-consolidated financial statements, and consolidated financial statements if such information is disclosed through the Internet in accordance with the Ministry of Justice Ordinance of Japan.

(Method of Adopting Resolutions)

Article 16. Unless otherwise provided by laws, regulations or the Articles of Incorporation, resolutions of the General Meeting of Shareholders shall be adopted by a majority vote of the shareholders present and entitled to vote.

2. The resolution of the General Meeting of Shareholders stipulated in Paragraph 2, Article 309 of the Companies Act shall be adopted by not less than two-thirds of the votes 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.

(Exercise of Voting Rights by Proxy)

Article 17. A shareholder may designate another shareholder with voting rights as his/her proxy to exercise the designating shareholder's voting right.

2. A shareholder or his/her proxy shall submit to the Company a document evidencing the appointment of the proxy at each applicable General Meeting of Shareholders.

Chapter 4. Directors and Board of Directors

(Number of Directors)

Article 18. The Company shall have no more than 14 Directors.

(Election of Directors)

Article 19. Directors shall be elected by a resolution of the General Meeting of Shareholders.

2. A resolution for the election of Directors shall require the presence of shareholders holding not less than one-third of the voting rights of all shareholders entitled to exercise their voting rights, and it shall be adopted by a majority vote of the shareholders present.
3. A resolution for the election of Directors shall not be conducted by cumulative voting.

(Term of Office of Directors)

Article 20. The term of office of a Director shall expire at the conclusion of the Ordinary General Meeting of Shareholders held with respect to the last business year ending within two years after the election.

2. The term of office of a substitute Director or a Director who is elected due to an increase in the number of Directors shall be the same as the remaining term of office of the current Directors.

(Representative Directors and Directors with Specific Titles)

Article 21. The Representative Directors shall be appointed by the resolution of the Board of Directors.

2. The Board of Directors may, by resolution, elect one Chairman, one President, and one or more Vice Chairman, Vice Presidents, Senior Managing Directors and Managing Directors.

(Person to Convene Board of Directors Meeting and Chairman)

Article 22. Unless otherwise provided by laws and regulations, the President and CEO shall convene the Board of Directors and act as the chairman of the meetings.

2. If the President and CEO is unable to serve as the chairman due to an accident, another Director, who is selected in accordance with the order of priority determined by Board of Directors in advance, shall convene the Board of Directors and act as the chairman thereof.

(Convocation Notice for the Board of Directors Meeting)

Article 23. The convocation notice of a meeting of Board of Directors shall be dispatched to each Director and Audit & Supervisory Board Member no later than three days prior to the date of such meeting; provided, however, that such period may be shortened in case of emergency.

2. The Board of Directors meetings may be convened without using the procedure for calling these meetings only if all Directors and Audit & Supervisory Board Members agree.

(Omission of Resolution of Board of Directors)

Article 24. A resolution of the Board of Directors shall be deemed to have been adopted upon the fulfillment of the requirements of Article 370 of the Companies Act.

(Regulations of the Board of Directors)

Article 25. Matters relating to the Board of Directors shall be governed by the Regulations of the Board of Directors established by the Board of Directors, unless otherwise provided by laws, regulations or the Articles of

Incorporation.

Remunerations for Directors)

Article 26. The remunerations, bonuses and other property interests as consideration for the execution of duties paid by the Company (the “Remunerations”) to Directors shall be determined by a resolution of the General Meeting of Shareholders.

(Exemption from Liability of Directors)

Article 27. Pursuant to the provisions of Paragraph 1, Article 426 of the Companies Act, the Company may, by the resolution of the Board of Directors, exempt Directors (including former Directors) from their liability to compensate for damages due to a failure to perform their duties. The limit of liability shall be set at the amount prescribed by laws and regulations.

2. Pursuant to the provisions of Paragraph 1, Article 427 of the Companies Act, the Company may enter into an agreement with Directors (excluding executive directors) to limit their liability to compensate for damages due to a failure to perform their duties; provided, however, that the limit of liability under such agreement shall be the minimum amount of liability prescribed by laws and regulations.

Chapter 5. Audit & Supervisory Board Members and Audit & Supervisory Board

(Number of Audit & Supervisory Board Members)

Article 28. The Company shall have no more than four Audit & Supervisory Board Members.

2. Based on the provisions of Paragraph 3, Article 329 of the Companies Act, the Company may elect substitute Audit & Supervisory Board Members to prepare for an insufficient number of Audit & Supervisory Board Members as prescribed by laws and regulations

(Election of Audit & Supervisory Board Members)

Article 29. Audit & Supervisory Board Members shall be elected by a resolution of the General Meeting of Shareholders.

2. A resolution for the election of Audit & Supervisory Board Members shall require the presence of shareholders holding not less than one-third of the voting rights of all shareholders entitled to exercise their voting rights, and it shall be adopted by a majority vote of the shareholders present.

(Term of Office of Audit & Supervisory Board Members)

Article 30. The term of office of an Audit & Supervisory Board Member shall expire at the conclusion of the Ordinary General Meeting of Shareholders held with respect to the last business year ending within four years after the election.

2. The term of office of an Audit & Supervisory Board Member, who is elected as the substitute for a Audit & Supervisory Board Member who retired from office before the expiration of the term of office, will end at the end of the term of office of the individual who was replaced.

3. Pursuant to the provisions of Paragraph 3, Article 329 of the Companies Act, the effectiveness of a resolution electing a substitute Audit & Supervisory Board Member ends at the beginning of the Ordinary General Meeting of Shareholders for the last business year ending within four years of the substitute’s election.

4. If a substitute becomes an Audit & Supervisory Board Member, the term of office will end at the end of the term of office of the individual who was replaced. However, this term of office may not go beyond the conclusion of the Ordinary General Meeting of Shareholders for the last business year ending within four years of the substitute’s election.

(Full-time Audit & Supervisory Board Members)

Article 31. The Audit & Supervisory Board shall elect full-time Audit & Supervisory Board Members by its resolution.

(Convocation Notice for the Audit & Supervisory Board Meeting)

Article 32. The convocation notice of a meeting of Audit & Supervisory Board shall be dispatched to each Audit & Supervisory Board Member no later than three days prior to the date of such meeting; provided, however, that such period may be shortened in case of emergency.

2. The Audit & Supervisory Board meetings may be convened without using the procedure for calling these meetings

only if all Audit & Supervisory Board Members agree.

(Regulations of the Audit & Supervisory Board)

Article 33. Matters relating to the Audit & Supervisory Board shall be governed by the Regulations of the Audit & Supervisory Board established by the Audit & Supervisory Board, unless otherwise provided by laws, regulations or the Articles of Incorporation.

(Remunerations for Audit & Supervisory Board Members)

Article 34. The Remunerations for Audit & Supervisory Board Members shall be determined by a resolution of the General Meeting of Shareholders.

(Exemption from Liability of Audit & Supervisory Board Members)

Article 35. Pursuant to the provisions of Paragraph 1, Article 426 of the Companies Act, the Company may, by the resolution of the Board of Directors, exempt Audit & Supervisory Board Members (including former Audit & Supervisory Board Members) from their liability to compensate for damages due to a failure to perform their duties. The limit of liability shall be set at the amount prescribed by laws and regulations.

2. Pursuant to the provisions of Paragraph 1, Article 427 of the Companies Act, the Company may enter into an agreement with Audit & Supervisory Board Members to limit their liability to compensate for damages due to a failure to perform their duties; provided, however, that the limit of liability under such agreement shall be the minimum amount of liability prescribed by laws and regulations.

Chapter 6. Accounting Auditor

(Election of Accounting Auditor)

Article 36. The Accounting Auditor shall be elected by a resolution of the General Meeting of Shareholders.

(Term of Office of Accounting Auditor)

Article 37. The term of office of an Accounting Auditor shall expire at the conclusion of the Ordinary General Meeting of Shareholders held with respect to the last business year ending within one year after the election.

2. Unless otherwise resolved at the Ordinary General Meeting of Shareholders described in the preceding item, an Accounting Auditor shall be deemed re-elected at such Ordinary General Meeting of Shareholders.

(Remunerations for Accounting Auditor)

Article 38. The Remunerations for an Accounting Auditor shall be determined by the President by obtaining the approval of the Audit & Supervisory Board.

Chapter 7. Accounts

(Business Year)

Article 39. The business year of the Company shall be a one-year period starting on June 1 of each year and ending on May 31 of the following year.

(Record Date for Dividend Payments)

Article 40. The record date for the Company's year-end dividend is May 31 of each year.

2. In addition to the dividends in the preceding item, the Company may establish a record date and pay other dividends.

(Interim Dividends)

Article 41. The Company may, by resolution of the Board of Directors, pay interim dividends with the November 30 of each year as a record date.

(Period of Exclusion for Dividend Payments)

Article 42. In the case of a cash dividend, the Company shall be relieved of the liability to make the payments if dividends are not received within a full three year period beginning from the date of commencement of payment.

(English Translation)

This English translation is an abridged version of the original document in Japanese. In the event of any discrepancy, the Japanese version prevails.

Supplementary Provisions

(Transitional measures for shareholder meeting convocation in conjunction with the business year change)

Article 1. The revisions to Article 12 (Convocation) will become effective on September 1, 2020. This provision will be deleted after this date.

(Transitional measures in conjunction with the business year change)

Article 2. Irrespective of the provisions of Article 39 (Business Year), the third business year is the 14-month period that begins on April 1, 2020 and ends on May 31, 2021. This provision will be deleted after the end of this transitional business year.

(Transitional measures for record dates in conjunction with the business year change)

Article 3. Irrespective of the provisions of Article 41 (Interim Dividends), the record date for the interim dividend of the third business year is September 30, 2020. This provision will be deleted after the end of this transitional business year.