

(REFERENCE TRANSLATION)¹

Sasakawa Health Foundation
A Public Interest Incorporated Foundation

Articles of Incorporation



¹ DISCLAIMER: This English version is not an official translation of the original Japanese document. In cases where any differences occur between the English version and the original Japanese version, the Japanese version shall prevail.

Articles of Incorporation
Sasakawa Health Foundation
A Public Interest Incorporated Foundation

(Amended as of April 1, 2019)

Chapter 1 General Provisions

Article 1 (Name)

This juridical person (hereafter “foundation”) shall be called Sasakawa Hoken Zaidan, written in English as Sasakawa Health Foundation.

Article 2 (Office)

1 This foundation has its main office in Minato-ku, Tokyo.

2 This foundation may place a subsidiary office where it is needed by a resolution of the Board of Trustees.

Chapter 2 Purpose and Business

Article 3 (Purpose)

Based on the philosophy, “The world is one family. All human beings are brothers and sisters,” this foundation strives for the well-being of the world and the welfare of humankind, aims to extend the healthy life expectancy of each individual and to resolve not only physical suffering but also issues of social, mental and spiritual health, and contribute to the improvement of the health of all people, including leprosy patients, who have suffered the most of all.

Article 4 (Business)

1 This foundation shall engage in the following activities in order to achieve the objectives set forth in the preceding article:

- (1) Awareness-raising activities related to health improvement
- (2) Human resources development related to health improvement
- (3) Support for social and economic self-reliance related to health improvement
- (4) Promotion of international mutual understanding and cooperation related to health improvement
- (5) Planning and development, research and grants related to health improvement
- (6) Other activities necessary to achieve the objectives of this foundation

2 The activities described in the preceding paragraph shall be carried out in Japan and overseas.

Chapter 3 Assets and Accounting

Article 5 (Type of assets)

1 This foundation's assets consist of two types, basic assets and other assets.

2 Basic assets are those established by the Board of Trustees as indispensable for the activities that are the purpose of this foundation.

3 Other assets are assets other than basic assets

Article 6 (Maintenance and disposal of basic assets)

1 The basic assets of this foundation must be properly maintained and managed.

2 Basic assets shall be managed with the due care of a prudent manager in order to achieve the objectives of this foundation and when a part of basic assets is to be disposed of or excluded from basic assets, this shall be subject to a resolution of the Board of Trustees and Board of Councilors in advance.

Article 7 (Management and operation of assets)

The management and operation of the assets of this foundation shall be carried out by the chair and the president, and the method shall be determined separately by a resolution of the Board of Trustees.

Article 8 (Fiscal year)

The foundation's fiscal year begins on April 1 and ends on March 31 of the following year.

Article 9 (Business plan and income and expenditure budget)

1 Documents describing the business plan, income and expenditure budget, financing and capital investment prospects of this foundation shall be prepared by the chair and the president by the day before the start of each business year, and shall be reported to the Board of Councilors following a resolution of the Board of Trustees. The same shall apply if changes to these are made.

2 The documents set forth in the preceding paragraph shall be submitted to the administrative agency by the day before the start of each business year, and shall be kept at the main office for public inspection until the end of the business year.

Article 10 (Business report and financial results)

1 With regard to the business report and financial results of this foundation, after the end of each business year,

the chair and the president shall prepare the following documents, have them audited by an auditor and submit them to the Board of Councilors after approval by the Board of Trustees. The contents of document No. 1 must be reported, and documents Nos. 3 to 6 must be approved.

- (1) Business report
- (2) Annexes to business report
- (3) Balance sheet
- (4) Income statement (net asset increase/decrease)
- (5) Annexes to balance sheet and income statement (net asset increase/decrease)
- (6) Inventory of assets

2 Documents set forth in the preceding paragraph shall be submitted to the administrative agency within three months of the end of each business year.

3 In addition to the documents set forth in the first paragraph, the following documents shall be kept at the main office for five years for public inspection, and the Articles of Incorporation shall be kept at the main office for public inspection:

- (1) Audit report
- (2) List of trustees, auditors and councilors
- (3) Documents describing the standards for the payment of remuneration, etc., to trustees, auditors and councilors
- (4) Documents that outline the status of the operating organization and business activities and important numbers related to these

Article 11 (Calculating the amount remaining for public interest purposes)

In accordance with the provisions of Article 48 of the Act on Authorization of Public Interest Incorporated Associations and Public Interest Incorporated Foundations, the chair and the president shall on the last day of the said business year calculate the amount remaining of assets acquired for public interest purposes and include it in the documents set forth in Item 4, Paragraph 3 of the previous article.

Chapter 4 Number of Councilors

Article 12 (Number of Councilors)

There shall be at least three councilors, and no more than seven.

Article 13 (Appointment and dismissal of councilors)

1 The appointment and dismissal of councilors shall be carried out by the Councilor Selection Committee.

2 The Councilor Selection Committee shall consist of a total of five members: one councilor, one auditor, one secretariat member, and two external members appointed as per the following paragraph.

3 External members of the Councilor Selection Committee who do not fall under any of the following are appointed by the Board of Trustees.

- (1) A person or employee who carries out the business of this foundation or a related body (including major business partners and organizations with significant interests; hereafter the same shall apply.)
- (2) A person who has been prescribed as in '1' above in the past.
- (3) A spouse of a person prescribed in '1' or '2' above, or a blood relative or his or her employee (including a person employed in the past).

4 Candidates to be submitted to the Councilor Selection Committee may be recommended by the Board of Trustees or the Board of Councilors, respectively. Detailed rules regarding the operation of the Councilor Selection Committee shall be established by the Board of Trustees.

5 When councilor candidates are recommended to the Councilor Selection Committee, the following matters, as well as the reason that the candidate has been judged suitable to be appointed as a councilor, shall be explained to the committee members.

- (1) Candidate's background
- (2) Reason for selection as a candidate
- (3) Relationship between the candidate and this foundation (its trustees, auditors and councilors)
- (4) Concurrent positions held by the candidate

6 Resolutions of the Councilor Selection Committee shall be made when a majority of the members is present, and by majority vote of those members. However, one or more of the external committee members must be present, and one or more must approve.

7 The Councilor Selection Committee may appoint an alternate councilor in the event that the number of councilors specified in the previous article is insufficient.

8 In the case set forth in the preceding paragraph, the Councilor Selection Committee shall also decide the following matters.

- (1) Establish the fact that the relevant candidate is an alternate councilor;
- (2) When appointing the relevant candidate as an alternate councilor for one or more specific councilors, establish that fact and the name of the specific councilor;
- (3) When appointing two or more alternate councilors for the same councilor (or two or more councilors in the case of two or more being appointed as alternate councilors), the councilors are to be chosen on the basis of priority.

9 The resolution pertaining to the appointment of an alternate councilor set forth in Paragraph 7 shall remain in effect until the conclusion of the regular Board of Councilors meeting for the final business year ending within four years of the resolution.

10 Among the councilors of this foundation, the total number of any one of the trustees and their relatives or other specially-related persons, or the total number of any one of the councilors and their relatives or other specially-related persons, shall not exceed one third of the total number of councilors (current number). In addition, councilors must not include auditors, their relatives or other specially-related persons.

Article 14 (Term of office)

1 The term of office of a councilor shall be until the conclusion of the regular Board of Councilors meeting for the final business year ending within four years of appointment. However, this does not preclude reappointment.

2 The term of office of a councilor appointed as an alternate to a councilor who has stepped down before the expiration of his/her term shall be until the end of the term of the councilor who has left office.

3 When the number of councilors falls short of the fixed number set forth in Article 12, councilors, even after the expiration of their term of office or after resigning, still have rights and obligations as councilors until the newly appointed councilors take office.

Article 15 (Remuneration, etc., of councilors)

To the extent that the total amount for each fiscal year does not exceed 2 million yen, an amount calculated in accordance with the standards for payment of remuneration, etc., separately set by the Board of Councilors may be paid to councilors as remuneration.

Chapter 5 Board of Councilors

Article 16 (Composition)

The Board of Councilors shall consist of all councilors.

Article 17 (Authority)

The Board of Councilors shall make resolutions on the following matters.

- (1) Appointment and dismissal of trustees and auditors;
- (2) Amount of remuneration, etc., of trustees and auditors;
- (3) Criteria for payment of remuneration, etc., to councilors;
- (4) Approval of balance sheets and profit and loss statements (net asset increase/decrease statements);
- (5) Amendments to Articles of Incorporation;
- (6) Disposal of residual assets;
- (7) Approval of disposal or exclusion of basic assets;

(8) Other matters stipulated by law or these Articles of Incorporation as to be resolved by the Board of Councilors.

Article 18 (Meetings)

The Board of Councilors shall meet once within three months of the end of each fiscal year for a regular meeting, and as necessary.

Article 19 (Convening of meetings)

1 The Board of Councilors shall be convened by the chair or president based on a resolution of the Board of Trustees, unless otherwise provided by law. If an accident occurs to the chair and president or they are absent, the executive director will convene the Board of Councilors.

2 A councilor may request the chair and president to convene a Board of Councilors meeting by indicating the matters that are the purpose of the Board of Councilors and the reason for convening the meeting.

Article 20 (Chairperson)

A chairperson of the Board of Councilors shall be appointed by a mutual vote among the board members.

Article 21 (Resolutions)

1 A resolution of the Board of Councilors shall be made with the presence of the majority of councilors, excluding those councilors who have a special interest in the decision, and with the approval of the majority of councilors in attendance.

2 Notwithstanding the provisions of the preceding paragraph, the following resolutions shall be made by a majority of two-thirds or more of councilors, excluding those councilors who have a special interest in the matters to be decided.

- (1) Dismissal of auditor;
- (2) Criteria for payment of remuneration, etc., to councilors;
- (3) Amendments to the Articles of Incorporation;
- (4) Approval of disposal of or exclusion of basic assets;
- (5) Other matters stipulated by laws and regulations.

3 In the case where a trustee makes a proposal on a matter that is the purpose of the meeting of the Board of Councilors, and all of the councilors who can take part in the vote have expressed their intention to consent in writing or by electronic means, it shall be considered that there was a resolution by the Board of Councilors to approve the proposal.

4 When a trustee has notified all councilors of matters to be reported to the Board of Councilors, if all

members of the board have expressed their intention to consent in writing or by electronic means, it is not necessary to report the matters to the board and it shall be deemed that the matters have been reported.

Article 22 (Minutes)

1 Minutes of the Board of Councilors shall be made in accordance with laws and regulations.

2 In addition to the chairperson of the meeting, either the chair or the president who attended must sign and seal the minutes set forth in the preceding paragraph.

Chapter 6 Officers

Article 23 (Appointment of officers)

The following officers are assigned to this foundation.

- (1) From three to seven trustees;
- (2) Up to two auditors.

2 One of the trustees shall be the chair, one shall be the president, and no more than three shall be executive directors.

3 The chair and president set forth in the preceding paragraph shall be the representative officers according to the Act on General Incorporated Associations and General Incorporated Foundations, and the executive directors shall be the executive officers as per Item 2, Paragraph 1, Article 91 of the same act.

Article 24 (Appointment of officers)

1 Trustees and auditors shall be elected by a resolution of the Board of Councilors.

2 The chair, president and the executive directors shall be selected from among the trustees by a resolution of the Board of Trustees.

3 Among the trustees of this foundation, relatives or any other persons with a special relationship to any trustee shall not exceed one-third of the total number of trustees (current total).

4 Auditors of this foundation shall not include trustees (including relatives and other persons with a special relationship) or councilors (including relatives and other persons with a special relationship) of this foundation or its employees. In addition, the auditors must not be related to each other or otherwise have a special relationship.

Article 25 (Duties and authority of trustees)

Trustees constitute the Board of Trustees and execute their duties pursuant to laws and regulations and the Articles of Incorporation.

2 The chair and president shall represent this foundation and execute its business pursuant to laws and regulations and these Articles of Incorporation.

3 The executive director assists the chair and the president, and shall share and execute the business of this foundation. In addition, if the chair and president have an accident or are absent, the executive director will take over the duties related to the execution of business without the right of representation.

4 The chair, president and executive director must report on the status of the execution of their duties to the Board of Trustees at least twice every business year at intervals of more than four months.

Article 26 (Duties and authority of auditors)

1 Auditors audit the trustees in the performance of their duties and prepare audit reports as required by law.

2 The auditor may request the trustees and employees to report on the business at any time and investigate the status of the business and assets of this foundation.

Article 27 (Term of office of officers)

1 The term of office of trustees shall be until the conclusion of the regular Board of Councilors meeting for the last business year ending within two years of their election. However, this does not preclude reappointment.

2 The term of office of auditors shall be until the conclusion of the regular Board of Councilors meeting for the last business year ending within four years of their election. However, this does not preclude reappointment.

3 The term of office of an alternate to replace a trustee or auditor who retired before the expiration of their term of office shall be the remaining term of their predecessor. The term of office of trustees appointed by increasing the number of trustees shall be the remaining term of the incumbent trustees. This limit does not apply to the term of office of auditors appointed by increasing the number of officers.

4 When the number of trustees or auditors falls short of the fixed number set forth in Article 23, the trustees or auditors, even after the expiration of their term of office or resignation, still have rights and obligations as trustees or auditors until a newly appointed person takes office.

Article 28 (Dismissal of officers)

A trustee or auditor may be dismissed by a resolution of the Board of Councilors when any of the following applies.

- (1) When they violate their obligations or are negligent in the performance thereof;
- (2) When, due to a mental or physical disorder, they are unable to execute their duties, or are incapable of bearing them.

Article 29 (Remuneration of officers)

Remuneration may be paid to trustees and auditors within the range of the total amount separately determined by a resolution of the Board of Councilors, in accordance with the standard for payment of remuneration, etc., separately set by the Board of Councilors.

Article 30 (Trading restrictions)

When a trustee intends to make any of the following transactions, he/she must disclose important facts about the transaction and obtain approval for the transaction at the Board of Trustees.

- (1) Transactions that come under the business of the foundation for the benefit of himself/herself or a third party;
- (2) Transactions with the foundation for the benefit of himself/herself or a third party.
- (3) Transactions for which the foundation guarantees the obligations of the trustee, and other transactions with persons other than trustees in which the interests of this foundation and its trustees.

2 The trustee who made the transaction set forth in the preceding paragraph shall report important facts about the transaction to the Board of Trustees without delay after the transaction.

Article 31 (Exemption and limitation of liability)

1 This foundation may waive liability for damages under Item 1, Article 111 of the Act on General Incorporated Associations and General Incorporated Foundations, which is applicable under Article 198, up to the amount obtained by a resolution of the Board of Trustees, deducting the minimum liability limit stipulated in Item 1, Article 113 of the act.

2 This foundation, in accordance with the provisions of Article 115 of the Act on General Incorporated Associations and General Incorporated Foundations, which is applied mutatis mutandis in Article 198, may enter into an agreement with trustees (limited to those who are not executive directors or employees of the foundation) and auditors to limit the liability for damages under Item 1, Article 111 applicable under Article 198 of the act, if it falls under the requirements prescribed by law. However, the maximum amount of liability for damages under the contract shall be a predetermined amount above 100,000 yen or the amount prescribed by law, whichever is higher.

Chapter 7 Board of Trustees

Article 32 (Composition)

The Board of Trustees shall consist of all trustees.

Article 33 (Authority)

The Board of Trustees shall perform the following duties.

- (1) Determine the execution of the business of this foundation;
- (2) Supervise the execution of duties by the trustees;
- (3) Select and dismiss the chair, president and executive director;
- (4) Appoint and dismiss the honorary chair and advisors;
- (5) Other matters stipulated by laws and regulations or these Articles of Incorporation.

Article 34 (Convening of meetings)

1 The Board of Trustees shall be convened by the chair or the president.

2 In the event of an accident involving the chair and president or in the event of their absence, the executive director shall convene the Board of Trustees.

Article 35 (Chairperson)

1 The chairperson of the Board of Trustees shall be the chair or the president.

2 If the chair and president have an accident or are absent, then the executive director shall preside.

Article 36 (Resolutions)

1 A resolution of the Board of Trustees shall be taken by a majority of the trustees in attendance, excluding those who have a special interest in the resolution.

2 In the case where a trustee makes a proposal on a matter that is the purpose of the Board of Trustees, and all trustees who can take part in a vote on the proposal express their intention to agree in writing or by electronic means, it shall be deemed that there was a resolution of the board to pass the proposal. However, this does not apply if the auditor objects.

3 When exercising voting rights pertaining to shares (investments) held by this foundation, approval of two-thirds or more of the total number of trustees (current number) is required by the Board of Trustees in advance.

Article 37 (Minutes)

1 Minutes of meetings of the Board of Trustees shall be made in accordance with laws and regulations.

2 The minutes of the preceding paragraph shall be signed and stamped by the chair, president and auditors who attended.

Chapter 8 Amendments to and Dissolution of the Articles of Incorporation

Article 38 (Amendments to the Articles of Incorporation)

1 These Articles of Incorporation may be amended by the Board of Councilors through a resolution of at least two-thirds of the councilors who can participate in the vote.

2 The provisions of the preceding paragraph shall also apply to Articles 3, 4 and 13 of these Articles of Incorporation.

Article 39 (Dissolution)

This foundation shall be dissolved in the event that it is unable to achieve the objectives that are the purpose of this foundation due to loss of basic assets and other reasons stipulated by law.

Article 40 (Gifts associated with the cancellation of public interest certification, etc.)

In the event that this foundation receives a disposition for revocation of public interest certification or ceases to exist due to a merger (except when the legal entity that succeeds its rights and obligations is a public interest corporation), assets equivalent to the remaining amount of assets acquired for public interest purposes shall, based on a resolution of the Board of Trustees within one month from the date of revocation of said public interest certification or the date of the merger, be donated to the public interest corporation provided for in Item 17, Article 5 of the Act on Authorization of Public Interest Incorporated Associations and Public Interest Incorporated Foundations, or to the national government or a local government.

Article 41 (Disposal of residual assets)

The residual assets of this foundation in the event of the foundation's liquidation shall, through a resolution of the Board of Trustees, be donated to the public interest corporation provided for in Item 17, Article 5 of the Act on Authorization of Public Interest Incorporated Associations and Public Interest Incorporated Foundations, or to the national government or a local government, and to corporations that fall under the public interest corporations prescribed in Item 1, Article 40 of the Special Taxation Measures Law.

Chapter 9 Disclosure of Information and Protection of Personal Information

Article 42 (Disclosure of information)

1 In order to promote fair and open activities, this foundation will actively publish details of its activities, operations and finances, etc.

2 Necessary matters concerning information disclosure shall be separately determined by the chair and the president with the approval of the Board of Trustees.

Article 43 (Protection of personal information)

1 This foundation shall take all possible measures to protect personal information that it has obtained in the course of business.

2 Necessary matters concerning the protection of personal information shall be established separately by the chair and the president with the approval of the Board of Trustees.

Chapter 10 Method of Public Notice

Article 44 (Method of public notice)

1 Public notice of this foundation shall be given by electronic means.

2 If public notice cannot be given by electronic means due to unavoidable reasons, public notice shall be given in an official gazette.

Chapter 11 Operation and Organization

Article 45 (Honorary chair)

1 This foundation may have one honorary chair.

2 The honorary chair shall be appointed by the Board of Trustees from among those who have made an outstanding contribution to the formation of this foundation.

3 The honorary chair shall not have the right of representation, the right to execute business, or the voting rights of the Board of Trustees.

4 The honorary chair may express his/her opinion in response to consultation by the chair and the president, and may attend the meeting to express his/her opinion.

5 The honorary chair is not paid. However, when performing special duties, an amount calculated by the Board of Trustees in accordance with the duties may be paid as compensation.

Article 46 (Advisors)

This foundation may have up to five advisors.

2 Advisors are appointed from among academic experts, experts, etc., after a fixed term of office has been set by the Board of Trustees.

3 Advisors may express their opinions in response to a consultation by the chair and the president, and may attend meetings to express their opinions.

4 Remuneration may be paid to advisors in the amount calculated by the Board of Trustees based on services provided.

Article 47 (Committees)

1 The chair and the president may, when necessary to promote the business of this foundation, establish a committee by a resolution of the Board of Trustees.

2 Necessary matters concerning the duties, composition and operation of the committee shall be separately established by the chair and the president by a resolution of the Board of Trustees.

Article 48 (Secretariat)

1 A Secretariat shall be established to handle the affairs of this foundation.

2 The Secretariat shall have the necessary officials.

3 Necessary matters concerning the organization and operation of the Secretariat shall be stipulated separately by the chair and the president with the approval of the Board of Trustees.

Chapter 12 Supplementary Rules/Provisions

Article 49 (Mandate)

In addition to what is stipulated in these Articles of Incorporation, the rules and regulations necessary for the operation of this foundation shall be determined separately by the chair and the president by a resolution of the Board of Trustees.

By-laws

1 These Articles of Incorporation shall come into effect from the date of registration as a public interest foundation as stipulated in Item 1, Article 106 of the Act for Revising Related Acts as a Result of the Enforcement of the Act on General Incorporated Associations and General Incorporated Foundations, and the Act on Authorization of Public Interest Incorporated Associations and Public Interest Incorporated Foundations.

2 When registering the dissolution of a special juridical person under the Civil Code and when registering the establishment of a public interest foundation as stipulated in Item 1, Article 106 of the Act for Revising Related Acts as a Result of the Enforcement of the Act on General Incorporated Associations and General Incorporated Foundations, and the Act on Authorization of Public Interest Incorporated Associations and Public Interest Incorporated Foundations, Article 8 notwithstanding, the day before the registration of dissolution shall be the last day of the business year, and the date of registration of the establishment shall be the start date of the business year.

3 The trustees to be appointed on the day of registration of this foundation shall be Norihisa Ishii, Kenzo

Kiikuni, Hiroe Soyagimi, Tatsuko Matsushima, Genji Matsumoto, Kazuko Yamaguchi; the auditors shall be Eiji Nagao and Kazutoshi Watanabe.

4 The first representative officer of this foundation shall be Kenzo Kiikuni, and the executive officers shall be Hiroe Soyagimi, Genji Matsumoto and Kazuko Yamaguchi.

5 The first councilors of this foundation shall be the following: Isamu Adachi, Yasuko Ishigaki, Yoshio Kon, Tsuguya Fukui, Myoji Morimoto, Shunichi Yamashita.