

Amendments of Articles of Incorporation

The Board of Directors decided at its meeting of May 15, 2006 to place amendments for the Articles of Incorporation on the agenda of the 57th Annual Shareholders' Meeting to be held on June 29, 2006.

1. Reasons

- (1) To change the method of public announcements from publication in The Nihon Keizai Shimbun to electronic announcement, and to specify provisions when electronic announcement is not possible, amend Article 4 (Method of announcement).
- (2) To add new provisions to and remove or amend existing provisions of the Articles of Incorporation to conform to Corporation Law (Act No. 86 of 2005) and the Law Concerning the Coordination, Etc. of Associated Laws in Connection with the Enforcement of the Company Law (Act No. 87 of 2005, hereinafter Coordination Law).
 - 1) To define the bodies established at the Company according to Article 326, paragraph 2 of Corporation Law, add Articles 19 (Establishment of a Board of Directors), 32 (Establishment of Auditors and a Board of Auditors) and 44 (Establishment of Accounting Auditors).
 - 2) To establish conditions whereby stock certificates will be issued, in accordance with Article 214 of Corporation Law, add Article 5 (Issuance of stock certificates).
 - 3) To restrict the rights of owners of fractional shares to rational level, in accordance with Article 189 paragraph 2 of Corporation Law, add Article 9 (Restriction of rights of fractional shares).
 - 4) In accordance with Enforcement Regulations for Corporation Law and Company Accounting Principles Regulations, to reduce costs by making Internet disclosure for shareholders of certain documents including proxy statements for shareholders' meetings, add Article 15 (Internet disclosure for shareholders' meeting reference materials and certain other documents).
 - 5) In accordance with Article 310 paragraph 5 of Corporation Law, to set the number of representatives for voting proxy at one person, change Article 17 (Voting by proxy).
 - 6) In accordance with Article 329 paragraph 2 of Corporation Law, to establish the effective term for selection of temporary auditors, add paragraphs 3 and 4 to Article 36 (Auditors' term of office).
 - 7) In accordance with Article 427 paragraph 1 of Corporation Law, to allow external auditors and the certified public accountant to perform their audits to the full extent of their abilities, add Article 48 (Certified Public Accountant's Exemption from Liability) and a paragraph 2 to Article 43 (Auditors' Exemption from Liability).
 - 8) To stabilize the position of Directors and Auditors, establish that their dismissal is a matter for decision at extraordinary general shareholders' meetings, add Articles 22 (Dismissal of Directors) and 35 (Dismissal of Auditors).
 - 9) To make other required changes in the text and terminology to conform to Corporation Law.
- (3) In addition, to change chapter, article and paragraph numbers to accommodate the above additions and deletions, and generally change the wording of the Articles of Incorporation.

2. Dates

Shareholders' Meeting for making the changes	June 29, 2006
Effective date of changes	June 29, 2006

3. Changes

The changes are as follows.

(Changes are underlined)

Current text	Proposed changes
<p>Chapter 1 General Provisions (Name of Corporation) Article 1 The Company's name shall be Matsuda Sangyo Kabushiki Kaisha, or, in English, MATSUDA SANGYO Co., Ltd. (Objectives) Article 2 The Company's objective shall be businesses below.</p> <ol style="list-style-type: none"> 1. Manufacture, processing and sales of surimi (fresh, frozen) and other seafood; cereal, vegetables (fresh, frozen, dried) and other agricultural products; livestock products; sugar and other sweeteners; oils; animal feed; fertilizers; other foods and ingredients 2. Processing and sales of foodstuffs including canned, bottled, and frozen food and beverages, alcoholic beverages, dairy products and sweets; prepared foods, health foods, food additives and seasonings 3. Sales of sundries, packaging material, cosmetics, medical supplies, quasi-drugs, table salt, industrial salts, cigarettes, drinking water and high pressure gas 4. Wholesale trade, brokerage, agency, import/export of the above 5. Sales, wholesale, brokerage, agency, import/export and analysis of gold, silver and platinum and other bullions 6. Processing, sales, wholesale trade, brokerage, agency, import/export of jewelry and precious metal personal accessories 7. Recycling, recovery, processing, smelting, sales, wholesale trade, brokerage, agency, import/export and analysis of precious metal raw materials 8. Manufacture, sales, wholesale trade, brokerage, agency, import/export of chemicals 9. Sales, wholesale trade, brokerage, agency, import/export, maintenance and service of factory automation process control, product measurement and inspection devices 10. Repair, assembly, remodeling, maintenance and service of semiconductor production devices 11. Sales, wholesale trade, brokerage, agency, import/export of electrical parts for manufacturing semiconductors 12. Sales, wholesale trade, brokerage, agency, import/export and leasing of equipment for manufacturing and inspecting foodstuffs and medical equipment 13. Manufacture, sales, wholesale trade, brokerage, agency, import/export, maintenance and leasing of deodorizing equipment and effluent condensation equipment 14. Sales, wholesale trade, brokerage, agency, import/export, maintenance and leasing of precious metal recycling equipment 15. Manufacture, sales, wholesale trade, brokerage, agency, import/export, maintenance and leasing of industrial water and home water 	<p>Chapter 1 General Provisions (Name of Corporation) Article 1 (unchanged)</p> <p>(Objectives) Article 2 (unchanged)</p>

<p>purifiers 16. Collection, transport, treating, disposal, brokerage and agency for industrial waste 17. Manufacture and sales of recycling devices for industrial and non-industrial waste</p>	
<p>Current text</p>	<p>Proposed changes</p>
<p>18. Sales, wholesale trade, brokerage, agency, import/export, maintenance and leasing of heat treatment and isolation treatment devices for industrial and non-industrial waste 19. Environmental measurement certification in accordance with the Measurement Law 20. Truck transport 21. All business auxiliary to each of the above.</p> <p>(Location of main office) Article 3 The Company's main office shall be located in Shinjuku-ku, Tokyo.</p> <p>(Method of announcement) Article 4 The Company's announcements shall be published in <u>The Nihon Keizai Shimbun.</u> (Added)</p> <p>Chapter 2 Stock (Added)</p> <p>(Acquisition of own company stock) Article 5 The Company may acquire its own company stock <u>with a resolution of the Board of Directors in accordance with Article 211 paragraph 1 item 2 of the Commerce Law.</u></p> <p>(Total shares issued) Article 6 The <u>total number of shares issued by the Company shall be 4 million. The above notwithstanding, if shares are retired, the number of shares shall be reduced by the number retired.</u></p> <p>(Number of shares that constitute a unit) Article 7 <u>The number of shares that constitute a unit of Company stock shall be 100.</u></p> <p>(Stock shall not be issued in fractions of a unit) Article 8 <u>The Company shall not issue stock in fractions of a unit.</u> (Added)</p>	<p>(Location of main office) Article 3 (unchanged)</p> <p>(Method of announcement) Article 4 The Company's announcements shall be published <u>electronically.</u></p> <p><u>2. If an electronic announcement is not possible for any reason, the announcement shall be published in the Nihon Keizai Shimbun.</u></p> <p>Chapter 2 Stock</p> <p>(Issuance of stock certificates) <u>Article 5 the Company shall issue certificates for shares of its stock.</u> <u>2. The above notwithstanding, the Company is not required to issue certificates when the number of shares is a fraction of one unit.</u></p> <p>(Acquisition of own company stock) Article 6 The Company may acquire its own company stock <u>through market transactions and so forth in accordance with a resolution of the Board of Directors</u></p> <p>(Total shares that may be issued) Article 7 <u>The total number of shares that may be issued by the Company shall be 4 million.</u></p> <p>(Number of shares in a unit) Article 8 <u>The number of shares that constitute a unit of Company stock shall be 100.</u> (Moved to Article 5 paragraph 2)</p> <p>(Restriction of Rights of Fractional Shareholders) <u>Article 9 Fractional shareholders of the Company may not practice rights other than those stated below.</u> <u>(1) Rights stated in Article 189 paragraph 2 of the Corporation Law</u> <u>(2) Right to request acquisition of stock with such rights</u> <u>(3) Right to receive allocation of publicly offered stock or publicly offered share warrants.</u></p>

<p>(Transfer agent) Article 9 The Company shall have a <u>transfer agent for stocks</u>. 2. The <u>transfer agent</u> and its place of business shall <u>be selected by the Board of Directors</u>.</p> <p>Current text</p>	<p>(Manager of the registry of shareholders) Article 10 The Company shall have a <u>manager of the shareholders register</u>. 2. The <u>manager of the shareholders register</u> and its place of business shall <u>be selected and announced by the Board of Directors</u>.</p> <p>Proposed changes</p>
<p>3. The Company's shareholder <u>register, beneficial owners list and lost stock certificate registry</u> shall be kept at the place of business of the transfer agent. <u>Shareholder name transfer, delivery of stock certificates, recording of lost certificates, creation of beneficiary owners list, acceptance of beneficiary owners notification, purchase of fractional shares and other stock related duties</u> shall be carried out by the <u>transfer agent</u>, and not by the Company.</p> <p>(Rules for handling stock) Article 10 The types of stock certificates issued by the Company, <u>shareholder name transfer, delivery of stock certificates, recording of lost certificates, creation of beneficiary owners list, acceptance of beneficiary owners notification, purchase of fractional shares and other stock related procedures and fees thereof</u> shall be in accordance with the stock handling rules established by the Board of Directors.</p> <p>(Reference date) Article 11 Shareholders who can exercise the rights at the regular shareholders' meeting <u>for a fiscal period</u> shall be the shareholders who appear on the last shareholders list <u>or beneficiary owners list</u> as of March 31 of each year and those recorded to have voting rights. 2. <u>When there is a need to determine shareholders or those who can exercise rights as pledgees other than the above case, a reference date may be set with prior announcement by a resolution of the Board of Directors</u>.</p> <p>Chapter 3 Shareholders' meeting (Convening) Article 12 Regular meetings of the Company's shareholders shall be convened <u>within three months of the day following each fiscal period</u>. Extraordinary meetings of the shareholders may be convened <u>as needed</u>.</p> <p>(Convener and chairperson) Article 13 <u>Except where otherwise provided by law, the Company's shareholder meetings shall be, by resolution of the Board of Directors,</u></p>	<p>3. The Company's shareholder register, <u>(including beneficial owners list, hereinafter the same) and lost stock certificate registry and master list of new offering stock warrants</u> shall be kept at the place of business of the <u>manager of the shareholders register</u>. <u>Duties related to recording on the shareholder list, delivery of stock certificates, lost stock certificate registry and master list of new offering stock warrants, purchase of fractional shares and other stock and new offering stock warrant</u> shall be carried out by the manager of the shareholders register.</p> <p>(Rules for handling stock) Article 11 The types of stock certificates issued by the Company, <u>recording on the shareholder registry, delivery of stock certificates, lost stock certificate registry and master list of new offering stock warrants, purchase of fractional shares and handling of stock and new offering stock warrant and procedures or fees against the exercise of stock rights of shareholders</u> shall be in accordance with the stock handling rules established by the Board of Directors, <u>except as provided otherwise by law</u>.</p> <p>(Reference date) Article 12 Shareholders who can exercise the rights at the regular shareholders' meeting <u>for a fiscal year</u> shall be the shareholders who appear on the shareholders registry <u>of March 31</u> of each year and those recorded to have voting rights. 2. <u>The above paragraph notwithstanding, when necessary, the shareholders who appear on the shareholders registry or registered stock pledgees can be taken as those who can exercise shareholder rights, with prior announcement, by a resolution of the Board of Directors</u>.</p> <p>Chapter 3 Shareholders' meeting (Convening) Article 13 Regular meetings of the Company's shareholders shall be convened <u>in June each year</u>. Extraordinary meetings of the shareholders may be convened <u>when needed</u>.</p> <p>(Convener and chairperson) Article 14 <u>Except where otherwise provided by</u></p>

<p>convened by the President, <u>who shall also chair the meeting.</u></p> <p>2. When the President is <u>unable to chair the meeting</u>, other Directors shall <u>fill in</u> in the order determined in advance by the Board of Directors.</p> <p>(Added)</p> <p>Current text</p>	<p>law, the Company's shareholder meetings shall be, <u>by resolution of the Board of Directors, convened by the President. In case circumstances arise with respect to the President, another Director shall convene the meeting in the order determined in advance by the Board of Directors.</u></p> <p>2. <u>The President shall chair the shareholders' meeting.</u> In case circumstances arise with respect to the President, another Director shall <u>fill in</u> in the order determined in advance by the Board of Directors.</p> <p><u>(Internet disclosure of proxy statements and certain other documents)</u> <u>Article 15</u> <u>When convening shareholders' meetings, disclosing information that would appear on shareholders' meeting proxy statements, business reports, financial reports and consolidated financial reports using the Internet in accordance with Ministry of Justice ordinance may be deemed as sufficient disclosure to shareholders.</u></p> <p>Proposed changes</p>
<p>(Resolutions) Article <u>14</u> Resolutions of the Company's shareholders' meetings shall, <u>except where otherwise provided by law, be adopted by a simple majority of the shareholders and beneficiary owners present.</u></p> <p>(Voting by proxy) Article <u>15</u> <u>Shareholders and beneficiary owners</u> of the Company may exercise their votes by proxy by delegating the rights to another shareholder <u>or beneficiary owners</u> who possesses the right to vote.</p> <p>2. The shareholder or representative of the above paragraph must present documentation <u>proving proxy at each shareholders' meeting.</u></p> <p>(Meeting minutes) Article <u>16</u> The <u>minutes</u> of a shareholders' meeting shall contain a summary of the proceedings and results of the meeting and <u>the Chair and attending Directors shall place their names and signatures therein.</u></p> <p>2. The original of shareholders' meeting minutes shall be kept at the main office for 10 years after the meeting, and copies shall be kept at the branches for five years.</p> <p>Chapter 4 Directors and the Board of Directors (Added)</p> <p>(Number of members) Article <u>17</u> The Company's Board of Directors shall have no more than 15 members.</p> <p>(Appointment)</p>	<p>(Resolutions) Article <u>16</u> Resolutions of the Company's shareholders' meetings shall, <u>except where otherwise provided by law, be adopted by a simple majority of the shareholders who are able to exercise voting rights</u></p> <p>(Voting by proxy) Article <u>17</u> Shareholders of the Company may exercise their votes by proxy through <u>one representative</u> who possesses the right to vote.</p> <p>2. The shareholder or representative <u>in the case of the above paragraph must present documentation proving proxy at each shareholders' meeting.</u></p> <p>(Meeting minutes) Article <u>18</u> The <u>minutes</u> of a shareholders' meeting shall contain a summary of the proceedings and results of the meeting and <u>other items as provided by law.</u></p> <p>2. (unchanged)</p> <p>Chapter 4 Directors and the Board of Directors <u>(Appointment of a Board of Directors)</u> Article <u>19</u> <u>The Company shall establish a Board of Directors</u></p> <p>(Number of Directors) Article <u>20</u> (unchanged)</p> <p>(election of Directors) Article <u>21</u> Members of the Board of Directors shall be appointed <u>by a resolution of the</u></p>

<p>Article 18 Members of the Board of Directors shall be appointed by a resolution of the shareholders' meeting.</p> <p>2. In the appointment <u>in the paragraph above,</u> a simple majority of the <u>voting rights of the total shareholders and beneficiary owners of the outstanding shares</u> must be in attendance, and the resolution shall be adopted by a simple majority of those.</p> <p>3. <u>The appointment of the Directors of the Company shall not be</u> by cumulative voting.</p> <p>(Added)</p> <p>(Term of office)</p> <p>Article 19 The Company's Directors shall serve until the adjournment of the regular shareholders' meeting <u>of the last fiscal year within 2 years of taking office.</u></p> <p>2. Directors who <u>take office as an alternate or due to augmentation of the staff shall serve until</u> the end of other current Directors' terms.</p> <p>(Representative Directors)</p> <p>Article 20 The Board of Directors <u>shall elect</u> a small number of Representative Directors.</p> <p>(Added)</p>	<p>shareholders' meeting.</p> <p>2. For the appointment <u>of Directors,</u> a simple majority of the voting rights of <u>the shareholders who are able to exercise voting rights</u> must be in attendance, and the resolution shall be adopted by a simple majority of those in attendance.</p> <p>3. <u>The resolution for appointment of the Directors of the Company shall not be</u> by cumulative voting.</p> <p><u>(Dismissal of Directors)</u></p> <p>Article 22 <u>Dismissal of Directors requires a simple majority of the voting rights of the shareholders who are able to exercise voting rights must be in attendance, and the resolution shall be adopted by a 2/3 majority of those in attendance.</u></p> <p><u>(Directors' Term of office)</u></p> <p>Article 23 The Company's Directors shall serve until the adjournment of the regular shareholders' meeting for the <u>last of the fiscal years ending within two years of taking office.</u></p> <p>2. Directors who are <u>appointed due to an increase in the number of Directors, or as an alternate,</u> shall serve <u>until</u> the end of other current Directors' terms.</p> <p><u>(Representative Directors and Executive Directors)</u></p> <p>Article 24 The Board of Directors <u>shall appoint</u> a small number of Representative Directors.</p> <p>2. <u>Representative Directors shall represent the Company and perform the Company's business.</u></p> <p>Proposed changes</p>
<p>Current text</p> <p><u>(Executive Directors)</u></p> <p>Article 21 The Company may through <u>resolutions of the Board of Directors elect one Chairman of the Board, one President & CEO, and a number of Executive Vice Presidents, Executive Directors, Managing Directors and Consulting Directors.</u></p> <p><u>(Board of Directors)</u></p> <p>Article 22 <u>Except as</u> otherwise provided by law, the Board of Directors of the Company shall be convened by the President, who shall also take the chair.</p> <p>2. When the President is <u>unable to chair the meeting,</u> other Directors shall <u>fill in</u> in the order determined in advance by the Board of Directors.</p> <p><u>(Notification of Meetings)</u></p> <p>Article 23 All Directors and Auditors shall be</p>	<p>3. The Board of Directors may elect one <u>Chairman of the Board and, as required, one President & CEO, and a number of Executive Vice Presidents, Executive Directors, Managing Directors and Consulting Directors.</u></p> <p><u>(Convener and Chairperson of the Board of Directors)</u></p> <p>Article 25 <u>Except as</u> otherwise provided by law, the Board of Directors of the Company shall be convened by the President, who shall also take the chair.</p> <p>2. <u>In case circumstances arise with respect to the President,</u> other Directors shall <u>fill in</u> in the order determined in advance by the Board of Directors.</p> <p><u>(Notification of Meetings of the Board of Directors)</u></p> <p>Article 26 All Directors and <u>all</u> Auditors shall be</p>

<p>notified of a meeting of the Board of Directors of the Company at least three days before the day of the meeting. This period may be shortened <u>in case of</u> emergency.</p>	<p>notified of the Board of Directors of the Company at least three days before the day of the meeting. This period may be shortened <u>in cases of</u> emergency.</p>
<p>(Resolutions) Article 24 Quorum is a simple majority of the Board, and resolutions <u>shall be adopted by</u> a simple majority of <u>that majority</u>.</p>	<p>(Resolutions of the Board of Directors) Article 27 Quorum is a simple majority of the Board, and resolutions <u>shall be adopted by</u> a simple majority of <u>the Directors in attendance</u>.</p>
<p>(Meeting minutes) Article 25 The <u>minutes</u> of a meeting of the Board of Directors <u>shall contain a summary of the proceedings and results of the meeting and the Chairperson and attending Directors and Auditors shall place their names and signatures therein</u>.</p>	<p>(Minutes of the Board of Directors) Article 28 The <u>summary of the proceedings and results of the Board of Directors shall be recorded in the minutes of the meeting and the attending Directors and Auditors shall place their names and or electronically sign therein</u>.</p>
<p>2. The minutes of a meeting of the Board of Directors shall be kept at the main office for 10 years after the meeting.</p>	<p>2. (unchanged)</p>
<p>(Rules of the Board of Directors) Article 26 The Board of Directors of the Company shall adopt resolutions that concern <u>matters</u> as set forth in law and these Articles of Incorporation, and <u>important business consideration of the Company. These decisions shall be executed</u> in accordance with rules set forth by the Board of Directors.</p>	<p>(Rules of the Board of Directors) Article 29 The <u>matters that concern the</u> Board of Directors of the Company shall <u>be</u> as set forth in law and these Articles of Incorporation and rules set forth by the Board of Directors.</p>
<p>(Remuneration and retirement benefits) Article 27 Remuneration and retirement benefits of Directors of the Company shall be determined by the shareholders' meeting.</p>	<p>(Directors' remuneration and related matters) Article 30 Remuneration and related matters concerning Directors of the Company shall be determined by a resolution of the shareholders' meeting.</p>
<p>(Directors' exemption from liability) Article 28 The Company may, by a resolution of the Board of Directors and in accordance with Article 266 paragraph 12 of the Commerce Law, exempt Directors (and previous Directors) from liability indemnity to the extent provided by law regarding conduct as set forth in paragraph 5 of the said article of said law.</p>	<p>(Directors' exemption from liability) Article 31 The Company may, by a resolution of the Board of Directors and in accordance with Article 426 paragraph 1 of the Corporation Law, exempt Directors (and previous Directors) from liability indemnity to the extent provided by law regarding conduct as set forth in Article 423 paragraph 1 of said law.</p>
<p>2. The Company may, in accordance with Article 266 paragraph 19 of the Commerce Law, enter into contract with external Directors for liability indemnity regarding conduct set forth in paragraph 5 of the said article of said law. The above notwithstanding, the limits of the liability indemnity in the aforementioned contract shall be as determined by law.</p>	<p>2. The Company may, in accordance with Article 427 paragraph 1 of the Corporation Law, enter into contract with external Directors for limitation of liability indemnity regarding conduct set forth in Article 423 paragraph 1 of said law. The above notwithstanding, the limits of the liability indemnity in the aforementioned contract shall be as determined by law.</p>
<p>Chapter 5 Auditors and the Board of Auditors</p>	<p>Chapter 5 Auditors and the Board of Auditors</p>
<p>(Added)</p>	<p>(Auditors and a Board of Auditors) Article 32 The Company shall have Auditors and a Board of Auditors.</p>
<p>Current text</p>	<p>Proposed changes</p>
<p>(Number of members) Article 29 The Company's Board of Auditors shall have no more than four members.</p>	<p>(Number of Auditors) Article 33 The Company's Board of Auditors shall have no more than 4 members.</p>

<p>(Appointment) Article 30 Auditors shall be appointed by a resolution at the shareholders' meeting. 2. In the appointment of the paragraph above, quorum is a simple majority of the voting rights of the total shareholders and beneficiary owners, of the outstanding shares and the resolution shall be adopted by a simple majority of those in attendance. (Added)</p> <p>(Added)</p> <p>(Added)</p> <p>(Full time Auditors) Article 32 The full time auditors shall be <u>elected by mutual vote s</u> of the Auditors.</p> <p>(Notification of Meetings of the Board of Auditors) Article 33 All Auditors shall be notified of a meeting of the Board of Auditors of the Company at least three days before the day of the meeting. This period may be shortened <u>in case of emergency.</u></p> <p><u>2. When agreed to by all Auditors, a meeting of the Board of Auditors may be held without notification.</u></p> <p>(Resolutions of the Board of Auditors) Article 34 Except where otherwise provided by law, resolutions of the Board of Auditors shall be adopted <u>by</u> a simple majority of all of the Auditors.</p> <p>(Meeting minutes) Article 35 The <u>minutes</u> of a meeting of the Board of Auditors shall <u>contain a summary of the proceedings and results of the meeting and the attending Auditors shall place their names and signatures therein.</u></p> <p>2. The minutes of the Board of Auditors shall be kept at the main office for 10 years after the meeting.</p>	<p>(Appointment of Auditors) Article 34 Auditors shall be appointed by a resolution at the shareholders' meeting. 2. In the appointment of the paragraph above, a quorum is a majority of the voting rights of the shareholders who are able to exercise voting rights, and the resolution shall be adopted by a majority of those in attendance.</p> <p>(Dismissal of Auditors) Article 35 A quorum for determining dismissal of Auditors is a majority of the voting rights of the shareholders who are able to exercise voting rights, and the resolution shall be adopted by a 2/3 majority of those in attendance.</p> <p>(Auditors' Term of Office) Article 36 The Company's Auditors shall serve until the adjournment of the regular shareholders' meeting for the <u>last of the fiscal years ending within 4 years of taking office.</u></p> <p>2. <u>Persons who are appointed as alternate auditors shall serve until the end of the term of appointment of the departed Auditor.</u></p> <p>3. <u>Appointment of temporary Auditors appointed in accordance with Article 329 paragraph 2 of the Corporation Law shall be in effect until the adjournment of the regular shareholders' meeting for the last of the fiscal years ending within 4 years of taking office.</u></p> <p>4. <u>When an aforementioned alternate Auditor takes office, said alternate shall serve until the end of the term of the replaced Auditor.</u></p> <p>(Full time Auditors) Article 37 Auditors shall <u>elect</u> full time Auditors <u>from among the Auditors.</u></p> <p>(Notification of Meetings of the Board of Auditors) Article 38 All Auditors shall be notified of a meeting of the Board of Auditors of the Company at least 3 days before the day of the meeting. This period may be shortened <u>in case of emergency.</u></p> <p>(deleted)</p> <p>(Resolutions of the Board of Auditors) Article 39 Except where otherwise provided by law, resolutions of the Board of Auditors shall be adopted <u>by</u> a simple majority of all of the Auditors.</p> <p>(Minutes of meetings the Board of Auditors) Article 40 The <u>proceedings and results of a meeting of the Board of Auditors and other matters as provided by law shall be recorded in the minutes and the attending Auditors shall either place their signatures or electronically sign therein.</u></p> <p>2. (unchanged)</p>
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(Rules of the Board of Auditors)

Article 36 The matters that concern the Board of Auditors shall be as set forth in law and these Articles of Incorporation, and in accordance with rules set forth by the Board of Auditors.

Current text

(Rules of the Board of Auditors)

Article 41 The matters that concern the Board of Auditors shall be matters as set forth in law and these Articles of Incorporation, and in accordance with rules set forth by the Board of Auditors.

Proposed changes

<p>(Remuneration and retirement benefits) <u>Article 37</u> Remuneration and <u>retirement benefits</u> of Auditors of the Company shall be determined by resolutions at the shareholders' meeting.</p> <p>(Auditors' exemption from liability) <u>Article 38</u> The Company may, <u>with</u> a resolution of the Board of Directors and in accordance with <u>Article 280 paragraph 1 of the Commerce Law</u>, exempt Directors (and previous Directors) from <u>liability</u> to the extent provided by law regarding conduct set forth by law. (Added)</p> <p>(Added)</p> <p>Chapter 6 Accounting (Fiscal year and settlement date) <u>Article 39</u> The Company's <u>fiscal year</u> shall be the period from April 1 to March of the following year, and the settlement date shall be the last day of each fiscal year.</p> <p>(Dividends) <u>Article 40</u> The Company shall pay <u>dividends</u> to shareholders who appear on the last shareholders list of every settlement date and beneficiary owners who appear on the beneficiary owners list or registered pledgees.</p> <p>(Interim dividends)</p>	<p>(<u>Auditors' remuneration and other matters</u>) <u>Article 42</u> Remuneration and <u>other matters concerning</u> Auditors of the Company shall be determined by resolutions at the shareholders' meeting.</p> <p>(Auditors' exemption from liability) <u>Article 43</u> The Company may, <u>by</u> a resolution of the Board of Directors and in accordance with <u>Article 426 paragraph 1 of the Corporation Law</u>, exempt Auditors (and previous Auditors) from <u>liability indemnity</u> to the extent provided by law regarding conduct set forth by law. 2. The Company may, in accordance with <u>Article 427 paragraph 1 of the Corporation Law</u>, enter into contract with external Auditors for limitation of liability indemnity regarding conduct set forth in <u>Article 423 paragraph 1 of said law</u>. The above notwithstanding, the limits of the liability indemnity in the aforementioned contract shall be as determined by law.</p> <p><u>Chapter 6 Certified Public Accountant</u></p> <p>(<u>Appointment of a certified public accountant</u>) <u>Article 44</u> The Company shall appoint a certified public accountant</p> <p>(<u>Selection of the certified public accountant</u>) <u>Article 45</u> The certified public accountant shall be appointed at the shareholders' meeting.</p> <p>(<u>Certified public accountant's term of service</u>) <u>Article 46</u> The certified public accountant shall serve until the adjournment of the last regular shareholders' meeting of the first fiscal year ending within one year of appointment. 2. Absent a specific resolution at the aforementioned shareholders' meeting, the certified public accountant shall be considered reappointed at said meeting.</p> <p>(<u>Auditors' compensation and related matters</u>) <u>Article 47</u> The certified public accountant's compensation and related matters shall be determined by the President & CEO with the consent of the Board of Auditors.</p> <p><u>Chapter 7 Accounting</u> (<u>Business year</u>) <u>Article 48</u> The Company's <u>business year</u> shall be the period from April 1 to March 31 (<u>of the following year</u>).</p> <p>(<u>Year-end dividends</u>) <u>Article 49</u> The Company shall pay cash dividends as decided by a resolution of the shareholders' meeting every year from surplus funds (hereinafter "year-end dividends" to shareholders who appear on the shareholders registry for March 31 or registered pledgees.</p> <p>(Interim dividends) <u>Article 50</u> The Company may, by resolution of</p>
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<p>Article 41 The Company may pay interim dividends to shareholders who appear on the last shareholders list as of September 30 each year and <u>beneficiary owners who appear on the beneficiary owners list and registered pledgees.</u></p> <p>Current text</p>	<p><u>the Board of Directors, pay dividends from surplus funds as defined in Article 454 paragraph 5 of the Corporation Law (hereinafter "interim dividends") to shareholders who appear on the shareholders registry for September 30 or the list of beneficial owners.</u></p> <p>Proposed changes</p>
<p>(Statute of limitations of dividends) Article 42 If year end or interim dividends or any other grants of the Company is not received after three years have elapsed from the date payment begins, the Company shall be deemed relieved of the obligation to pay said monies. (Added)</p>	<p>(Statute of limitations of end of the year dividends) Article 51 If year end or interim dividends of the Company is not received after three years have elapsed from the date payment begins, the Company shall be relieved of the obligation to pay said monies.</p> <p><u>2. Interest will not be paid on unpaid end of year or interim dividends.</u></p>