

Corporate Charter

Section 1 General

Article 1 Corporate Name

The corporate name shall be Japan Tissue Engineering Co., Ltd. in English.

Article 2 Objectives

The corporation shall engage in the following business activities:

- 1) Culturing and processing of human cells and tissues, their combination with artificial materials, and the research, development, manufacture, and import/export of cultured skin, cartilage, and bone.
- 2) The culturing and processing of other biological cells, their combination with artificial materials, and the research, development, manufacture, and import/export of cultured skin, cartilage, and bone.
- 3) The storage and inspection of biological cells and tissues.
- 4) Consigned investigations, research, development, and similar activities related to the above items.
- 5) Consultation into research, development, manufacturing, sale, and licensing of products derived from biological sources.
- 6) Personnel dispatch related to research, development, manufacturing, and inspection of products derived from biological sources.
- 7) Design, development, manufacture, and import/export of medical equipment.
- 8) Design, development, manufacture, and import/export of equipment used in the physics and chemistry fields.
- 9) Research, development, manufacture, import/export, and sale of medical products.
- 10) Licensing of industrial property rights and implementation
- 11) Operation of medical and health facilities, and planning and execution of related seminars.
- 12) Production and sale of publications related to the above items.
- 13) Other activities related to the above items.

Article 3 Head Office

The head office shall be located in Gamagori City, Aichi Prefecture.

Article 4 Internal Organs

The corporation shall include the following in addition to the general shareholder's meeting and directors.

- 1) Board of Directors
- 2) Auditor
- 3) Board of Auditors
- 4) Accounting Auditor

Article 5 Public Notice

Public notice shall be by electronic means. In the event that electronic notice becomes impossible due to accident or other factors, however, notice shall be posted in the Nihon Keizai Shimbun.

Section 2 Corporate Stock

Article 6 Total Issuable Shares

The total number of issuable shares shall be 275,000.

Article 7 Self-Acquisition of Shares

Under Article 165, Item 2 of the Companies Act, the corporation is able to acquire its own shares through standard market transaction or similar means, following authorization by the board of directors.

Article 8 Shareholder Registration Administrator

- 1) The corporation shall appoint a shareholder registration administrator.
- 2) The shareholder registration administrator and administration office shall be appointed by the board of directors, and publicly announced.
- 3) Activities related to maintenance of shareholder registrations, new stock purchase reservations, and other matters related to registering and managing shareholders shall be consigned to the shareholder registration administrator, and shall not be handled by the corporation.

Article 9 Handling of shares

Handling of shares, and related fees, shall be as per applicable laws and regulations, this charter, and the regulations drawn up by the board of directors.

Section 3 General Meeting of Shareholders

Article 10 Calling the General Meeting

The general meeting of shareholders shall be called every June, and may be called at other times during the year as needed.

Article 11 General Meeting of Shareholders Basis Date

The basis date for decisions of the general board of shareholders shall be March 31.

Article 12 Meeting Venue

The general meeting of shareholders shall be held in Gamagori City, Aichi Prefecture.

Article 13 Calling and Chairing the General Meeting

- 1) The president of the corporation shall call the general meeting of shareholders, and serve as chair.
- 2) In the event the president is unable to fulfill these obligations, another director shall call and chair the general meeting of shareholders, in accordance with the sequence predefined by the board.

Article 14 Internet Disclosure of General Meeting Materials, and Assumption of Provision

All information required for the general meeting of shareholders, including reference material, business reports, and consolidated and non-consolidated accounting and financial reports, shall be disclosed via the Internet in accordance with Ministry of Justice regulations, and assumed to have been made available to shareholders.

Article 15 Board Decisions

- 1) Decisions of the board of directors shall be made by majority vote of directors present at the board meeting, unless otherwise controlled by law, regulation, or this charter.
- 2) Board decisions under Article 309, Item 2 of the Companies Act shall only be made with shareholders holding at least one-third of total shares present, and require at least a two-thirds majority vote.

Article 16 Proxy Voting

- 1) Shareholders may assign proxy voting rights to any other single shareholder.
- 2) Shareholders or proxies must submit written proof of the assignment of proxy voting rights for each shareholder meeting at which the rights are to be exercised.

Section 4 Directors and Board of Directors

Article 17 Number of Directors

There are a maximum of ten directors.

Article 18 Appointment of Directors

- 1) Directors shall be appointed by the general meeting of shareholders.
- 2) Appointment of a director can only be made with shareholders holding at least one-third of total shares present, and require a majority vote.
- 3) Appointment of a director may not be made by cumulative voting.

Article 19 Termination of Directors

Termination of a director shall be made with shareholders holding at least one-third of total shares present, and require at least a two-thirds majority vote.

Article 20 Term of Office

- 1) The term of the director ends with the completion of the general meeting of shareholders for the last financial term ending within a two-year period after appointment.
- 2) Directors appointed to fill vacancies or newly created positions shall serve terms ended at the same time as the directors replaced or joined.

Article 21 Representative Director and Corporate Officers

- 1) The board of directors shall appoint the representative director(s).
- 2) The board of directors shall appoint directors as the chairman of the board, the president, vice president(s), executive managing director(s), and managing directors(s), as appropriate.

Article 22 Calling and Chairing Board of Director Meetings

- 1) Meetings of the board of directors shall be called and chaired by the president, unless otherwise controlled by law or regulation.
- 2) In the event the president is unable to fulfill these obligations, another director shall call and chair the meeting of the board of directors, in accordance with the sequence predefined by the board.

Article 23 Notification of Board of Director Meetings

- 1) Notification of meetings of the board of directors shall be issued to all directors and auditors at least three days prior to the date of the meeting. However, this period may be shortened as required in emergencies.
- 2) Meetings of the board of directors may be held without any notification with the approval of all directors and auditors.

Article 24 Assumption of Decision by the Board of Directors

When the conditions defined in Article 370 of the Companies Act are fulfilled, a decision of the board of directors shall be assumed.

Article 25 Board of Director Meeting Regulations

Items related to meetings of the board of directors shall be defined by the Board of Director Meeting Regulations, applicable laws and regulations, and this charter.

Article 26 Remuneration, etc.

Salary, bonuses, and other payments received from the corporation in return for services (referred to cumulatively below as "remuneration, etc.") shall be set by the general meeting of shareholders.

Article 27 Director Exemption from Liability

- 1) Past and present directors who have been found delinquent in their duties under Article 426, Item 1 of the Companies Act may be exempted from liability by the board of directors, subject to applicable laws and regulations.
- 2) Under Article 427, Item 1 of the Companies Act, the corporation may enter into agreements limiting responsibility for compensation due in the event an external director is found delinquent in his duty. The maximum compensation amount shall be the higher of a specified amount of at least two million yen, or as specified by applicable laws and regulations.

Section 5
Auditors and the Board of Auditors

Article 28 Number of Auditors

There shall be three auditors.

Article 29 Appointment of Auditors

- 1) Auditors shall be appointed by the general meeting of shareholders.
- 2) Appointment of an auditor shall be made with shareholders holding at least one-third of total shares present, and require a majority vote.

Article 30 Term of Office

- 1) The term of the auditor shall end with the completion of the general meeting of shareholders for the last financial term ending within a four-year period after appointment.
- 2) Auditors appointed to fill vacancies shall serve terms ended at the same time as the auditors replaced.
- 3) The term of the reserve auditor(s) appointed in accordance with Article 329, Item 2 of the Companies Act shall end upon completion of the general meeting of shareholders for the last financial term ending within the four-year period after appointment.
- 4) In the event that the reserve auditor is appointed to fill a vacancy, the term of such auditor shall end at the same time as the term of the auditor that is being replaced; or upon completion of the general meeting of shareholders for the last financial term ending within the four-year period after appointment, whichever comes first.

Article 31 Full-Time Auditors

Full-time auditors shall be appointed by the board of auditors.

Article 32 Calling Board of Auditors Meetings

- 1) Notification of meetings of the board of auditors shall be issued to all auditors at least three days prior to the date of the meeting. However, this period may be shortened as required in emergencies.
- 2) Meetings of the board of auditors may be held without any notification with the approval of all auditors.

Article 33 Regulations of the Board of Auditors

Items related to meetings of the board of auditors shall be defined by the Board of Auditors Meeting Regulations, applicable laws and regulations, and this charter.

Article 34 Remuneration, etc.

Remuneration, etc., due auditors shall be set by the general shareholders meeting.

Article 35 Auditor Exemption from Liability

- 1) Past and present auditors who have been found delinquent in their duties under Article 426, Item 1 of the Companies Act may be exempted from liability by the board of directors, subject to applicable laws and regulations.

- 2) Under Article 427, Item 1 of the Companies Act, the corporation may enter into agreements limiting responsibility for compensation due in the event an external auditor is found delinquent in his duty. The maximum compensation amount shall be the higher of a specified amount of at least two million yen, or as specified by applicable laws and regulations.

Section 6 Accounting Auditors

Article 36 Accounting Auditor Exemption from Liability

- 1) Past and present accounting auditors who have been found delinquent in their duties under Article 426, Item 1 of the Companies Act may be exempted from liability by the board of directors, subject to applicable laws and regulations.
- 2) Under Article 427, Item 1 of the Companies Act, the corporation may enter into agreements limiting responsibility for compensation due in the event an external auditor is found delinquent in his duty. The maximum compensation amount shall be the higher of a specified amount of at least sixteen million yen, or as specified by applicable laws and regulations.

Section 7 Financial Reports

Article 37 Business Year

The business year shall run from April 1 to March 31 the following year.

Article 38 Basis Date for Dividends

- 1) The basis date for term-end dividends shall be March 31.
- 2) In addition to the above, dividends may also be paid from retained earnings for a specified basis date.

Article 39 Intermediate Dividends

The board of directors may distribute intermediate dividends for a basis date of September 30.

Article 40 Statute of Limitations on Dividend Payments

For dividends paid in cash, the corporation shall be absolved of any responsibility for non-payment if the payment has not been received by three years after the date payment was first made.

June 23, 2011
Japan Tissue Engineering Co., Ltd.
President & CEO
Yosuke Ozawa