

ARTICLES OF INCORPORATION
OF
THE SECURITY ANALYSTS ASSOCIATION OF JAPAN

Enacted: July 1, 1973
Amended: June 21, 1979
Amended: December 24, 1984
Amended: December 16, 1987
Amended: September 29, 1988
Amended: August 31, 1993
Amended: June 23, 1995
Amended: June 29, 2000

Attention:

SAAJ Articles of Incorporation were amended on April 1, 2011 and the new version is under translation into English.

CHAPTER I GENERAL PROVISIONS

Article 1 Name

The name of the Association is Shadanhojin NIPPON SHOKEN ANALYST KYOKAI (in English, the Security Analysts Association of Japan).

Article 2 Office

The Association shall locate its principal office in Chuo-ku, Tokyo, and set up branches as necessary subject to a decision of the Board of Directors.

Article 3 Purposes

The purposes of the Association are to promote the fair and efficient formation of securities prices and the sound development of securities investment through the enhancement and dissemination of analytical skills and techniques as well as the education and training of those engaged in securities analysis, thereby contributing to the development of the Japanese economy.

Article 4 Activities

To accomplish the purposes described in the preceding article, the Association shall:

- (1) conduct research and surveys for improving analytical skills and techniques;
 - (2) provide education and examination programs covering both theory and practice for those engaged/who will engage in securities analysis;
 - (3) hold seminars and other meetings designed to foster the abilities of those engaged in securities analysis;
 - (4) collect, publish, and distribute reference materials relating to securities analysis;
 - (5) exchange views and information with similar associations or organizations abroad;
- and
- (6) carry out other activities necessary for accomplishing the purposes described in the preceding article.

(Amended June 21, 1979)

CHAPTER II MEMBERSHIP

Article 5 Classification

1. The membership of the Association shall consist of Corporate Members, Individual Members, and Associate Members.
2. Individual Members shall be classified into Chartered Members and General Members.

(Amended June 21, 1979)

Article 6 Corporate Members

1. Corporate Members shall be securities companies, securities investment trust management companies, trust companies, banks, insurance companies, and corporations/organizations engaged in securities analysis and which are deemed qualified by the Board of Directors.

(Amended December 16, 1987)

2. Holding companies are qualified to be Members, PROVIDED that their objectives are to control the business activities of their corporate group, and the Board of Directors approve they are qualified to be Members.

(Amended June 29, 2000)

Article 7 Individual Members

1. Chartered Members shall be individuals who have passed the examinations administered by the Association and who have three years or more practical experience in securities analysis or have sufficient professional knowledge and experience in the field of securities analysis.
2. General Members shall be executives or staff of Corporate Members or Associate Members (including executives or staff of holding companies of the aforementioned Corporate or Associate Members) and who have three years or more practical experience in securities analysis or have sufficient professional knowledge and experience in the field of securities analysis.

(Amended December 24, 1984; December 16, 1987; June 29, 2000)

Article 8 Associate Members

Associate Members shall be those corporations or organizations which support the purposes and activities of the Association.

Article 9 Admission and Withdrawal

1. A person who intends to become a member of the Association shall file with the Chairman an application (on the prescribed form) and such other documents as the Association deems necessary, and obtain the approval of the Board of Directors. In order to become a General Member, the recommendation of three or more members is also required.

2. A member who intends to withdraw from the Association shall give notice in writing to the Chairman. A deceased Individual Member or a Corporate or Associate Member who has gone into liquidation shall be considered to have withdrawn from the Association.

(Amended June 21, 1979)

Article 10 Entrance Fee and Membership Fees

Corporate and Individual Members shall pay such entrance fee as is fixed separately and, additionally, Corporate, Individual, and Associate members shall pay membership fees.

Article 11 Disqualification

1. Members shall be disqualified from holding membership in the Association if any one of the cases below pertains:

- (1) where notice of withdrawal has been filed with the Association;
- (2) where a Corporate or General Member has ceased to meet the qualifications specified under Article 6. 1 or 2 or Article 7. 2; or
- (3) where disciplinary action specified under Article 12.2, 2.(3), has been taken.

(Amended June 29, 2000)

2. Should a member be disqualified in accordance with the provisions of the preceding section, neither entrance fee nor membership fees already paid shall be refunded.

(Amended December 16, 1987)

Article 12.1 Discipline

1. Members shall strive to improve their competence and encourage high ethical and professional standards in the interest of the sound development of the profession of securities analysts.

2. Members shall maintain integrity and dignity and shall not engage in any conduct that may impair their reputation and honor.

3. Members shall comply with Standards of Professional Conduct in engaging in securities analysis.

4. Standards of Professional Conduct in 3. above shall be established by the resolution of a General Meeting

(Amended December 16, 1987)

Article 12.2 Disciplinary Sanctions

1. The Chairman may, if a member falls under any of the cases below, impose sanctions:

- (1) where a member has violated the Articles of Incorporation, Standards of professional Conduct, or other rules;
- (2) where a member has been punished/reprimanded by the authorities for violating any applicable laws and regulations in connection with securities analysis;

- (3) where a member has been in arrears with his/her membership fees and failed to pay them in spite of a reminder/reminders; or
- (4) where a member has done something that impairs the reputation and honor of the Association or his reputation and honor as a member of the Association.

2. Disciplinary sanctions shall be imposed by any of the means described below:

- (1) admonition;
- (2) suspension of rights with which members are invested under the Articles of Incorporation or other rules; or
- (3) expulsion from membership.

3. Disciplinary sanctions shall be imposed after giving a member (who is deemed to fall under any of the circumstances mentioned) an opportunity to explain himself and subject to a decision of the Disciplinary Committee and also Board of Directors. The decision of the Board of Directors with respect to disciplinary sanctions under 2. (3) above shall be considered final by a majority of two-thirds or more of the directors present.

4. The provisions of Article 11, 2. shall apply in cases where disciplinary sanctions under 2.(3) above, have been taken.

5. The Chairman shall, if he/she has taken disciplinary sanction, make a public announcement.

(Amended December 16, 1987)

Article 13 Membership List

The Association shall keep a List of Members and enter prescribed particulars.

CHAPTER III OFFICERS

Article 14 Officers

The Association shall have the following officers:

- not more than 40 directors; and
- not more than three auditors.

(Amended June 23, 1995)

Article 15 Election of Directors

Directors of the Association shall be elected at a General Meeting from among the representatives of Corporate and Individual Members. However, one director may be elected from among non-members.

Article 16 Election of the Chairman

The Chairman shall be elected by vote of the directors from among them.

Article 17 Appointment of Vice Chairman, Executive Managing Director, and Managing Director.

1. The Chairman shall, with the consent of the Board of Directors, appoint officers from among the directors as follows:

- not more than three Vice Chairmen; and
- an Executive Managing Director.

2. The Chairman may, with the consent of the Board of Directors, appoint a Managing Director from among the directors.

(Amended August 31, 1993)

Article 18 Election of Auditors

Auditors shall be elected at a General Meeting from among the representatives of Corporate and Individual Members. An auditor may not hold another board position concurrently.

Article 19 Duties of Officers

1. The Chairman shall represent the Association, generally supervise its activities, and preside over General Meetings and Board of Directors' Meetings.

2. A Vice Chairman shall assist and advise the Chairman and, in his/her absence take over the duties of Chairman.

3. The Executive Managing Director shall assist and advise the Chairman and Vice Chairman in managing the activities of the Association and, in their absence, take over their duties.

4. The Managing Director shall assist and advise the Chairman, Vice Chairmen, and the Executive Managing Director in managing the activities of the Association and, in their absence, take over their duties.

5. The directors shall form the Board of Directors and deliberate and decide on important matters in the conduct of the Association's business.

6. The auditors shall discharge their duties as specified under Article 59 of the Civil Law.

(Amended August 31, 1993)

Article 20 Term of Office

1. The term of office of an officer shall run until the end of the second ordinary General Meeting after his assumption of office; provided that this does not preclude an officer from being reappointed.

2. An officer shall, after the termination of his/her term of office, continue to discharge his/her duties until a successor assumes office.

3. The term of office of an officer who is appointed to fill a vacancy shall be the unexpired portion of his/her predecessor's term.

4. The term of office of officers appointed due to an increase in the number of officers shall be the unexpired portion of the term of corresponding officers already in office.

Article 21 Removal of an Officer

An officer who has engaged in any act inappropriate for his position may be removed from office subject to the decision of a General Meeting.

CHAPTER IV MEETINGS

Article 22 Classification

Meetings shall consist of General Meetings of the members of the Association and Board of Directors' meetings.

Article 23 General Meetings

1. General Meetings shall consist of ordinary General Meetings and extraordinary General Meetings.

2. An ordinary General Meeting shall be held within three months after the end of each business year.

3. An extraordinary General Meeting shall be convened in the following cases:

- (1) when the Board of Directors decides to call such a meeting;
- (2) when the auditors request such a meeting; and
- (3) when one-third or more of the members request a meeting.

(Amended June 23, 1995)

Article 24 Procedures for Calling a General Meeting

1. A General Meeting shall be called by giving each member one week's prior notice in writing of the date, place, and agenda items of the meeting.

2. Notice under 1. above shall be accompanied by the necessary documents to enable Corporate and Individual Members to exercise their voting rights pursuant to Article 27, 3

3. Items other than those for which notice has been given in accordance with the provisions of 1. above may be placed on the agenda insofar as the consent of one-third or more of the members present is obtained.

(Amended December 16, 1987)

Article 25 Matters Subject to Resolution of a General Meeting

A General Meeting shall decide on the following:

- (1) election and removal of officers;

- (2) amendment of the Articles of Incorporation;
- (3) approval of the statement of accounts, business reports, budgets, and business plans;
- (4) approval of membership fees and means of collection;
- (5) dissolution of the Association and disposal of its residual property;
- (6) matters as separately stipulated by the Articles of Incorporation; and
- (7) other matters as deemed expressly necessary by the Chairman.

Article 26 Quorum for a General Meeting

A majority of the total number of Corporate and Individual Members shall form a quorum for a General Meeting.

Article 27 Decisions of a General Meeting

1. All matters on the agenda of a General Meeting shall, unless otherwise specified, be decided by a majority of the members present and, in the case of a tie, shall be decided by the Chairman.
2. Corporate and Individual Members shall have one vote each for all matters.
3. Corporate and Individual Members are entitled to exercise their voting rights in writing. In this case, a member fills in a document under Article 24, 2. and submits it to the Association no later than the day prior to the General Meeting in question.
4. A member who has submitted a document to exercise his voting right shall be deemed to have been present at the General Meeting.

(Amended December 16, 1987)

Article 28 Voting by Proxy

(Deleted)

(Amended December 16, 1987)

Article 29 Board of Directors

1. The Board of Directors shall consist of directors who deliberate and decide on the following:
 - (1) proposals to be submitted to a General Meeting;
 - (2) matters entrusted to it by a General Meeting;
 - (3) matters pertaining to the enactment, amendment, and abolition of rules; and
 - (4) other fundamental matters of particular importance in the conduct of business.
2. The Board of Directors shall meet whenever occasion demands. A majority of the incumbent directors shall form a quorum at a Board of Directors' Meeting. However, a director who has expressed his views in writing on an agenda item/items shall be deemed to be present at such meeting.
3. All matters on the agenda of a Board of Directors' Meeting shall, unless otherwise specified, be decided by a majority of the directors present and, in case of a tie, decided by the Chairman.
4. The Board of Directors may, if the Chairman deems necessary, request the

directors to submit their views in writing on an agenda item/items and make a decision without calling a meeting.

5. A decision under 4. above shall be considered final upon a majority of the directors signing and sealing a written consent; in the case of a tie, the Chairman has the deciding vote.

(Amended December 16, 1987)

Article 30 Minutes of Proceedings

Proper minutes shall be taken of the proceedings of all General Meetings and Board of Directors' Meetings. The minutes shall contain the outline and results of such proceedings, and shall be signed and sealed by the Chairman and by not less than two of those present (in the case of a Board of Directors' Meeting specified under 4. of the preceding article, by the Chairman and by not less than two of the directors designated by the Chairman).

CHAPTER V COMMITTEES

Article 31 Formation and Responsibilities of Committees

1. The Association shall establish a Disciplinary Committee as specified under Article 12.2,3., and form other committees as circumstances demand.

2. A committee shall deal with such matters as are separately specified in the Articles of Incorporation and, in addition, may provide advice and suggestions as requested by the Board of Directors or express its views to the Board of Directors on important matters pertaining to the activities of the Association.

3. Particulars necessary with respect to the composition and management of committees shall be prescribed under separate rules.

(Amended December 16, 1987)

CHAPTER VI ADVISORS

Article 32 Appointment of Advisors

1. The Association may have advisors.

2. An advisor shall be appointed by the Chairman with the consent of the Board of Directors.

Article 33 Duties of Advisors

Advisors may provide advice and suggestions on matters of particular importance in the management of the Association as requested by the Chairman or attend and express views on such matters at Board of Directors' Meeting.

CHAPTER VII ASSETS AND ACCOUNTING

Article 34 Composition of Assets

1. The assets of the Association shall consist of basic and operating assets:

(1) basic assets-basic funds and assets to be incorporated into basic assets in the

- future; and
- (2) operating assets-assets other than basic assets.
 2. Except for interest accrued thereon, basic assets shall not be disposed of or put up as collateral/guarantee security. However, this does not apply if a General Meeting approves cases to promote business specified under Article 4.1 or Article 4.5 as unavoidable.

(Amended June 29, 2000)
 3. When the Association needs to spend some operating assets accumulated for particular business activities, a decision of a General Meeting shall be required.

(Amended June 29, 2000)

Article 35 Business Year

The Association's business year shall begin on April 1 each year and end on March 31 the following year.

(Amended December 16, 1987)

Article 36 Business Plan and Budget

1. The Chairman shall draw up a business plan and a draft budget of income and expenditure items for each business year, submit the same to an ordinary General Meeting, and obtain its approval.
2. Until the budget specified under 1. above is approved by an ordinary General Meeting, expenditure for the period shall be made on the basis of the budget for the previous business year.

(Amended December 16, 1987)

Article 37 Business Report and Financial Statements

The Chairman shall, within three months of the end of each business year, prepare a business report, list of property, a balance sheet, an income and expenditure statement, and a proposal for the appropriation of the surplus or making up the deficit for the business year, submit the same to an ordinary General Meeting following auditing by the auditors, and obtain its approval.

(Amended June 23, 1995)

CHAPTER VIII AMENDMENTN OF ARTICLES OF INCORPORATION

Article 38 Amendment of Articles of Incorporation

1. Any amendment to the provisions of the Articles of Incorporation of the Association shall be subject to the decision of a majority of two-thirds or more of the Corporate and Individual Members present at a General Meeting attended by more than half of such members.
2. A decision under 1. above shall not become effective unless/until approval has been obtained from the competent authorities.

(Amended June 21, 1979)

CHAPTER IX DISSOLUTION

Article 39 Dissolution

1. The Association shall not be dissolved unless otherwise decided by a majority of two-thirds or more of the Corporate and Individual Members present at a General Meeting attended by two-thirds or more of such members.
2. A decision under 1. above shall not become effective unless approval has been obtained from the competent authorities.

Article 40 Disposal of Residual Property

1. Disposal of residual property following the dissolution of the Association shall be subject to a decision of a General Meeting.
2. A decision under 1. above shall not become effective unless/until approval has been obtained from the competent authorities.

CHAPTER X SECRETARIAT

Article 41 Secretariat

1. A Secretariat with staff to handle the business of the Association shall be established.
2. Necessary provisions for the conduct of the Secretariat's business affairs shall be established separately by the Chairman.

CHAPTER XI MISCELLANEOUS PROVISIONS

Article 42 Miscellaneous Provisions

Those particulars necessary for the management of the Association other than those specified herein shall be prescribed by the Chairman.

SUPPLEMENTARY PROVISIONS

1. The Articles of Incorporation of the Association shall come into force the day that permission for the establishment of the Association is granted by the competent authorities.
2. Those who were members of the previous Security Analysts Association of Japan on the day before the Articles of Incorporation of the Association became effective shall be entitled to become members of the Association.
3. Notwithstanding the provisions of Article 20, officers in office at the beginning of the establishment of the Association shall be as mentioned in the attached List of

Officers and their term of office shall come to an end on the last day of December 1973.

4. Notwithstanding the provisions of Article 35, the business year at the start of the establishment of the Association shall begin on the day permission for its establishment is granted, and end on September 30, 1973.

5. Notwithstanding the provisions of Article 36, a business plan and budget for the first business year shall be as prescribed by the General Meeting to establish the Association.

6. The Association shall take over all rights and responsibilities of the previous Security Analysts Association of Japan.

SUPPLEMENTARY PROVISIONS

(Approved June 21, 1979)

1. Amendments to the Articles of Incorporation shall come into force on the day approval is given by the competent authorities.

2. Those who were Individual Members on the day prior to amendments to the Articles of Incorporation shall become General Members following such amendments Incorporation.

SUPPLEMENTARY PROVISIONS

(Approved December 24, 1984)

Amendments to the Articles of Incorporation shall come into force on the day approval is given by the competent authorities.

SUPPLEMENTARY PROVISIONS

(Approved December 16, 1987)

Amendments to the Articles of Incorporation shall come into force on the day approval is given by the competent authorities.

SUPPLEMENTARY PROVISIONS

(Approved September 29, 1988)

1. The revised provisions of Article 35 shall come into force on April 1, 1989.

2. With respect to the application of the provisions of Article 35 prior to the revision concerning the business year commencing October 1, 1988, "September 30 of the following year" in the same article shall read "March 31 of the following year."

SUPPLEMENTARY PROVISIONS

(Approved August 31, 1993)

Amendments to the Articles of Incorporation shall come into force on the day approval is given by the competent authorities.

SUPPLEMENTARY PROVISIONS

(Approved June 23, 1995)

(Approved June 29, 2000)

Amendments to the Articles of Incorporation shall come into force on the day approval is given by the competent authorities.