

# **KURA SUSHI ASIA CO., LTD.**

## **Articles of Incorporation**

### **Chapter 1. General Provisions**

- Article 1. The Company was organized in accordance with the Company Act and is named KURA SUSHI ASIA CO., LTD.
- Article 2. The business to be operated by the Company is as follows:
- 1 F501060 Restaurant Business
  - 2 F101050 Wholesale of Aquatic Products
  - 3 F201030 Retail Sale of Aquatic Products
  - 4 H703090 Real Estate Commerce
  - 5 H703100 Real Estate Rental and Leasing
  - 6 F203020 Retail Sale of Tobacco and Alcohol
  - 7 I501010 Product Designing
  - 8 F401021 Restrained Telecom Radio Frequency Equipment and Materials Import
  - 9 ZZ99999 All business not prohibited or restricted by law, except for those subject to special approval
- Article 3. The headquarters of the Company is located in Taipei City. The Company may establish branches or subsidiaries in Taiwan or overseas as the Company may require upon resolution by the Board of Directors of the Company.
- Article 4. Public announcements of the Company shall be duly made in accordance with Article 28 of the Company Act and other relevant laws and regulations.

### **Chapter 2. Share**

- Article 5. The total amount of the Company's reinvestment is not subject to the limit of 40% of the paid-in capital, as dictated by Article 13 of the Company Act.
- Article 6. The Company has obtained external fund loans and endorsements due to business and investment relationships, and its operations have been handled in accordance with the Company's "Fund Loan to Others Operating Procedures" and "Endorsement Operating Procedures".
- Article 7. The total capital of the Company is set at NT\$600 million, which is divided into 60 million shares with a par value of NT\$10. The Board of Directors is authorized to issue the unissued in installments after resolution.
- Article 8. The Company may issue employee stock option certificates, convert the share quota, retain 4.5 million shares within the total share quota in the previous article for employees to issue shares to exercise the subscription rights, and authorize the Board of Directors to decide to issue them in installments after resolution. The recipients of employee dividends may include the employees of controlling or subordinate companies that meet certain conditions, and the conditions and methods shall be set by the Board of Directors.
- Article 9. The Company's stock shall generally be registered, and at least three of the

Company's directors shall sign or affix their seals to shares. Stock shall be issued after attestation by the competent authority or an issuance attestation organization approved by the competent authority, but they can be exempted from being printed.

Article 10. The change of the record in the shareholder register shall be handled in accordance with Article 165 of the Company Act. After the Company's public offering of shares, the Company shall take charge of stock affairs in accordance with the "Regulations Governing Stock Affairs of Public Companies" and relevant laws and regulations.

### **Chapter 3. Shareholders Meeting**

Article 11. There are two types of shareholders meetings of the Company, the annual meeting and special meeting. Annual meeting shall be convened by the Board of Directors annually within six (6) months after the end of each fiscal year, and special meetings shall be convened in accordance with the law when necessary.

Article 12. The convening of the shareholders meetings shall be handled in accordance with Article 172 of the Company Act. With the consent of the addressee, the notice of a shareholders meeting may be given in electronic form.

Article 13. Unless otherwise provided by the Company Act, the shareholders meetings shall be convened by the Board of Directors and chaired by the Chairman. If the Chairman of the Board is on leave or unable to exercise his powers and duties for any reason, the chairperson of the meetings shall be appointed pursuant to Article 208 of the Company Act. If a shareholders meeting is convened by a party with the power to convene but other than the Board of Directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chair from among themselves.

Article 14. When a shareholder is unable to attend the shareholders meeting for some reason, power of attorney issued by the Company shall be issued, specifying the scope of authorization, signed or stamped to entrust a proxy to attend the shareholders meeting. The rules and regulations for shareholders' proxy attendance shall be handled in accordance with Article 177 of the Company Act. After the public offering of the Company's shares, the rules and regulations for shareholders' proxy attendance shall be governed by the "Regulations Governing the Use of Proxies for Attendance at Shareholders Meetings of Public Companies" prescribed by the competent authority.

Article 15. All shareholders are entitled to one vote for every share held, except for the circumstances stipulated in Article 179 of the Company Act.

Article 16. Except as otherwise provided by the Company Act, the resolutions of the shareholders meeting shall be adopted upon the approval of a majority of the voting shares present at the meeting, which is attended by holders of a majority of the total issued and outstanding shares of the Company.

Article 17. After the Company is listed on TWSE or TPEX, electronic methods shall be listed as one of the channels for shareholders to exercise their voting rights, and the method of exercise shall be stated in the notice of shareholders meeting. Those exercising their voting rights electronically shall be deemed equal to those shareholders present at the meeting, and all relevant matters shall be processed according to legal regulations.

Article 18. The resolutions of the shareholders meeting shall be recorded in minutes, signed or stamped by the chairman, and distributed to shareholders within 20 days after the meeting. The minutes shall be produced and distributed electronically. The distribution of meeting minutes after the public issuance of the Company's shares may be conducted through public announcement.

Article 19. After the public issuance of the Company's shares, when the Company proposes to cancel public offering, the proposal shall obtain the resolution adopted by shareholders meeting in accordance with the Company Act.

#### **Chapter 4. Directors, Audit Committee, and Other Functional Committees**

Article 20. The Company shall have five to seven directors, who shall be elected from legally competent persons at the shareholders meeting and hold office for three years, and re-elected directors may serve consecutive terms. After the Company's public offering, there shall be at least two independent directors among the number of directors to be elected referred to in the preceding paragraph, and the independent directors shall represent at least one-fifth of the Board of Directors. The independent directors shall be elected at the shareholders meeting using the candidate nomination system and from among a list of candidates. The professional qualifications, share ownership, concurrent positions held, the manner of nomination, the election of the independent directors, and other related matters shall comply with applicable laws and regulations prescribed by the competent authority. After the Company's public offering, the total number of registered shares held by all directors shall not be lower than a certain percentage of issued shares required by the competent authority. The registered cumulative voting system shall be adopted for election of directors of the Company. After the Company is listed on TWSE/TPEX, the election of directors shall adopt the candidate nomination system.

Article 21. The Company's Board of Directors may set up an audit committee or other functional committees subject to the needs of business operations. The establishment and powers of the relevant committees shall be carried out in accordance with the regulations set by the competent authority.

Article 22. The directors shall elect from among themselves a Chairman of the Board of Directors by a majority vote at a meeting attended by over two-thirds of all the directors. The Chairman of the Board of Directors shall represent the Company externally and execute all affairs of the Company in accordance with the laws, these Articles of Incorporation, and the resolutions of the shareholders meeting and Board of Directors. The notices of a board meeting shall expressly indicate the subject(s) of the meeting and be served to all directors seven days prior to the date scheduled for the meeting. In case of an emergency, a board meeting may be convened at any time. The notice of convening a board meeting in the preceding paragraph shall specify the reason, and it shall be made in writing, email, or fax. The Company may, through the Board of Directors' resolution, purchase liability insurance for directors and important employees during their term of office for the scope of their execution of the business scope in accordance with the law.

Article 23. Unless otherwise stipulated in the Company Act, the Board of Directors' resolutions shall be adopted by the majority of the directors and agreed by the majority of the directors present. If the directors are unable to attend a board meeting in person for some reason, in accordance with Article 205 of the

Company Act, they shall entrust other directors to attend the board meeting. When the Chairman of the Board of Directors asks for leave or is unable to exercise his powers for some reason, his agency shall be handled in accordance with Article 208 of the Company Act. If participation by means of video conferencing is made available at a meeting, directors who participate in the meeting by such means shall be deemed to have attended such meeting in person. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each director within 20 days after the conclusion of the meeting.

Article 24. The Board of Directors is authorized to determine upon the remunerations for all directors according to their participation in and contribution to the Company operation and with reference to the common remuneration level of counterparts in the industry.

#### **Chapter 5. Managerial Officers**

Article 25. The Company shall have managers. Appointment, discharge, and remuneration of these managers shall be in compliance with Article 29 of the Company Act.

#### **Chapter 6. Accounting**

Article 26. The Company's fiscal year is from January 1 to December 31 of each year. The following documents shall be compiled by the Board of Directors at the end of each fiscal year and submitted to the Audit Committee for review thirty days before the annual shareholders meeting, and the Audit Committee will issue a report and submit the same to the shareholders meeting for recognition: (I) Business report; (II) Financial statements; (III) Proposal for surplus distribution or loss allowance.

Article 27. If the Company's annual pre-tax benefits before deduction of employee compensation and directors' compensation are profitable, no less than 1% shall be appropriated as employee remuneration, which shall be distributed in stock or cash upon resolution of the Board of Directors. Employee compensation may be issued to employees in affiliate companies that meet certain criteria. The Company may appropriate no more than 3% of the above profit as directors' compensation upon resolution of the Board of Directors. The distribution plan of the employee compensation and directors' compensation shall be reported at the shareholders meeting. However, when the Company still has accumulated losses, it shall reserve the amount of compensation in advance, and then allocate employee compensation and directors' compensation in proportion to the preceding paragraph. If there is a surplus in the Company's annual final accounts, tax shall be paid in accordance with the law, and after making up for the accumulated losses, another 10% shall be distributed as the statutory surplus reserve. However, when the statutory surplus reserve has reached the Company's paid-in capital, the statutory surplus reserve shall no longer be allocated, and the special surplus reserve shall be distributed or reversed in accordance with law orders or regulations of the competent authority. The remaining earnings, together with accumulated retained earnings, can be distributed as shareholders' dividends according to the Board of Directors' proposal and after the approval from the shareholders meeting.

Article 28. The Company is in a growth stage. Based on capital expenditures, business

expansion needs, and sound financial planning for sustainable development, the Company's dividend policy is based on such factors as current and future development plans, the investment environment and funding needs. Every year, no less than 10% of the current year's net profit shall be allocated to shareholders, and the distribution of shareholder dividends can be paid in cash or stocks, of which cash dividends shall not be less than 10% of the total dividends for the year.

## **Chapter 7. Supplementary Provisions**

Article 29. Matters not specified in these Articles of Incorporation shall be governed by the Company Act.

Article 30. These Articles of Incorporation were adopted on January 7, 2014. The first amendment was made on July 31, 2014. The second amendment was made on December 16, 2015. The third amendment was made on June 30, 2016. The fourth amendment was made on November 1, 2016. The fifth amendment was made on June 29, 2018. The sixth amendment was made on November 7, 2018. The seventh amendment was made on June 3, 2019.