September 12th, 2019

Company name: RAKSUL INC.
Representative: Yasukane Matsumoto
Representative Director, President and CEO
(TSE First Section Code No. 4384)
Contact: Yo Nagami
Director, CFO

Announcement of shift to a company with an audit and supervisory committee, changes in officers and partial amendments to the Articles of Incorporation

RAKSUL INC. hereby announces that a resolution was passed at the Board of Directors meeting held today, to shift from a company with board of corporate auditors to a company with audit and supervisory committee subject to approval at the 10th Annual General Meeting of Shareholders to be held on October 17, 2019.
We also wish to announce that a resolution was passed to submit proposals for changes in officers and partial amendments to the Articles of Incorporation following the shift to a company with an audit and supervisory committee to the Annual General Meeting of Shareholders. The details are as follows.

1. Shift to a company with audit and supervisory committee

(1) Purpose of the shift

By shifting to the new system and appointing members of the Audit and Supervisory Committee, who are responsible for auditing the conduct of our Directors, as members of the Board of Directors, we aim to reinforce the supervisory functions of the Board and further strengthen our corporate governance.

(2) Timing of the shift

The shift will be implemented upon approval of necessary amendments to the Articles of Incorporation at the 10th Annual General Meeting of Shareholders to be held on October 17, 2019.

2. Changes in officers

(1) Candidates for Directors (excluding Directors who are Audit and Supervisory Committee members)

(Proposal to be submitted to the 10th Annual General Meeting of Shareholders to be held on October 17, 2019)

Name	New position	Present position
Yasukane Matsumoto	Representative Director, President and CEO	Representative Director, President and CEO
Yo Nagami	Director, CFO	Director, CFO
Masaki Tabe	Director, CMO	Director, CMO
Kozo Fukushima	Director, COO	Director, COO
Yusuke Izumi	Director, CTO	Director, CTO
Genichi Tamatsuka	Outside Director	Outside Director
Yoshihiko Miyauchi	Outside Director	* (New candidate)

* Name and profile of a new candidate for Director (excluding Directors who are Audit and Supervisory Committee members)

Name (Date of birth)	Present post
Yoshihiko Miyauchi (September 13, 1935)	Senior Chairman at ORIX Corporation Outside Director at ACCESS Co., Ltd. Outside Director at Mitsubishi UFJ Securities Holdings Co., Ltd. Outside Director at Calbee, Inc.

Mr. Yoshihiko Miyauchi satisfies the requirements of the Tokyo Stock Exchange for an independent officer. If his election is approved, we will submit notification to the Tokyo Stock Exchange concerning his appointment as an independent officer.

(2) Candidates for Directors who are Audit and Supervisory Committee members

(Proposal to be submitted to the 10th Annual General Meeting of Shareholders to be held on October 17, 2019)

Name	New position	Present position
Naomi Mori	Outside Director, Audit and Supervisory Committee member	Outside Corporate Auditor
Masahiro Kotosaka	Outside Director, Audit and Supervisory Committee member	Outside Corporate Auditor
Junko Utsunomiya	Outside Director, Audit and Supervisory Committee member	Outside Corporate Auditor

(3) Director to be retired

(To be retired at the conclusion of the 10th Annual General Meeting of Shareholders to be held on October 17, 2019)

Name	Present position
Yusuke Asakura	Outside Director

(4) Outside Corporate Auditor to be retired (excluding those who will assume office as Audit and Supervisory Committee member)

(To be retired at the conclusion of the 10th Annual General Meeting of Shareholders to be held on October 17, 2019)

Name	Present position
Hiroyuki Yamada	Outside Corporate Auditor

3. Partial amendments to the Articles of Incorporation

(1) Reasons for the amendments

In line with the shift to a company with an audit and supervisory committee, we will establish new provisions concerning the Audit and Supervisory Committee and its members and delete the provisions on corporate auditor and the board of corporate auditors. In addition, we will establish a new provision enabling delegation of important business decisions to Directors to allow prompt decision-making and flexible business execution. Furthermore, we will amend the business objectives to prepare for expansion and development of businesses in the future.

(2) Details of the amendments

The details of the amendments are as per Appendix.

(3) Schedule

Date of the General Meeting of Shareholders to approve partial amendments to the Articles of Incorporation:	October 17, 2019 (scheduled)
Effective date of partial amendments to the Articles of Incorporation:	October 17, 2019 (scheduled)

Appendix

(The underlines indicate texts to be changed.)

Current Articles of Incorporation	Proposed Amendments
Chapter I General Provisions	Chapter I General Provisions
Article 1 (Omitted)	Article 1 (Unchanged)
(Purpose) Article 2 The purpose of the Company shall be to engage in the following business activities: (1) – (16) (Omitted) (17)Sale and purchase, exchange, leasing, management and operation of real estate, as well as agency, brokerage and intermediary businesses therefor (18)Sale and purchase, exchange, rental, management and operation of goods, as well as agency, brokerage and intermediary businesses therefor (19) – (22) (Omitted) (23)Non-life insurance agency business and business relating to solicitation of life insurance (24) – (25) (Omitted) (Newly established) (Newly established) (Newly established) (Newly established) (Newly established) (Newly established) (Newly established) (Newly established) (Newly established) (26) – (28) (Omitted)	(Purpose) Article 2 The purpose of the Company shall be to engage in the following business activities: (1) – (16) (Unchanged) (17)Sale and purchase, exchange, leasing, management and operation of real estate (18)Sale and purchase, exchange, rental, management and operation of various goods (19) – (22) (Unchanged) (23)Non-life insurance agency business and business relating to solicitation, agency, intermediary, etc. of life insurance (24) – (25) (Unchanged) (26)Financing and securities related businesses such as financial instruments business and financial instruments intermediary service (27)Common taxicab operation business, common omnibus operation business, chartered omnibus operation business and particularly-contracted motor passenger transport business (28)Businesses related to medical, nursing, welfare, childcare and health and beauty services (29)Various broadcasting businesses (30)Environment and energy-related businesses (31)Businesses related to planning, designing, management, construction work and sale for construction, civil engineering, renovation, and machinery and equipment installation, as well as contracting services therefor (32)Businesses related to collection, transportation, disposal and recycling of general and industrial waste, as well as sale and import/export of recycled materials (33)Business related to development, manufacture, processing and sale of agricultural, marine and livestock foods, liquors and tobacco (34)Agency, brokerage, intermediary and mediation businesses related to the businesses of the preceding items (35) – (37) (Unchanged)
Article 3 (Omitted)	Article 3 (Unchanged)
(Composition of Organs) Article 4 The Company shall have, in addition to the general meeting of shareholders and Directors, the following organs: (1) Board of Directors (2) Corporate auditor(s) (3) Board of corporate auditors (4) Financial Auditor	(Composition of Organs) Article 4 The Company shall have, in addition to the general meeting of shareholders and Directors, the following organs: (1) Board of Directors (2) Audit and Supervisory Committee (Deleted) (3) Financial Auditor

Current Articles of Incorporation	Proposed Amendments
Article 5 (Omitted)	Article 5 (Unchanged)
Chapter II Shares	Chapter II Shares
Article 6 – Article 10 (Omitted)	Article 6 – Article 10 (Unchanged)
Chapter III General Meeting of Shareholders	Chapter III General Meeting of Shareholders
Article 11 – Article 16 (Omitted)	Article 11 – Article 16 (Unchanged)
Chapter IV Directors and Board of Directors	Chapter IV Directors and Board of Directors
(Number of Directors) Article 17 The Company shall have not more than eight (8) Directors.	(Number of Directors) Article 17 The Company shall have not more than eight (8) Directors (excluding those who are Audit and Supervisory Committee members).
(Newly established)	2 The Company shall have not more than four (4) Directors who are Audit and Supervisory Committee members.
(Election of Directors) Article 18 Directors shall be elected by a resolution of a general meeting of shareholders.	(Election of Directors) Article 18 Directors shall be elected by a resolution of a general meeting of shareholders, while making a distinction between Directors who are Audit and Supervisory Committee members and the other Directors.
2 (Omitted)	2 (Unchanged)
3 (Omitted)	3 (Unchanged)
(Newly established)	4 The Company may elect substitute Directors who are Audit and Supervisory Committee members to prepare for a contingency in which it does not have the number of Directors who are Audit and Supervisory Committee members required by laws and regulations.
(Term of Office of Directors) Article 19 The term of office of a Director shall expire at the conclusion of the annual general meeting of shareholders for the last fiscal year out of the business years terminating within one year after the election of the Director.	(Term of Office of Directors) Article 19 The term of office of a Director (excluding Director who is an Audit and Supervisory Committee member) shall expire at the conclusion of the annual general meeting of shareholders for the last fiscal year out of the business years terminating within one year after the election of the Director.
(Newly established)	2 The term of office of a Director who is an Audit and Supervisory Committee member shall expire at the conclusion of the annual general meeting of shareholders for the last fiscal year out of the business years terminating within two years after the election of the Director.
(Newly established)	3 The term of office of a substitute Director for a Director who is an Audit and Supervisory Committee member and retired prior to the completion of his/her term of office shall continue until the time the original term of office of the retired Director is to expire.
(Newly established)	4 The resolution for election of a substitute Director who is an Audit and Supervisory Committee member elected in accordance with of Article 329, paragraph (3) of the Companies Act shall be effective until the beginning of the annual general meeting of shareholders for the last fiscal year out of the business years terminating within two years after the election of the Director.

Current Articles of Incorporation	Proposed Amendments
(Representative Directors and Directors with Special Titles) Article 20 The Company shall elect a Representative Director by a resolution of the Board of Directors. 2 (Omitted) 3 The Board of Directors may elect, by its resolution, one Director and President, one or a small number of Director and Vice Presidents, Senior Managing Directors and Managing Directors.	(Representative Directors and Directors with Special Titles) Article 20 The Company shall elect a Representative Director from among Directors (excluding those who are Audit and Supervisory Committee members) by a resolution of the Board of Directors. 2 (Unchanged) 3 The Board of Directors may elect, by its resolution, one Director and President, one or a small number of Director and Vice Presidents, Senior Managing Directors and Managing Directors from among Directors (excluding those who are Audit and Supervisory Committee members).
Article 21 (Omitted)	Article 21 (Unchanged)
(Newly established)	2 Notwithstanding the preceding paragraph, Audit and Supervisory Committee members elected by the Audit and Supervisory Committee may convene the Board of Directors.
(Notice of Meeting of the Board of Directors) Article 22 When convening a meeting of the Board of Directors, a notice shall be dispatched to each Director and corporate auditor at least three days before the date of such a meeting; provided, however, that this period may be reduced in case of urgency.	(Notice of Meeting of the Board of Directors) Article 22 When convening a meeting of the Board of Directors, a notice shall be dispatched to each Director at least three days before the date of such a meeting; provided, however, that this period may be reduced in case of urgency.
(Newly established)	2 With the consent of all Directors, a meeting of the Board of Directors may be held without following the convening procedures.
Article 23 (Omitted)	Article 23 (Unchanged)
(Omission of Resolutions of the Board of Directors) Article 24 With regard to matters to be resolved by the Board of Directors, the Company shall deem that a resolution of the Board of Directors has been made in cases where all the Directors entitled to participate in the vote for those matters agree in writing or by electromagnetic records thereto; provided, however, the preceding provision shall not apply when corporate auditors voice an objection.	(Omission of Resolutions of the Board of Directors) Article 24 With regard to matters to be resolved by the Board of Directors, the Company shall deem that a resolution of the Board of Directors has been made in cases where all the Directors entitled to participate in the vote for those matters agree in writing or by electromagnetic records thereto.
(Newly established)	(Delegation of Important Business Execution) Article 25 Pursuant to the provision of Article 399-13, paragraph (6) of the Companies Act, the Company may delegate to Director all or part of decisions on important business execution (excluding matters stipulated in items of Article 399-13, paragraph (5) of the said Act) by a resolution of the Board of Directors.
Article 25 – Article 26 (Omitted)	Article 26 – Article 27 (Unchanged)
(Remuneration, Etc. of Directors) Article 27 Remuneration, bonuses and other economic benefits given by the Company in consideration for the execution of duties (hereinafter referred to as the "Remuneration, Etc.") to Directors shall be determined by resolution of a general meeting of shareholders.	(Remuneration, Etc. of Directors) Article 28 Remuneration, bonuses and other economic benefits given by the Company in consideration for the execution of duties (hereinafter referred to as the "Remuneration, Etc.") to Directors shall be determined by resolution of a general meeting of shareholders, while making a distinction between Directors who are

Current Articles of Incorporation	Proposed Amendments
	Audit and Supervisory Committee members and the other Directors.
(Exemption of Directors from Liability) Article 28 (Omitted) 2 The Company may enter into an agreement with Directors (excluding Executive Directors, or managers or any other employees of the Company) to limit their liability for damages stipulated in Article 423, paragraph (1) of the Companies Act in case of falling under the requirements specified in laws and regulations; provided, however, that the limitation of their liability for damages under such agreement shall be the minimum liability amount specified by laws and regulations.	(Exemption of Directors from Liability) Article 29 (Unchanged) 2 The Company may enter into an agreement with Directors (excluding Executive Directors, etc., or managers or any other employees of the Company) to limit their liability for damages stipulated in Article 423, paragraph (1) of the Companies Act in case of falling under the requirements specified in laws and regulations; provided, however, that the limitation of their liability for damages under such agreement shall be the minimum liability amount specified by laws and regulations.
Chapter V Corporate Auditors and Board of Corporate Auditors	Chapter V Audit and Supervisory Committee
(Number of Corporate Auditors) Article 29 The Company shall have not more than four (4) corporate auditors.	(Deleted)
(Election of Corporate Auditors) Article 30 Corporate auditors shall be elected by a resolution of a general meeting of shareholders. 2 Resolutions on the election of a corporate auditor shall be made by a majority of the votes of the shareholders present at the meeting where the shareholders holding at least one-third of the voting rights of the shareholders entitled to exercise their votes at such meetings are present.	(Deleted) (Deleted)
(Term of Office of Corporate Auditors) Article 31 The term of office of a corporate auditor shall expire at the conclusion of the annual general meeting of shareholders for the last fiscal year ending within four years after the election of the corporate auditor. 2 The term of office of a corporate auditor elected as a substitute shall continue until the time the term of office of the corporate auditor who retired from office is to expire.	(Deleted) (Deleted)
(Full-time Corporate Auditors) Article 32 The board of corporate auditors shall appoint full-time corporate auditor(s) by its resolution.	(Deleted)
(Notice of Meeting of the Board of Corporate Auditors) Article 33 When convening a meeting of the board of corporate auditors, a notice shall be dispatched to each corporate auditor at least three days before the date of such a meeting; provided, however, that this period may be reduced in case of urgency. 2 With the consent of all corporate auditors, a meeting of the board of corporate auditors may be held without following the convening procedures.	(Notice of Meeting of the Audit and Supervisory Committee) Article 30 When convening a meeting of the Audit and Supervisory Committee, a notice shall be dispatched to each Audit and Supervisory Committee member at least three days before the date of such a meeting; provided, however, that this period may be reduced in case of urgency. 2 With the consent of all Audit and Supervisory Committee members, a meeting of the Audit and Supervisory Committee may be held without following the convening procedures.

Current Articles of Incorporation	Proposed Amendments
(Regulations of the Board of Corporate Auditors) Article 34 Matters pertinent to the board of corporate auditors shall be governed by the Regulations of the Board of Corporate Auditors as determined by the board of corporate auditors, in addition to laws and regulations and/or the Articles of Incorporation.	(Regulations of the Audit and Supervisory Committee) Article 31 Matters pertinent to the Audit and Supervisory Committee shall be governed by the Regulations of the Audit and Supervisory Committee as determined by the Audit and Supervisory Committee, in addition to laws and regulations and/or the Articles of Incorporation.
(Remuneration, Etc. of Corporate Auditors) Article 35 The remuneration, etc. of corporate auditors shall be determined by a resolution of a general meeting of shareholders.	(Deleted)
(Exemption of Corporate Auditors from Liability) Article 36 The Company may, by a resolution of the Board of Directors, exempt corporate auditors (including former corporate auditors) from the liability for damages stipulated in Article 423, paragraph (1) of the Companies Act in case of falling under the requirements specified in laws and regulations, up to the amount that remains after deducting the minimum liability amount specified by laws and regulations from the amount of liability for damages.	(Deleted)
2 The Company may enter into an agreement with corporate auditors to limit their liability for damages stipulated in Article 423, paragraph (1) of the Companies Act in case of falling under the requirements specified in laws and regulations; provided, however, that the limitation of their liability for damages under such agreement shall be the minimum liability amount specified by laws and regulations.	(Deleted)
Chapter VI Financial Auditor	Chapter VI Financial Auditor
Article 37 – Article 38 (Omitted)	Article 32 – Article 33 (Unchanged)
(Remuneration, Etc. of Financial Auditor) Article 39 Remuneration, etc. of Financial Auditor shall be determined by Representative Director with the consent of the board of corporate auditors.	(Remuneration, Etc. of Financial Auditor) Article 34 Remuneration, etc. of Financial Auditor shall be determined by Representative Director with the consent of the audit and supervisory committee.
Article 40 (Omitted)	Article 35 (Unchanged)
Chapter VII Accounts	Chapter VII Accounts
Article 41 – Article 44 (Omitted)	Article 36 – Article 39 (Unchanged)
(Newly established)	Transitional Measures Concerning Exemption From Liability for Damages of Corporate Auditors) Supplementary provision Pursuant to the provisions of Article 426, paragraph (1) of the Companies Act, the Company may, by a resolution of the Board of Directors, exempt corporate auditors (including former corporate auditors) from his/her liability for damages arising from neglecting his/her duties performed before the partial amendments to the Articles of Incorporation resolved at the 10th Annual General Meeting of Shareholders took effect, to the extent permitted by laws and regulations.