

ACT OF ENDOWMENT OF GAKKO HOJIN YOKOHAMA INTERNATIONAL SCHOOL

CHAPTER I – GENERAL PROVISIONS

(Name)
Article 1

The name of this juridical person shall be Gakko Hojin Yokohama International School.

(Office)
Article 2

The Office of this juridical person shall be located at 2-100-1 Kominato-cho, Naka-ku, Yokohama, Kanagawa Prefecture.

CHAPTER II – PURPOSE AND BUSINESS

(Purpose)
Article 3

The objective of this juridical person is to provide international school education in accordance with the Fundamental Education Law and the School Education Law.

(School To Be Established)
Article 4

In order to achieve the objective set forth in the preceding Article 3, this juridical person shall establish a single school Yokohama International School. The name of Yokohama International School may be abbreviated in appropriate circumstances as YIS.

CHAPTER III – ESTABLISHMENT OF JURIDICAL PERSON

(Establishment of Officers and Trustees)
Article 5

1 This juridical person shall have the following Officers:

- (i) Directors – not less than 11 persons and not more than 13 persons
- (ii) Auditors – two persons

2 This juridical person shall have a number of Trustees exceeding by at least one the number of Directors.

3 The actual numbers of Directors shall be specified in the Constitution of Gakko Hojin Yokohama International School in accordance with the provisions of paragraphs 1.

(Appointing Body for Directors)

Article 6

1 The Board of Trustees shall be the Director-Appointing Body of this juridical person.

2 The members of the Director-Appointing Body shall be all the Trustees.

3 When the Auditors wish to make a necessary report to the Director-Appointing Body, they may request the Chair of the Board of Directors to convene the Director-Appointing Body. In this case, the Chair of the Board of Directors shall convene the Director-Appointing Body.

4 Matters necessary for the operation of the Director-Appointing Body shall be stipulated in the Rules for the Operation of the Director-Appointing Body as specified in the Constitution of Gakko Hojin Yokohama International School.

CHAPTER IV – BOARD OF DIRECTORS AND DIRECTORS

Section 1 – Appointment and Dismissal of Directors, etc.

(Appointment of Directors)

Article 7

1 The Directors shall be the persons listed in the following items:

(i) the Head of School of this juridical person appointed by resolution of the Board of Trustees. 1 person

(ii) persons appointed by resolution of the Board of Trustees. 10-12 persons.

2 The Director-Appointing Body as mentioned in the preceding Article may appoint a substitute Director in case the total number of Directors falls below 11.

3 A Director stipulated in item (i) of the preceding paragraph shall lose his or her position as a Director when the person resigns his or her position as an employee of this juridical person.

(Qualifications and Composition of Directors)

Article 8

In appointing Directors, the requirements regarding qualifications and composition as stipulated in Article 31 of the Private School Act shall be observed.

(Term of Office of Directors)
Article 9

1 The term of office of the Directors shall expire at the conclusion of the Annual Meeting of the Board of Trustees relating to the last fiscal year ending within three years after their appointment. The appointment of the Board of Directors must be done in accordance with the principle that the terms of office of at least three of the Directors shall expire at the conclusion of each Annual Meeting of the Board of Trustees. However, the term of office of a Director appointed to fill the vacancy of a Director who retires before the expiration of his/her term shall be the remaining term of office of his/her predecessor.

2 Directors may be reappointed.

(Dismissal and Resignation of Directors)
Article 10

1 In the event that a Director falls under any of the following items, he/she may be dismissed by a resolution of the Director-Appointing Body that has appointed him/her:

- (i) when the Director has violated his/her professional duties or neglected his/her duties
- (ii) when a Director is unable to perform his/her duties due to a mental or physical disorder or is incapable of performing his/her duties
- (iii) when a Director has committed misconduct unbecoming to a Director.

2 A Director shall be retired from office for any of the following reasons:

- (i) expiration of the term of office
- (ii) resignation
- (iii) death

(Measures To Be Taken in the Event of a Vacancy on the Board of Directors)
Article 11

1 In the event that the number of Directors falls below the number stipulated in Article 5, they shall continue to have the rights and duties as Directors even after the expiration of their term of office or resignation, until their successors are appointed.

2 In the event that more than one-fifth of the quorum of Directors is vacant, the vacancy shall be filled within one month.

Section 2 – Board of Directors and Duties, etc. of Directors

(Composition of the Board of Directors)
Article 12

The Board of Directors shall consist of all Directors.

(Authority of the Board of Directors)
Article 13

The Board of Directors makes decisions concerning the business of this juridical person and supervises the Directors in the performance of their duties.

(Duties of Directors)
Article 14

1 The Directors shall constitute the Board of Directors and shall perform their duties as provided by law and this Act of Endowment.

2 One of the Directors shall be the Chair, who shall be selected by a resolution of the Board of Directors. The same shall apply when the Chair of the Board of Directors is removed from office.

3 The Chair of the Board of Directors shall represent this juridical person as the one who is ultimately in charge of general business affairs.

(Restrictions on Representation)
Article 15

Directors other than the Chair shall not represent this juridical person in the affairs of this juridical person.

(Reporting Obligations of Directors)
Article 16

The Chair shall report to the Board of Directors on the status of the execution of his/her duties at least twice each fiscal year at intervals exceeding four months.

Section 3 – Operation of the Board of Directors

(Convocation)
Article 17

1 The Chair of the Board of Directors shall convene meetings of the Board of Directors.

2 In the absence or disability of the Chair of the Board of Directors, a meeting of the Board of Directors may be convened by a vote of at least one-third of the Directors then in office.

3 Any Director other than the Chair of the Board of Directors may request the Chair of the Board of Directors to convene a meeting of the Board of Directors, indicating the purpose of the meeting.

4 If the Chair of the Board of Directors does not issue a notice of convocation of a meeting of the Board of Directors within five days of the date of the request set forth in the preceding paragraph, setting a date within two weeks of the date of the request, the Director who requested the convocation may convene a meeting of the Board of Directors.

5 In order to convene a meeting of the Board of Directors, notice of the date, time and place of the meeting and the matters to be discussed at the meeting shall be given to each Director and each Auditor in writing or by electronic means.

6 The notice set forth in the preceding paragraph shall be issued at least one week prior to the meeting. However, this shall not apply in case of an emergency.

7 Notwithstanding the provisions of the preceding two paragraphs, a meeting of the Board of Directors may be held without going through the procedures for convening a meeting if all Directors and Auditors agree to the meeting.

(Administration)

Article 18

1 The Board of Directors shall have a Chair, who shall be the head of the Board of Directors.

2 In the event that a meeting of the Board of Directors is convened pursuant to the provisions of paragraphs 2 and 4 of the preceding Article 17 and Article 28, paragraph 2, the chair of the meeting shall be determined by mutual election of the Directors present.

(Resolutions)

Article 19

1 A quorum of a meeting of the Board of Directors consists of two-thirds of the Directors then in office.

2 Except as otherwise provided by law or this Act of Endowment, resolutions of the Board of Directors shall be adopted by a majority of the votes of the Directors present at the meeting. Directors who have a special interest in the resolution cannot vote.

3 Notwithstanding the provisions of the preceding two paragraphs, a resolution to amend this Act of Endowment must be adopted by a two-thirds majority of the number of Directors eligible to vote.

4 Notwithstanding the provisions of the preceding two paragraphs, the following resolutions shall be adopted by a two-thirds majority of the total number of Directors. Directors who have a special interest in the resolution cannot vote.

- (i) dissolution for reasons stipulated in Article 109, paragraph (1), item (i) of the Private School Act
- (ii) merger of this juridical person
- (iii) preparation or revision of the budget and business plan
- (iv) disposition of basic assets
- (v) borrowings (excluding one-time borrowings to be reimbursed from income during the fiscal year), other new obligations or waivers of rights not included in the budget
- (vi) determination of the entity to which residual assets vest

5 Directors may participate in the voting of the Board of Directors in writing or by electronic means.

(Delegation of Decisions on Business)

Article 20

Decisions other than those required to be made by the Board of Directors pursuant to the provisions of laws and regulations and this Act of Endowment and other important matters concerning the business of this juridical person, which are determined in advance by the Board of Directors, may be delegated to a Director appointed by the Board of Directors.

(Minutes)

Article 21

1 Minutes of the proceedings of the Board of Directors shall be prepared as provided by law.

2 The minutes shall be signed (in the case of minutes prepared by electronic records, electronic signatures). The same shall apply hereinafter in Article 46, paragraph 2, or affixed with the names and seals of the Directors and Auditors present at the meeting and shall be kept at the office for ten years from the date of the Board of Directors meeting.

CHAPTER 5 – SUPERVISION

Section 1 – Appointment and Dismissal of the auditors, etc.

(Election of Auditors)

Article 22

1 Auditors shall be appointed by a resolution of the Board of Trustees.

2 In appointing the Auditors set forth in the preceding paragraph, the Board of Trustees shall appoint persons who can ensure the independence of the Auditors and appropriately prevent conflicts of interest.

3 The Board of Trustees may appoint a substitute Auditor in case the total number of Auditors falls below two.

4 In appointing the Auditors the Board of Trustees may solicit and take into consideration the views of the Board of Directors.

(Qualifications of Auditors)

Article 23

In appointing the Auditors, the requirements regarding qualifications stipulated in Article 31, paragraphs (3) and (6) and Article 46 of the Private School Act shall be observed.

(Term of Office of Auditors)

Article 24

1 The term of office of the Auditors shall expire at the conclusion of the meeting of the Board of Trustees for the last fiscal year ending within three years after their appointment. However, the term of office of an Auditor appointed to fill the vacancy of an Auditor who retired before the expiration of his/her term shall be the remaining term of office of his/her predecessor.

2 Auditors may be reappointed.

(Dismissal and Resignation of Auditors)

Article 25

1 Auditors may be dismissed by a resolution of the Board of Trustees if they fall under any of the following items:

- (i) when an Auditor violates his/her professional duties or neglects his/her duties
- (ii) when an Auditor is unable or unwilling to perform his/her duties due to a mental or physical disorder
- (iii) when there has been misconduct unbecoming to an Auditor

2 If a proposal to dismiss an Auditor is rejected at a meeting of the Board of Trustees despite the fact that there has been a wrongful act or a serious fact in violation of laws and regulations or this Act of Endowment in the performance of the Auditor's duties, a Trustee may request the dismissal of the Auditor by filing suit within 30 days from the date of said meeting of the Board of Trustees.

3 Auditors shall be retired from office for the following reasons:

- (i) expiration of term of office
- (ii) resignation
- (iii) death

(Procedures for Appointment or Dismissal or Resignation of Auditors)

Article 26

1 Directors shall obtain the consent of a majority of the Auditors before submitting a proposal for the appointment of Auditors to the Board of Trustees.

2 The Auditors may request the Directors to make the appointment of Auditors the object of a meeting of the Board of Trustees or to submit a proposal concerning the appointment of Auditors to the Board of Trustees.

3 The Auditors may state their opinions on the appointment or dismissal of the Auditors or their resignation at the meeting of the Board of Trustees.

4 A person who has resigned as an Auditor may attend the first meeting of the Board of Trustees to be convened after his/her resignation and state that he/she has resigned and the reasons thereof.

5 The Board of Directors shall notify the person set forth in the preceding paragraph of the convocation of the meeting of the Board of Trustees set forth in the preceding paragraph, as well as the date, time and place thereof.

(Measures To Be Taken in the Event of a Vacancy in the Office of Auditor)

Article 27

1 When the number of Auditors falls below the number specified in Article 5, the Auditors shall continue to have the rights and duties as Auditors until their successors are appointed even after they retire due to the expiration of their term of office or resignation.

2 The Board of Trustees shall fill any vacancy of the Auditors within one month.

Section 2 – Duties, etc. of Auditors

(Duties of Auditors)

Article 28

1 The Auditors shall perform the following duties:

(i) audit the state of the business and assets of this juridical person and the state of the performance of the duties of the Directors

(ii) prepare an audit report each fiscal year on the state of the business and assets of this juridical person and the state of the execution of the duties of the Directors, and submit the report to the Board of Directors and the Board of Trustees within three months after the end of the relevant fiscal year

(iii) attend meetings of the Board of Directors and the Board of Trustees and state their opinions

(iv) when it is found that there is a wrongful act or a serious fact in breach of laws and regulations or Act of Endowment in relation to the business or property of this juridical person or the performance of the duties of the Directors, or when it is found that a wrongful act has been committed or a serious breach of laws and regulations or acts of endowment is likely to occur, this shall be reported to the Board of Directors, the Board of Trustees and the Governor of Kanagawa Prefecture (including the body that appoints the Directors when such report relates to the performance of the Directors' duties)

(v) to request the Chair of the Board of Directors or the person with the authority to convene a meeting of the Board of Directors and the Board of Trustees or a meeting of the Board of Directors-Appointing Body if it is necessary in order to make the report referred to in the preceding item

(vi) in addition to those listed in each of the preceding items, duties that are required to be performed by the Auditors pursuant to laws and regulations or this Act of Endowment

2 If a notice of convocation of a meeting of the Board of Directors or Board of Trustees is not issued within five days from the date of the request set forth in item (v) of the preceding paragraph, setting a date within two weeks from the date of such request for a meeting of the

Board of Directors or Board of Trustees, the Auditor who made such request may convene the meeting. The same shall apply in the case of a request for the convening of a meeting of the Director-Appointing Body.

(Authority to Investigate, etc.)

Article 29

1 The Auditors may, at any time, request the Directors and staff members to report on the business or investigate the state of the business and properties of this juridical person.

2 The Auditors shall review proposals which a Director or staff member otherwise intends to submit to the Board of Trustees, documents and other items specified in the Enforcement Regulations of the Private School Law, and if they find any violation of laws and regulations or this Act of Endowment or any extremely unjustified matter, they shall report the results of their investigation to the Board of Trustees.

(Injunction against acts of Director)

Article 30

In the event that a Director has committed or is reasonably believed likely to commit any act outside the scope of the purposes of this juridical person or any other act in violation of laws and regulations or this Act of Endowment, and that such act is likely to cause significant damage to this juridical person, the Auditors may demand that the Director cease such act. The Board of Trustees also may request the Director to cease the said act.

CHAPTER VI – BOARD OF TRUSTEES AND TRUSTEES

Section 1 – Appointment and Dismissal of Trustees, etc.

Article 31

1 The Trustees shall be the persons listed in the following items and shall be appointed by resolution of the Board of Trustees.

(i) three persons appointed from among the employees of this juridical person

(ii) two persons appointed from among graduates of this juridical person who are at least 25 years of age and who were enrolled at Yokohama International School for at least four years

(iii) seven to nine persons appointed from among persons of learning and experience

2 The Trustees stipulated in item (i) of the preceding paragraph shall lose their positions as Trustees when they resign their positions as employees of this juridical person.

3 The actual number of Trustees in the category of 1 (iii) shall be specified in the Constitution of Gakko Hojin Yokohama International School.

4 The Board of Trustees may appoint alternate Trustees in case the total number of Trustees falls below 12.

5 The appointment of Trustees shall be made with due consideration so that there will be no significant bias in the age, gender, occupation, etc. of the Trustees.

6 In addition to what is provided for in laws and ordinances and this Act of Endowment, necessary matters concerning the appointment and dismissal of Trustees shall be provided for in the Regulations for the Appointment and Dismissal of Trustees as set forth in the Constitution of Gakko Hojin Yokohama International School.

(Qualifications of Trustees)

Article 32

In appointing Trustees, the requirements regarding qualifications and composition stipulated in Article 31, paragraphs 3 and 6, Article 46, paragraphs 2 and 3, and Article 62 of the Private School Act shall be observed.

(Term of Office of Trustees)

Article 33

1 The term of office of Trustees shall expire at the conclusion of the Annual Meeting of the Board of Trustees relating to the last fiscal year ending within three years after their appointment. However, the term of office of a Trustee appointed to fill the vacancy of a Trustee who retired before the expiration of his/her term shall be the remaining term of office of his/her predecessor.

2 Trustees may be reappointed.

(Dismissal and retirement of Trustees)

Article 34

1 When a Trustee falls under any of the following items, he/she may be dismissed by a resolution of the Board of Trustees:

- (i) when he/she violates his/her professional duties or neglects his/her duties
- (ii) when a Trustee is unable to perform his/her duties due to a mental or physical disorder or is unable to perform his/her duties
- (iii) when there has been misconduct unbecoming a Trustee.

2 A Trustee shall be retired from office for any of the following reasons:

- (i) expiration of term of office
- (ii) resignation
- (iii) death

3 If the number of Trustees falls below the fixed number stipulated in Article 5, they shall continue to have the rights and obligations as Trustees even after the expiration of their term of office or resignation until their successors are appointed.

Section 2 – Board of Trustees and Duties, etc. of Trustees

(Composition of the Board of Trustees)

Article 35

The Board of Trustees shall consist of all the Trustees.

(Duties, etc. of the Board of Trustees)

Article 36

1 The Board of Trustees may state its opinions to the Officers, respond to their inquiries, or collect reports from them concerning the state of the business or assets of this juridical person or the state of the execution of duties by the Officers.

2 The Board of Directors shall obtain the opinions of the Board of Trustees prior to making decisions on the following matters:

- (i) disposal or transfer of important assets
- (ii) borrowing a large amount of money
- (iii) preparation or revision of budgets and business plans
- (iv) changes in the Act of Endowment, except for the matters provided in Article 23, paragraph (1), items (i) through (iii) and items (v) through (xv) of the Private School Act
- (v) burden of new obligations or waiver of rights outside the budget
- (vi) matters related to solicitation of donated money or donated goods
- (vii) other important matters concerning the business of this juridical person that are deemed necessary by the Board of Directors

3 The Board of Trustees shall make resolutions regarding the following matters besides the matters stipulated in this Act of Endowment:

- (i) changes to the Act of Endowment regarding Article 23, paragraph 1, items (i) through (iii) and items (v) through (xv) of the Private School Act
- (ii) dissolution for reasons stipulated in Article 109, paragraph (1), item (i) of the Private School Act
- (iii) merger

(Request for Injunction of Director's Acts)

Article 37

1 The Board of Trustees may, in cases where a Director has committed or is likely to commit an act outside the scope of the purposes of this juridical person or any other act in violation of laws and regulations or this Act of Endowment, and where such act is likely to cause irreparable damage to this juridical person, file a request that the Auditors of this juridical person file a claim in accordance with Article 30.

2 When the Board of Trustees has rejected a proposal to request the Auditor to file the action set forth in the preceding paragraph, or when the filing of such action or other procedures is not conducted without delay after the resolution of the Board of Trustees to request the Auditor to file such action, a Trustee may file an action against such Director demanding that such action be discontinued. In the event the Director has not filed such an action or taken other procedures without delay after the resolution of the Board of Trustees to request the inspector to do so, the Trustees may file an action against said Director demanding that said action be discontinued.

(Request for an Action for Pursuit of Liability)

Article 38

The Board of Trustees may, in writing or by electronic means, request the Chair of the Board of Directors (or the Auditors in the case of holding a Director liable) to file suit to hold the Officer or liquidator liable if the organisation has suffered damage as a result of the Officer's or liquidator's failure to perform his/her duties.

Section 3 – Operation of the Board of Trustees

(Convening of Meetings)

Article 39

The Board of Trustees shall hold the Annual Meeting of the Board of Trustees within three months after the end of each fiscal year, and otherwise a meeting of the Board of Trustee may be held whenever necessary.

(Convocation)

Article 40

1 Except as otherwise provided by laws and regulations, meetings of the Board of Trustees shall be convened by the Chair of the Board of Directors.

2 One-third or more of the total number of Trustees may jointly request the Chair of the Board of Directors to convene a meeting of the Board of Trustees, indicating the matters that are the purpose of the meeting and the reasons for convening the meeting.

3 One-third or more of the total number of Trustees may jointly request the Chair of the Board of Directors to designate a certain matter as the purpose of a meeting of the Board of Trustees. In this case, such request shall be made at least 20 days prior to the date of the meeting of the Board of Trustees.

4 When convening a meeting of the Board of Trustees, the Board of Directors shall determine the following matters and notify the Trustees in writing or by electronic means (limited to cases where the consent of the Trustees has been obtained):

(i) date, time and place of the meeting

(ii) if there are matters that are the purpose of the meeting, such matters

(iii) a proposal pertaining to a matter that is the purpose of the meeting (excluding a proposal for which the matter that is the purpose of the meeting is an agenda item) If the agenda item has been finalised, a summary of it; if the agenda item has not been finalised, a statement to that effect

(iv) matters specified in the Enforcement Regulations of the Private Schools Act

5 The notice set forth in the preceding paragraph shall be issued at least one week prior to the meeting.

(Convocation of Meetings of the Board of Trustees by Trustees)

Article 41

1 In the event that a notice of convocation of a meeting of the Board of Trustees is not issued setting a date within 20 days from the day on which a request is made pursuant to the provision of paragraph 2 of the preceding Article, the Trustees who made a request pursuant to the same paragraph may jointly convene a meeting of the Board of Trustees with permission from the Governor of Kanagawa Prefecture.

2 The Trustees set forth in the preceding paragraph shall decide the matters listed in each item of paragraph 4 of the preceding Article through consultation among all of them and notify the other Trustees in writing or by electronic means (limited to cases where the consent of the other Trustees has been obtained). The notice set forth in the preceding paragraph shall be given at least one week prior to the meeting.

(Convocation by Auditors)

Article 42

1 In the event that the Auditors convene a meeting of the Board of Trustees pursuant to the provision of Article 28, paragraph 2, the Auditors shall specify the matters listed in Article 40, paragraph 4, items 1, 2 and 4 and notify the Trustees in writing or by electronic means. This shall be limited to cases where the consent of the Trustees has been obtained.

2 The notice set forth in the preceding paragraph shall be issued at least one week prior to the meeting.

(Omission of Convocation Procedures)

Article 43

Notwithstanding the provisions of the preceding three Articles, a meeting of the Board of Trustees may be held without following the convocation procedures if all the Trustees agree thereto.

(Administration)

Article 44

The Board of Trustees shall have a Chair, who shall be elected by the Trustees from among themselves.

(Resolutions)

Article 45

1 A quorum of a meeting of the Board of Trustees shall consist of two-thirds of the Trustees then in office.

2 Resolutions of the Board of Trustees shall be adopted by a majority of the Trustees present at the meeting, excluding those who have a special interest in the resolution. Trustees who have a special interest in the resolution cannot vote.

3 Notwithstanding the provision of the preceding paragraph, the following resolutions shall be adopted by a majority of two-thirds or more of the number of Trustees who are entitled to participate in the voting:

(i) dismissal of the Auditors

(ii) resolutions stipulated in Article 92, paragraph (1) of the Private School Act

4 Notwithstanding the provisions of the preceding two paragraphs, a resolution to exempt the Officers from liability to this juridical person for damages caused by negligence of their duties shall be adopted by a unanimous vote of all the Trustees who are entitled to participate in the voting.

5 Trustees may participate in voting on resolutions of the Board of Trustees in writing or by electronic means.

(Minutes)

Article 46

1 Minutes of the proceedings of the Board of Trustees shall be prepared as provided by law.

2 The minutes shall be signed or affixed with the names and seals of the Trustees and Auditors present at the meeting and shall be kept at the office for ten years from the date of the Board of Trustees meeting.

(Attendance, etc. of Officers)

Article 47

1 The Chair of the Board of Directors and the Auditors shall attend the meetings of the Board of Trustees.

2 If the Chair of the Board of Directors and the Auditors are requested by the Trustees to explain a specific matter at a meeting of the Board of Trustees, they shall provide a necessary explanation of such matter.

CHAPTER VII – CONSULTATION BETWEEN THE BOARD OF DIRECTORS AND THE BOARD OF TRUSTEES

(Consultation of the Board of Directors and the Board of Trustees)

Article 48

1 In the event that the resolutions of the Board of Directors and the Board of Trustees differ on matters requiring resolutions of the Board of Directors and the Board of Trustees pursuant to the provisions of laws and regulations or this Act of Endowment, the Board of Directors or the Board of Trustees may request the Chair of the Board of Directors to hold a meeting of a Council of Directors and Trustees. In this case, the Chair of the Board of Directors shall convene a meeting of the Council of Directors and Trustees within 20 days of the request.

2 The Council of Directors and Trustees shall consist of two Directors and two Trustees, who shall be selected by the Board of Directors and the Board of Trustees, respectively, the Chair of the Board of Directors and the Chair of the Board of Trustees.

3 Members of the Council of Directors and Trustees may attend meetings of the Council either in person or via electronic means.

4 A quorum of the Council of Directors shall consist of four of the members of the Council.

5 The members of the Council of Directors and Trustees shall attend the meetings of the Council of Directors and Trustees and hold discussions in good faith.

6 Resolutions of the Council of Directors and Trustees shall be adopted by a majority of the members of the Council of Directors and Trustees.

7 The Board of Directors or the Board of Trustees shall make a renewed resolution fully respecting the result of the resolution of the Council of Directors and Trustees.

8 Matters necessary for the operation of the Council of Directors and Trustees shall be stipulated in the Rules of Operation of the Council of Directors and Trustees as specified in the Constitution of Gakko Hojin Yokohama International School.

CHAPTER VIII – BUDGET AND BUSINESS PLAN, ETC.

(Accounting Year)

Article 49

The fiscal year of this juridical person shall begin on April 1 and end on March 31 of the following year.

(Budget and Business Plan)

Article 50

The budget and business plan of this juridical person shall be prepared by the Chair of the Board of Directors and approved by the Board of Directors prior to the beginning of each fiscal year. The same shall apply when changes are to be made to them.

(Remuneration for Officers and Trustees)

Article 51

Other than salary as Head of School or as members of staff, neither Official Members nor Trustees shall be given any valuable consideration for their services as Official Members or Trustees.

(Exemption from liability)

Article 52

1 The liability of Officers to compensate this juridical person for damages caused by negligence of their duties may be exempted by a resolution of the Board of Directors up to the amount obtained by deducting the minimum liability limit under Article 92 of the Private School Act from the amount for which the Officers are liable for compensation, if the Officers performed their duties in good faith and without gross negligence, and if the Board of Directors considers it particularly necessary in light of the cause of the negligence and the circumstances surrounding the performance of their duties.

2 The Director shall obtain the consent of each Auditor before submitting to the Board of Directors a proposal for the exemption from liability under the preceding paragraph.

3 When the resolution under paragraph 1 is adopted, the Chair of the Board of Directors shall, without delay, notify the Trustees of the matters listed in each item of Article 92, paragraph 2, of the Private School Act and, if they object to the exemption from liability, that they should state such objection within one month.

4 In the event that one-tenth or more of the total number of the Trustees objects to an exemption from liability of paragraph 3 within the period set forth in the preceding paragraph, the exemption from liability pursuant to the provisions of paragraph 1 shall not be granted.

(Contract of Limited Liability)

Article 53

1 Board of Director members except for the Chair and any Director who is an employee of the juridical person are denoted as Non-Executive Directors hereinafter. A Non-Executive Director or Auditor may enter into a contract with this juridical person to the effect that liability for any damage to this juridical person caused by such Non-Executive Director or Auditor while performing his/her duties in good faith and without gross negligence shall be limited to the higher of a pre-determined amount or the minimum liability limit under Article 92 of the Private School Act.

2 The liability of a Non-Executive Director or an Auditor stated in the previous paragraph may be waived by unanimous vote of the Board of Trustees.

3 This juridical person may obtain insurance cover against liability of any of the Chair of the Board of Directors, Non-Executive Directors, Auditors or employees of this juridical person.

CHAPTER IX – ASSETS AND ACCOUNTING

(Assets)

Article 54

The assets of this juridical person shall be as stated in the inventory of assets.

(Classification of Assets)

Article 55

1 The assets of this juridical person shall be divided into basic assets and operating assets.

2 Basic assets shall be the facilities and equipment necessary for the schools established by this juridical person, or the funds required for these, and shall consist of the assets listed in the basic assets section in the inventory of assets and the assets incorporated into the basic assets in the future.

3 The operating assets shall be the assets necessary for the management of the schools established by this juridical person and shall be the assets listed in the operating assets section of the inventory of assets and the assets incorporated into the operating assets in the future.

4 Donated assets shall be incorporated into the basic assets or operating assets in accordance with the donor's designation, if any.

(Restriction on Disposal of Basic Assets)

Article 56

The basic assets shall not be disposed of. However, when there is an unavoidable reason in the performance of the business of this juridical person, only a part of it may be disposed of if passed by a resolution of two-thirds of the Board of Directors.

(Custody of Reserve Funds)

Article 57

Reserve funds in the endowment and operating assets shall be held in custody under the direction of the Chair of the Board of Directors by purchasing reliable securities, by placing them in trust at a reliable bank, by making fixed-term deposits at a reliable bank, or as fixed-amount postal savings.

(Payment of Expenses)

Article 58

Expenses required for the management of this juridical person shall be paid from the basic assets, real estate in the operating assets, fruits from the reserve fund, income from tuition fees, admission fees, examination fees, and other operating assets.

(Accounting)
Article 59

1 The accounting of this juridical person shall be conducted in accordance with the Accounting Standards for Educational Institutions.

2 The accounting of this juridical person shall be classified into accounting for the management of the school (hereinafter referred to as “School Accounting”).

(Burden of New Obligations or Waiver of Rights Outside the Budget)
Article 60

Except as provided for in the budget, the Board of Directors shall pass by a resolution by a two-thirds majority when it intends to assume new obligations or waive rights. The same shall apply to borrowings (excluding temporary borrowings to be reimbursed from income during the fiscal year).

(Business Report and Settlement of Accounts)
Article 61

1 After the end of each fiscal year, the Chair of the Board of Directors shall prepare the following documents for the business report and settlement of accounts of this juridical person, which shall be audited by the Auditors and approved by the Board of Directors.

- (i) business report
- (ii) annexed schedules to the business report
- (iii) financial statements
- (iv) annexed schedules to the financial statements
- (v) inventory of property

2 Of the documents approved in the preceding paragraph, the Chair of the Board of Directors shall report the contents of the documents set forth in items (i), (iii) and (v) to a regular meeting of the Board of Trustees and hear its opinion.

(Keeping and Inspection, etc. of Inventory of Property, etc.)
Article 62

1 This juridical person shall prepare and keep a list of Officers, etc. (meaning a list containing the names and addresses of Officers and Trustees; the same shall apply hereinafter in paragraph 3 and Article 69, item (ii)) within three months after the end of each fiscal year. The same shall apply hereinafter in paragraph 3 and Article 69, item (2).

2 This juridical person shall keep at its office the documents set forth in each item of paragraph 1 of the preceding Article and the preceding paragraph, the audit report, and this Act of Endowment

(Registration of change in total assets)

Article 63

Changes in the total amount of assets of this juridical person shall be registered as of the end of each fiscal year within three months after the end of the fiscal year.

(Amendment of Act of Endowment)

Article 64

1 When intending to change this Act of Endowment, a resolution of the Board of Directors and a resolution of the Board of Trustees (Article 23, paragraph 1, items 1 through 3 and items 5 through 15 of the Private School Act) shall be adopted by two-thirds majorities, and approval by the Kanagawa Prefectural Governor obtained.

2 Notwithstanding the provisions of the preceding paragraph, matters to be notified as stipulated in the Enforcement Regulations of the Private School Law shall be notified to the Kanagawa Prefectural Governor by a resolution of the Board of Directors and the Board of Trustees.

CHAPTER XI – DISSOLUTION AND MERGER

(Dissolution)

Article 65

1 This juridical person shall be dissolved for any of the following reasons:

- (i) decision by a resolution of the Board of Directors and a resolution of the Board of Trustees passed by two-thirds majorities
- (ii) inability to successfully carry out the business for which this juridical person is intended
- (iii) merger
- (iv) a decision of commencement of bankruptcy proceedings
- (v) an order of dissolution by the Kanagawa Prefectural Governor.

2 Dissolution for the reasons listed in item (i) or (ii) of the preceding paragraph shall be subject to approval by the Kanagawa Prefectural Governor.

(Entities to Which Residual Property Is Attributable)

Article 66

The residual assets in the event of the dissolution of this juridical person (except in the event of dissolution due to a merger or a decision to commence bankruptcy proceedings) shall be vested in a school juridical person or a public interest incorporated association or public interest incorporated foundation engaged in the business of education, as selected by resolution of the Board of Directors at the time of dissolution.

(Merger)

Article 67

When this body intends to merge, it shall obtain the approval of the Governor of Kanagawa Prefecture by a resolution of the Board of Directors and a resolution of the Board of Trustees.

CHAPTER XII – AUXILIARY PROVISIONS

(Method of Public Notice)

Article 68

Public notices of this juridical person shall be given by posting them on its website.

(Detailed Regulations for Enforcement)

Article 69

The detailed regulations for the enforcement of this Act of Endowment and other necessary matters concerning the administration and management of this juridical person and the school established by this juridical person shall be determined by the Board of Directors.

SUPPLEMENTARY AND TRANSITIONAL PROVISIONS

1 This Act of Endowment approved by the Governor of Kanagawa Prefecture on February 27, 2025, shall come into effect as from April 1, 2025.

2 With regard to the qualifications and composition of the Officers and Trustees currently in office at the time of the enforcement of this Act of Endowment, the provisions then in force shall remain applicable until the conclusion of the Annual Meeting of the Board of Trustees for the fiscal year 2025. In this case, Trustees who at that time also serve as Directors shall resign either as a Director or as a Trustee upon consultation with the Board of Trustees at the time of the conclusion of said meeting.

3 Notwithstanding the provisions of Article 9, members of the Board of Directors holding office prior to April 1, 2025 shall remain in office until the expiration of their term set when they were appointed, but not beyond the conclusion of the Annual Meeting of the Board of Trustees in 2027. The Director-Appointing Body at the 2027 Annual Meeting of the Board of Trustees and at Annual Meetings thereafter shall appoint successor members of the Board of Directors comprising three groups having terms staggered with respect to one another. Of the three groups to be appointed at the 2027 Annual Meeting of the Board of Trustees, a first group composed of three persons shall have terms of one year, a second group composed of three persons shall have terms of two years, and a third group composed of four persons shall have terms of three years.

4 This Act of Endowment shall be kept in both the Japanese and English languages. The Japanese version shall take precedence and is legally binding.

5 The Constitution of Gakko Hojin International School shall be kept in both the Japanese and English languages. The English version shall take precedence and is legally binding.