

Articles of Incorporation

CHAPTER I GENERAL PROVISIONS

Article 1. (Trade Name)

The name of the Company shall be “Kabushiki Kaisha Akuseru” and in English it shall be “AXELL CORPORATION.”

Article 2. (Purpose)

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

- (1) Design, manufacture, and sales of semiconductor integrated circuits and printed circuit boards incorporating semiconductor integrated circuits;
- (2) Design, manufacture, and sales of game consoles;
- (3) Design, manufacture, and sales of office equipment;
- (4) Various informational services using the Internet;
- (5) Development and sales of compression and elongation technologies relating to graphics and audio;
- (6) Development and sales of software; and
- (7) All businesses incidental to any of the foregoing.

Article 3. (Location of Head Office)

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

Article 4. (Method of Public Notice)

The method of public notices of the Company shall be electronic public notices; provided, however, that in the event it is not possible to issue an electronic public notice due to an accident or any other unavoidable reason, the Company will issue its public notices in the *Nihon Keizai Shimbun*.

CHAPTER II SHARES

Article 5. (Total Number of Shares Authorized to be Issued)

The total number of shares authorized to be issued by the Company shall be twenty-three million one hundred and twelve thousand (23,112,000) shares.

Article 6. (Number of Shares Constituting One Unit of Stock)

The number of shares constituting one unit of stock shall be one hundred (100).

Article 7. (Acquisition of Own shares)

The Company may, by resolution of the Board of Directors, acquire the Company's own shares through market trading, etc.

Article 8. (Request for Sale of Shares by Shareholders Holding Shares Constituting Less than One Unit)

A shareholder holding shares constituting less than one unit may request the Company to sell to him/her such number of shares which will, when added together with the shares constituting less than one unit, constitute one unit of stock (hereinafter referred to as "Additional Purchase").

Article 9. (Limitation of Rights of Shareholders Holding Shares Constituting Less than One Unit)

A shareholder holding shares constituting less than one unit may not exercise rights other than those specified below:

- (1) Right specified in each item of Article 189, Paragraph 2 of the Companies Act;
- (2) Right to request acquisition of shares with put option;
- (3) Right to receive allotment of share subscription or stock acquisition rights; and
- (4) Right to request Additional Purchase of shares constituting less than one unit as stipulated in the preceding Article.

Article 10. (Transfer Agent)

1. The Company shall appoint a transfer agent.
2. The transfer agent and its business office shall be selected by resolution of the Board of Directors.

Article 11. (Share Handling Regulations)

Entries or records in the register of shareholders and the ledger of stock acquisition rights, sales and purchase of shares constituting less than one unit, and other handling and handling charges of shares and stock acquisition rights, as well as procedures and other matters regarding the exercise of shareholder rights, shall be governed by, in addition to laws, regulations, and these Articles of Incorporation, the Share Handling Regulations adopted or amended by resolution of the Board of Directors.

Article 12. (Record Date)

1. The Company shall deem those shareholders with voting rights whose names are entered or recorded in the final register of shareholders as of March 31 of each year to be the shareholders entitled to exercise their rights at the ordinary general meeting of shareholders to be held with respect to the relevant business year.

2. In addition to the foregoing, pursuant to the resolution of the Board of Directors and upon giving prior public notice, the Company may, if necessary, deem the shareholders or registered stock pledgees entered or recorded in the final register of shareholders on a certain date to be the shareholders entitled to exercise their rights.

CHAPTER III GENERAL MEETING OF SHAREHOLDERS

Article 13. (Convocation)

The ordinary general meeting of shareholders of the Company shall be convened in June of each year and an extraordinary general meeting of shareholders shall be convened as necessary.

Article 14. (Convocator and Chairman)

1. A general meeting of shareholders shall be convened by the President and Director of the Company pursuant to the resolution of the Board of Directors unless otherwise stipulated by laws or regulations. In the event that the President and Director is unable to act, another Director shall convene the meeting in accordance with the order of priority previously determined by a resolution of the Board of Directors.
2. The President and Director of the Company shall chair a general meeting of shareholders. In the event that the President and Director is unable to act, another Director shall chair the meeting in accordance with the order of priority previously determined by a resolution of the Board of Directors.

Article 15. (Disclosure via Internet of Reference Documents for General Meeting of Shareholders, etc. and Deemed Provision of Information)

The Company shall be deemed to have provided the shareholders with the necessary information with respect to the matters to be stated or indicated in the reference documents for the general meeting of shareholders, the business reports, the financial statements, and the consolidated financial statements, by disclosing such information via the Internet in accordance with the Ordinance of the Ministry of Justice.

Article 16. (Method of Adopting Resolutions)

1. Resolutions of the general meeting of shareholders shall be adopted by a majority of votes of the attending shareholders entitled to exercise voting rights, unless otherwise stipulated by laws, regulations, or these Articles of Incorporation.
2. Resolutions of the general meeting of shareholders to be adopted pursuant to Article 309, Paragraph 2 of the Companies Act shall be adopted by two thirds (2/3) or more of the votes of the attending shareholders who hold one third (1/3) or more of the voting rights of shareholders entitled to exercise voting rights.

Article 17. (Exercise of Voting Rights by Proxy)

A shareholder may exercise his/her voting rights by authorizing one (1) other shareholder with voting rights to act as his/her proxy. In so doing, the shareholder or the proxy shall submit to the Company a document evidencing the proxy's authority of representation for each general meeting of shareholders.

CHAPTER IV DIRECTORS AND BOARD OF DIRECTORS

Article 18. (Adoption of Board of Directors)

The Company shall have a Board of Directors.

Article 19. (Number of Directors)

The number of Directors of the Company shall not exceed ten (10).

Article 20. (Election of Directors)

1. The Directors of the Company shall be elected by a resolution of the general meeting of shareholders adopted by a majority vote of the attending shareholders who hold one third (1/3) or more of the voting rights of the shareholders entitled to exercise voting rights.
2. Election of Directors shall not be by cumulative voting.

Article 21. (Term of Office of Directors)

1. The term of office of a Director shall expire upon conclusion of the ordinary general meeting of shareholders held with respect to the last business year ending within two (2) years from his/her election to office.
2. The term of office of a Director elected to fill a vacancy caused by retirement of a Director prior to the expiry of his/her term of office or to increase the number of Directors shall be the same as the remaining term of office of the other Directors in office at that time.

Article 22. (Executive Directors and Representative Directors)

1. The Board of Directors shall appoint one (1) President and Director and may appoint, when necessary, one (1) Chairman of the Board of Directors, and a number of Executive Vice Presidents and Directors, Senior Managing Directors, and Managing Directors.
2. Representative Director(s) shall be appointed by resolution of the Board of Directors.
3. The President and Director shall manage business operations pursuant to resolutions of the Board of Directors.

Article 23. (Convocation and Chairman of Board of Directors Meetings)

1. The President and Director shall convene and chair the meetings of the Board of Directors unless otherwise stipulated by laws or regulations.
2. In the event the President and Director is unable to act, another Director shall chair the meeting in accordance with the order of priority previously determined by a resolution of the Board of Directors.
3. A notice of convocation of a meeting of the Board of Directors shall be sent to each Director and Corporate Auditor at least three (3) days prior to the meeting; provided, however, that such period may be shortened in the event urgency is required.

Article 24. (Resolutions of Board of Directors)

Resolutions of the Board of Directors shall be adopted by a majority vote of the Directors in attendance, who constitute a majority of the Directors on the Board.

Article 25. (Omission of the Procedures for Adoption of Resolutions by Board of Directors)

Should the Directors agree unanimously in writing or by electronic record to the matters to be resolved by the Board of Directors, the Company shall deem the relevant resolutions to have been adopted; provided, however, that the foregoing shall not apply in the event a Corporate Auditor objects thereto.

Article 26. (Compensation, etc. to Directors)

The amount of compensation, bonuses, and any other proprietary benefits to be granted to Directors by the Company in consideration of their performance of duty (hereinafter referred to as "Compensations") shall be determined by resolution of the general meeting of shareholders.

Article 27. (Exemption of liability of Outside Directors)

The Company may conclude an agreement with its outside directors to limit the liability for damages in cases where the criteria set forth in laws and regulations with respect to the liability for damages referred to in Article 423, Paragraph 1 of the Companies Act are met. However, the amount of liability for damages under the said agreement shall be capped at the sum of the amounts set forth in each item of Article 425, Paragraph 1 of the said Act.

CHAPTER V CORPORATE AUDITORS AND
BOARD OF CORPORATE AUDITORS

Article 28. (Adoption of Corporate Auditors and Board of Corporate Auditors)

The Company shall have Corporate Auditors and a Board of Corporate Auditors.

Article 29. (Number of Corporate Auditors)

The number of Corporate Auditors of the Company shall not exceed five (5).

Article 30. (Election of Corporate Auditors)

The Corporate Auditors of the Company shall be elected by a resolution of the general meeting of shareholders adopted by a majority vote of the attending shareholders who hold one third (1/3) or more of the voting rights of the shareholders entitled to exercise voting rights.

Article 31. (Term of Office of Corporate Auditors)

1. The term of office of a Corporate Auditor shall expire upon the conclusion of the ordinary general meeting of shareholders held with respect to the last business year ending within four (4) years from his/her election to office.
2. The term of office of a Corporate Auditor elected to fill a vacancy caused by retirement of a Corporate Auditor prior to the expiry of his/her term of office shall be the same as the remaining term of office of the retired Corporate Auditor.

Article 32. (Full-Time Corporate Auditors)

The Board of Corporate Auditors shall appoint one (1) or more full-time Corporate Auditors from among the Corporate Auditors.

Article 33. (Convocation and Chairman of Board of Corporate Auditors Meetings)

1. A Corporate Auditor previously determined by the Board of Corporate Auditors shall convene and chair meetings of the Board of Corporate Auditors.
2. Notice of convocation of a meeting of the Board of Corporate Auditors shall be sent to each Corporate Auditor at least three (3) days prior to the meeting; provided, however, that said period may be shortened in the event of emergency.

Article 34. (Resolutions of Board of Corporate Auditors)

Resolutions of the Board of Corporate Auditors shall be adopted by a majority vote of the Corporate Auditors, unless otherwise stipulated by laws or regulations.

Article 35. (Compensation, etc. to Corporate Auditors)

The amount of compensation, etc. to be granted to Corporate Auditors shall be determined by resolution of the general meeting of shareholders.

Article 36. (Limitation of Liabilities of Corporate Auditors)

The Company and an Outside Corporate Auditor may enter into an agreement that limits the liabilities set forth in Article 423, Paragraph 1 of the Companies Act should relevant requirements stipulated by laws or regulations be satisfied; provided, however, that the limit of liabilities pursuant to said agreement shall be the total of the amounts listed under Article 425, Paragraph 1 of said Act.

CHAPTER VI ACCOUNTING AUDITOR

Article 37 (Adoption of Accounting Auditor)

The Company shall have an Accounting Auditor.

Article 38. (Election of Accounting Auditor)

An Accounting Auditor shall be elected by resolution of the general meeting of shareholders.

Article 39. (Term of Office of Accounting Auditor)

1. The term of office of an Accounting Auditor shall expire upon the conclusion of the ordinary general meeting of shareholders held with respect to the last business year ending within one (1) year from his/her election to office.
2. Unless otherwise resolved at the ordinary general meeting of shareholders referred to in the previous Paragraph, an Accounting Auditor shall be deemed to have been re-elected at said ordinary general meeting of shareholders.

Article 40. (Compensation, etc. to Accounting Auditor)

The amount of compensation, etc. to be granted to the Accounting Auditor shall be determined by the Representative Director subject to the consent of the Board of Corporate Auditors.

CHAPTER VII ACCOUNTS

Article 41. (Business Year)

The business year of the Company shall commence on April 1 of each year and shall end on March 31 of the following year.

Article 42. (Year-end Dividends)

The Company shall, by resolution of the general meeting of shareholders, pay cash dividends from surplus to shareholders or registered stock pledgees entered or recorded in the final register of shareholders as of March 31 of each year (hereinafter referred to as "Year-end Dividends").

Article 43. (Interim Dividends)

The Company may, by resolution of the general meeting of shareholders, distribute surplus as stipulated in Article 454, Paragraph 5 of the Companies Act to shareholders or registered stock pledgees entered or recorded in the final register of shareholders as of September 30 of each year (hereinafter referred to as "Interim Dividends").

Article 44. (Expiration Period for Dividends, etc.)

1. If Year-end Dividends and Interim Dividends are not claimed within three (3) years from the date of commencement of payment thereof, the Company shall be relieved of the obligation to make such payment.
2. No interest shall accrue on unpaid Year-end Dividends and Interim Dividends.

Established on January 15, 1996

Revised on June 27, 2000

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Revised on June 21, 2001

Revised on June 20, 2002

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