

# Zero Announces Partial Revision to the Articles of Incorporation of the Company

August 27, 2009

Company name: ZERO CO., LTD.	Code No: 9028
(URL <a href="http://www.zero-group.co.jp/">http://www.zero-group.co.jp/</a> )	Tokyo Stock Exchange (Second Section)
Representative: CEO & President	Yoshi Iwashita
Contact for Inquiries:	Takeo Kitamura
	Director, General Manager, Corporate Planning Department
	Telephone: (044)520-0106

The partial revision to the Articles of Incorporation of the Company has been resolved at the Board of Directors' Meeting held today on August 27, 2009 as below to be added to the items for the 63<sup>rd</sup> Annual General Meeting, which is scheduled to be held on September 29, 2009.

## 1. Reasons for the revision

(1) As a result of the enforcement of the "Law Amending the Partial Revision of the Commercial Code Concerning Book-Entry Transfer of Corporate Securities for Rationalization of Settlements Related to the Trading of Equities" (Law No. 88 of 2004; hereinafter the "Settlement Rationalization Law"), the current Articles of Incorporation will be amended as follows.

(i) Pursuant to Article 6 of the supplementary provisions of the Settlement Rationalization Law, a resolution to amend the Articles of Incorporation, by which the Company abolishes the provisions with respect to the issuance of share certificates in the Articles of Incorporation, is deemed to have been approved as of the date of enforcement of the Electronic Share Certificate System (January 5, 2009). Therefore, the Article 7 (Issuance of share certificates) of the Articles of Incorporation of the Company will be deleted and the language with respect to share certificates such as fractional shares and the registry of lost share certificates is to be deleted and amended accordingly.

(ii) As a result of the abolition of the "Act on Custody and Transfer of Share Certificates, etc.," the language with respect to the beneficial shareholders and the list of beneficial shareholders in the Articles of Incorporation of the Company will be deleted and amended.

(iii) It is stipulated that the register of lost share certificates will be prepared and kept until the day on which one(1) year has elapsed from the day immediately following the date of enforcement of the Settlement Rationalization Law. Therefore, necessary provisions will be established in the Supplemental Provisions of the Proposed Amendments.

(2) These amendments are to be made in order to specify the provisions regarding share handling and procedures of execution of shareholder's right stipulated in the Share Handling Regulations.

(3) In addition to the above, other required amendments, including deletion and revision of provisions and language, will be made as necessary.

Appendix

The underlined items are to be revised as follows.

Current Articles of Incorporation	Proposed revisions
<u>(Issuance of Share Certificates)</u>	(To be deleted)
<u>Article 7 The Company shall issue share certificates representing its shares.</u>	
<u>(A Full Share Unit and Non Issuance of Share Certificate for Fractional Shares)</u>	<u>(A Full Share Unit)</u>
<u>Article 8 A full share unit of the Company shall be 100 shares.</u>	<u>Article 7 (No revision)</u>
<u>2 Regardless of the provision of the above Paragraph, the Company do not issue share certificates representing shares not constituting a full share unit (hereinafter referred as fractional shares), provided that this does not always apply in the provisions stipulated in the Share Handling Regulations.</u>	(To be deleted)
<u>3 Shareholders of the Company (including beneficial shareholders) may not exercise their rights other than the following rights for their fractional shares.</u>	(To be deleted)
<u>(1) The rights provided for in each Item of Article 189, Paragraph 2, of the Companies Act;</u>	
<u>(2) The rights of claim provided for in the following Article.</u>	
(Newly established)	<u>(Rights of Shareholders Holding Fractional Shares)</u>
	<u>Article 8 The shareholders of the Company may not exercise their rights other than the following rights for their fractional shares.</u>
	<u>(1) The rights provided for in each Item of Article 189, Paragraph 2, of the Companies Act;</u>
	<u>(2) The rights of claim provided for in the following Paragraph</u>

Current Articles of Incorporation	Proposed revisions
<p>(Request for Sale of a Fractional Share) Article 9 (Paragraphs are omitted)</p> <p>(Base Date) Article 10 The shareholder of the Company who are authorized to exercise their voting rights upon the ordinary general meeting of shareholders shall be recognized based on <u>the list of shareholders (including list of beneficial shareholders) finally listed or recorded</u> on the date of June 30th every year.</p> <p>2 (Paragraphs are omitted)</p>	<p>(Request for Sale of a Fractional Share) Article 9 (No revision)</p> <p>(Base Date) Article 10 The shareholder of the Company who are authorized to exercise their voting rights upon the ordinary general meeting of shareholders shall be recognized based on <u>the list of shareholders finally recorded</u> on the date of June 30th every year.</p> <p>2 (No revision)</p>
<p>(Share Registrar) Article 11 The Company shall appoint a share registrar. 2 The share registrar and its management office shall be determined by a resolution of the Board of Directors and public notice thereof shall be given.</p>	<p>(Share Registrar) Article 11 (No revision) 2 (No revision)</p>
<p>3 <u>The list of shareholders, the register of lost share certificates</u> and the register of stock acquisition rights shall be kept at the management office of the share registrar. Other administrative procedures for shares shall be handled only by the share registrar, and the Company shall not handle them.</p>	<p>3 <u>The list of shareholders</u> and the register of stock acquisition rights shall be kept at the management office of the share registrar. Other administrative procedures for shares shall be handled only by the share registrar, and the Company shall not handle them.</p>
<p>(Share Handling Regulations) Article 12 <u>The type of share certificates of the Company and transfer of shares, purchase or sale of fractional shares</u> and any other procedures relating to shares and handling fees thereof shall be pursuant to the Law or the Articles of Incorporation of the Company in addition to the provisions of Share Handling Regulations resolved by the Board of Directors.</p>	<p>(Share Handling Regulations) Article 12 <u>The procedure for execution of rights of shareholders of the Company</u> and any other procedures relating to shares and handling fees thereof shall be pursuant to the Law or the Articles of Incorporation of the Company in addition to the provisions of Share Handling Regulations resolved by the Board of Directors.</p>

Current Articles of Incorporation	Proposed revisions
Article 13 to 49 (Paragraphs are omitted)	Article 13 to 49 (No revision)
(Newly established)	<p><u>Supplementary Provision</u>  <u>Preparation and storing of the register of lost share certificate of the Company and other administrative procedures relating to the register of lost share certificate shall be handled by the share registrar, the Company shall not handle them.</u>  <u>This supplementary provision shall be valid until January 5, 2010 and to be deleted after January 6, 2010.</u></p>

End of document