

Share Handling Regulations

CHAPTER I GENERAL PROVISIONS

Article 1. (Purposes)

1. The handling and handling charges of the shares and stock acquisition rights for AXELL CORPORATION (hereinafter referred to as the “Company”), as well as the procedures and other matters regarding the exercise of shareholder rights, shall be governed by the provisions stipulated by the Japan Securities Depository Center, Inc. (hereinafter referred to as “JASDEC”) and account management organizations such as securities companies and trust banks (hereinafter referred to as “Securities Companies”), in addition to these Regulations pursuant to Article 11 of the Articles of Incorporation.
2. The handling of special accounts opened pursuant to agreements entered into by the Company and trust banks designated by the Company, the handling fee thereof, as well as the procedures and other matters regarding the exercise of relevant rights, shall be governed by the provisions stipulated by said trust banks, in addition to these Regulations.

Article 2. (Transfer Agent)

The Company’s transfer agent and its business office shall be as follows:

Transfer Agent

Mitsubishi UFJ Trust and Banking Corporation

4-5 Marunouchi 1-chome, Chiyoda-ku, Tokyo

Business Office

Corporate Agency Department

Mitsubishi UFJ Trust and Banking Corporation

4-5 Marunouchi 1-chome, Chiyoda-ku, Tokyo

Article 3. (Requests and Notifications)

1. A request or a notification pursuant to these Regulations shall be made by a form prescribed by the Company; provided, however, that the foregoing shall not apply to cases where said request or notification is submitted via Securities Companies and JASDEC or to cases stipulated in Article 14, Paragraph 1.
2. When submitting the request or the notification referred to in the preceding paragraph by proxy, a document evidencing power of attorney must be submitted. When the consent of a curator or a guardian is required, a document evidencing such consent must be submitted.
3. When the request or the notification referred to in paragraph 1 is submitted via Securities Companies and JASDEC, or via Securities Companies, the Company may deem said request or notification to have been submitted by the relevant shareholder

in the handling thereof.

4. The Company may request the person submitting the request or the notification referred to in Paragraph 1 to submit materials to prove said person is a shareholder or a proxy.
5. In the event the Company requests submission of the materials stipulated in the preceding paragraph, it will not accept the request or notification referred to in Paragraph 1 unless said materials are submitted.

CHAPTER II ENTRIES OR RECORDS IN REGISTER OF SHAREHOLDERS

Article 4. (Entries or Records in Register of Shareholders)

1. Entries and records in the register of shareholders shall be made by the Company in accordance with the general shareholder notification from JASDEC.
2. Should the Company receive a notice on the change of address of a person entered or recorded in the register of shareholders (hereinafter referred to as “Shareholder(s)”) or a notice of change in other matters entered in the register of shareholders, the Company shall change the relevant entry or record in the register of shareholders in accordance with said notice.
3. In addition to the cases referred to in the preceding two paragraphs, the issuance of new shares and other cases stipulated by laws or regulations shall be entered or recorded in the register of shareholders.

Article 5. (Characters, etc. Used in Register of Shareholders)

The characters and symbols designated by JASDEC shall be used in making entries or recording in the Company’s register of shareholders.

Article 6. (Entries or Records in Ledger of Stock Acquisition Rights)

1. Requests to enter or record in the ledger of stock acquisition rights; register, transfer or extinguish the right of pledge pertaining to stock acquisition rights; or indicate or extinguish trust assets shall be made to the transfer agent.
2. The handling of stock acquisition rights may be separately provided for in addition to the stipulations in the preceding paragraph.

CHAPTER III NOTIFICATIONS

Article 7. (Notification of Address and Name or Designation of Shareholders)

1. A Shareholder must notify the Company of its address and name or designation.
2. The notification referred to in the preceding paragraph or changes thereto must be filed via Securities Companies and JASDEC; provided, however, that the foregoing

shall not apply to cases stipulated in Article 4, Paragraph 3.

Article 8. (Notifications Concerning Shareholders Residing Outside Japan)

1. A Shareholder residing outside Japan must appoint a standing proxy in Japan or designate a location within Japan for receiving notices, and file a notification thereof.
2. Standing proxies shall be included in Shareholders as used in Paragraph 1 of the preceding Article.
3. Notifications referred to in Paragraph 1 or changes thereto must be filed via Securities Companies and JASDEC; provided, however, that the foregoing shall not apply to cases stipulated in Article 4, Paragraph 3.

Article 9. (Representatives of Corporations)

1. In the event a Shareholder is a corporation, said Shareholder must file a notification of the title and the name of one (1) representative thereof.
2. The notification referred to in the preceding paragraph or changes thereto must be filed via Securities Companies and JASDEC; provided, however, that the foregoing shall not apply to cases stipulated in Article 4, Paragraph 3.

Article 10. (Representatives of Joint Shareholders)

1. Shareholders who jointly own shares shall appoint one (1) representative and file a notification of the address and the name or designation thereof.
2. The notification referred to in the preceding paragraph or changes thereto must be filed via Securities Companies and JASDEC; provided, however, that the foregoing shall not apply to cases stipulated in Article 4, Paragraph 3.

Article 11. (Statutory Agents)

1. Should there be a statutory agent, such as a person with parental authority or a guardian, a notification must be filed of the address and the name or designation of said statutory agent.
2. The notification referred to in the preceding paragraph, changes thereto, or cancellation thereof must be filed via Securities Companies and JASDEC; provided, however, that the foregoing shall not apply to cases stipulated in Article 4, Paragraph 3.

Article 12. (Other Notifications)

1. Notifications to the Company, other than those stipulated in Articles 7 through 11, shall be filed via Securities Companies and JASDEC or via Securities Companies, unless a particular method is designated by the Company; provided, however, that the foregoing shall not apply to cases stipulated in Article 4, Paragraph 3.
2. Notifications that cannot be accepted by or relayed by Securities Companies shall be filed with the transfer agent.

Article 13. (Notification Method, etc. for Holders of Stock Acquisition Rights)

Articles 7 through 12 shall apply *mutatis mutandis* as regards matters subject to notification and the method of notification for persons entered or recorded in the Company's ledger of stock acquisition rights; provided, however, that the notifications shall be filed with the transfer agent unless otherwise stipulated pursuant to Article 6, Paragraph 2.

CHAPTER IV PURCHASE OF SHARES CONSTITUTING LESS THAN ONE UNIT

Article 14. (Method of Requesting Purchase)

A request for the purchase of shares constituting less than one unit shall be made via Securities Companies and JASDEC as stipulated by JASDEC.

Article 15. (Determination of Purchase Price)

1. The purchase price per share applicable to shares constituting less than one unit shall be the last price per share of the Company's stock in trading at the Tokyo Stock Exchange on the day the request referred to in the preceding paragraph reaches the transfer agent's business office stipulated in Article 2; provided, however, that in the absence of sale of the shares on said day, the purchase price per share shall be the price per share applicable to the first subsequent sale of the shares on the Tokyo Stock Exchange.
2. The purchase price shall be the amount obtained by multiplying the purchase price per share according to the preceding paragraph by the number of shares subject to the request for purchase.

Article 16. (Payment of Purchase Price)

1. Unless otherwise stipulated by the Company, the Company shall pay the purchase price to the person requesting the purchase on the fourth business day from and inclusive of the day immediately following the day on which the purchase price is determined.
2. In the case described in the preceding paragraph, the payment shall be made by the record date should the purchase price be cum rights, including rights to surplus distribution and allocation of shares.

Article 17. (Transfer of Title to Purchased Shares)

The shares constituting less than one unit subject to purchase request shall be transferred to the Company's account on the day the procedure for the payment of purchase price stipulated in the preceding Article is completed.

Article 18. (Method of Requesting Additional Purchase)

A request for the additional purchase of shares constituting less than one unit shall be made via Securities Companies and JASDEC as stipulated by JASDEC.

Article 19. (Limitation on Request for Additional Purchase)

Should the total number of shares subject to requests for additional purchase made on a given day exceed the number of treasury shares held to address requests for additional purchase, all requests for additional purchase made on said day shall not take effect.

Article 20. (Determination of Price for Additional Purchase)

1. The per share price for additional purchase of shares constituting less than one unit shall be the last price per share of the Company's stock in trading at the Tokyo Stock Exchange on the day the request referred to in Article 18 reaches the transfer agent's business office stipulated in Article 2; provided, however, that in the absence of sale of the shares on said day, the per share price for additional purchase shall be the price per share applicable to the first subsequent sale of the shares on the Tokyo Stock Exchange.
2. The price for additional purchase shall be the amount obtained by multiplying the per share price for additional purchase according to the preceding paragraph by the number of shares subject to the request for additional purchase.

Article 21. (Suspension of Acceptance of Requests for Additional Purchase)

1. The acceptance of requests for additional purchase will be suspended during the period from the 10th business day prior to and ending on the dates set forth below:
 - (1) March 31;
 - (2) September 30; and
 - (3) Days on which shareholders are determined.
2. In addition to the periods set forth in the preceding paragraph, the acceptance of requests for additional purchase may be suspended as the Company or JASDEC deems necessary.

Article 22. (Transfer of Shares Additionally Purchased)

The shares constituting less than one unit subject to a request for additional purchase shall be transferred to the account of the person requesting additional purchase on the day on which the Company completes acceptance of the payment for additional purchase following the transfer of the price for additional purchase into the bank account designated by the Company.

CHAPTER VI METHOD OF EXERCISING MINORITY SHAREHOLDER RIGHTS

Article 23. (Method of Exercising Minority Shareholder Rights, etc.)

1. Minority shareholder rights, etc., stipulated in Article 147, Paragraph 4 of the Act on Transfer of Bonds, Shares, etc. (hereinafter referred to as the “Transfer Act”) shall be exercised by means of a written instrument, if exercised directly with respect to the Company, with an inscription of the name and seal of the relevant shareholder thereon and a receipt for the Individual Shareholder Notification (as stipulated in Article 154, Paragraph 3 of the Transfer Act) issued by Securities Companies attached thereto; provided, however, that a foreigner may sign his/her name in lieu of inscribing the name and affixing a seal.
2. Paragraphs 2, 4, and 5 of Article 3 shall apply to the exercise of minority shareholder rights, etc. referred to in the preceding paragraph.

Article 24. (Reference Documents for General Meeting of Shareholders Regarding Shareholder Proposals)

Should the shareholder right to submit proposals be exercised pursuant to Paragraph 1 of the preceding Article and should the proposal submitted exceed 400 characters in length, a summary of the following matters shall be presented in the reference documents for the general meeting of shareholders.

- (1) Reason for the proposal; and
- (2) Matters concerning the election of Directors (excluding Directors serving as Audit & Supervisory Committee Members), Accounting Participators, Audit & Supervisory Committee Members, and Accounting Auditor.

CHAPTER VII HANDLING CHARGES

Article 25. (Handling Charges)

1. There shall be no handling charges in connection with the shares of the Company.
2. Handling charges to be paid by Shareholders to Securities Companies or JASDEC shall be borne by the Shareholders.

Established on July 1, 2000

Revision Implemented on June 21, 2001

Revision Implemented on January 15, 2002

Revision Implemented on July 15, 2002

Revision Implemented on December 19, 2002

Revision Implemented on April 1, 2003

Revision Implemented on June 17, 2004

Revised on October 15, 2004

Revision to go into effect from the date the Company's stock is listed on the JASDAQ Securities Exchange market

Revised on August 15, 2005

Revision to go into effect on October 1, 2005

Revised on May 15, 2006

Revised on December 16, 2008

Revision to go into effect on January 5, 2009

Revised on May 19, 2009

Revision to go into effect on July 1, 2009

Revised on June 18, 2016