



May 3, 2006

To whom it may concern,

Company Name: Seven & I Holdings Co., Ltd.
Name of Representative:
Noritoshi Murata, President & Representative Director
(Code No. 3382/First Section of the Tokyo Stock Exchange)
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Partial Amendment to Articles of Incorporation

On May 2, 2006, at its meeting of Board of Directors, Seven & I Holding Co., Ltd. (the “Company”) decided to amend a part of Articles of Incorporation as set out below. The partial amendment to Articles of Incorporation is subject to the approval of the Annual Shareholders’ Meeting to be held on May 25, 2006.

1. Reason for Amendments

- (1) Upon applying the “Corporate Law” (Law No. 86 of 2005), the “Law Concerning Coordination of the Related Laws in Connection with the Enforcement of the Law” (Law No. 87 of 2005) (the “Coordination Law”), the “Enforcement Regulations of the Law” (Ordinance of the Ministry of Justice No. 12 of 2006) and the “Calculation Regulations” (Ordinance of the Ministry of Justice No. 13 of 2006) taking effect on May 1, 2006, the necessary amendments are made as follows:
 - (i) A new provision is laid down in order that the rights of shares constituting less than one unit may be limited to a reasonable range (the proposed Article 10).
 - (ii) The corresponding provision is deleted to allow more flexibility in holding a meeting of shareholders because the regulation has been relaxed regarding the place where general meetings of shareholders shall be held (the current Article 13).
 - (iii) A new provision is laid down in order that the Company, considering popularization of the Internet, may utilize the Internet to disclose more adequate information at shareholders meetings pursuant to the order of the Ministry of Justice (the proposed Article 17).
 - (iv) Necessary amendment is made to clarify that only one (1) proxy may attend a shareholders’ meeting in place of an individual shareholder (the proposed Article 19, paragraph 1).
 - (v) A new provision is laid down in order that resolutions of a meeting of the board of directors may be approved in the form of writing or electromagnetic records for the purpose of flexible operation of the board of directors (the proposed Article 26).

- (vi) A new provision is laid down in order that the Company may enter an agreement with an outside auditor for the purpose that that outside auditor may play his/her full part as expected in connection with the execution of his/her duties (the proposed Article 35, paragraph 2).
- (vii) Necessary amendment is made to appropriately stipulate the exclusion period of dividends because the range of assets which may be distributed as dividends of surplus, etc. has been widened (the proposed Article 39).
- (2) New items are added to the Purpose of the Company for future business development (the proposed Article 2, paragraph 1).
- (3) The revision of composition and order of Chapters and Articles and expressions are made upon applying the “Corporate Law,” the “Coordination Law,” the “Enforcement Regulations of the Law” and the “Calculation Regulations.”
- (4) Supplementary Provisions, which become unnecessary, are deleted.
- (5) Necessary amendments are made corresponding to transitional measures stipulated in the “Coordination Law” that provide deemed provisions as follows:
 - (i) The Company is deemed to have a board of directors, corporate auditors, board of corporate auditors and accounting auditor(s) (the proposed Article 4).
 - (ii) The Company is deemed to issue share certificates (the proposed Article 7).
 - (iii) The Company is deemed to appoint a manager of the register of shareholders (the proposed Article 12).

2. Substance of Amendments

The substance of amendments is as follows:

(Underline indicates the proposed amendment.)

| Current Articles of Incorporation | Proposed Amendment |
|---|---|
| CHAPTER I: GENERAL PROVISIONS | CHAPTER I: GENERAL PROVISIONS |
| Article 1 (Trade name) The Company shall be called “ <i>Kabushiki Kaisha Seven & I Holdings</i> ” and in English, “Seven & <u>I</u> Holdings Co., Ltd.” | Article 1 (Trade name) The Company shall be called “ <i>Kabushiki Kaisha Seven & I Holdings</i> ” and in English, “Seven & <u>i</u> Holdings Co., Ltd.” |
| Article 2 (Purpose) The purpose of the Company shall be, by way of owning shares of companies engaging in the following businesses and companies engaging in businesses equivalent thereto, to control and manage the businesses and activities of such companies: | Article 2 (Purpose) The purpose of the Company shall be, by way of owning shares of companies engaging in the following businesses and companies engaging in businesses equivalent thereto, to control and manage the businesses and activities of such companies: |
| (1) Retail trade of various goods, and manufacturing, processing and wholesale of related products; | (1) Retail trade of various goods and other commerce, and manufacturing, processing and wholesale of related products; |
| (2) to (12) (Text omitted); | (2) to (12) (Text omitted); |
| (13) Sale of works of art; | (13) Sale and repair of works of art, swords and guns; |

(14) to (71) (Text omitted);

(New)

(72) Any other business incidental to or in connection with the foregoing.

The Company may conduct any businesses mentioned in the preceding items and any other business incidental thereto or in connection therewith.

Article 3 (Head Office)

The Company shall have its head office in Chiyoda-ku, Tokyo.

(New)

(Article 4) (Method of Public Notices)

Public notices by the Company shall be made in the *Nihon Keizai Shimbun* published in Tokyo.

CHAPTER II: SHARES

Article 5 (Total Number of Shares Authorized to be Issued)

The total number of shares authorized to be issued by the Company shall be 4,500,000,000 shares; provided, however, that if a cancellation of shares is made, the number of shares authorized to be issued shall be reduced by the number of shares so cancelled.

(New)

Article 6 (Purchase of Own Shares)

The Company may purchase its own shares by a resolution of the Board of Directors in accordance with the provisions of the Commercial Code, Article 211-3, paragraph 1, item 2.

Article 7 (Number of Shares Constituting One Voting Unit; Non-Issuance of Share Certificates Representing Shares Constituting Less Than One Voting Unit)

The number of shares constituting one voting unit of the Company shall be 100.

(14) to (71) (Text omitted);

(72) General and Special Temporary Work Services;

(73) Any other business incidental to or in connection with the foregoing.

2. The Company may conduct any businesses mentioned in the preceding items and any other business incidental thereto or in connection therewith.

Article 3 (Head Office)

The Company shall have its head office in Chiyoda-ku, Tokyo.

Article 4 (Organization)

The Company has the following organizations:

(1) board of directors;

(2) corporate auditors;

(3) board of corporate auditors; and

(4) accounting auditor(s)

(Article 5) (Method of Public Notices)

Public notices by the Company shall be made in the *Nihon Keizai Shimbun*.

CHAPTER II: SHARES

Article 6 (Total Number of Issuable Shares)

The total number of shares issuable by the Company shall be 4,500,000,000 shares.

Article 7 (Issuance of Share Certificates)

The Company shall issue share certificates in respect of shares.

Article 8 (Acquisition of Own Shares)

The Company may acquire its own shares by a resolution of the Board of Directors in accordance with the provisions of the Corporate Law, Article 165, paragraph 2.

Article 9 (Number of Shares Constituting One Voting Unit; Non-Issuance of Share Certificates Constituting Less Than One Voting Unit)

1. The number of shares constituting one voting unit of the Company shall be 100.

The Company shall not issue any share certificates representing shares of less than the number of shares constituting one voting unit (hereinafter referred to as “Less-than-One-Voting-Unit Shares”); provided, however, that in cases set forth in the share handling rules, this shall not apply.

(New)

Article 8 (Additional Purchase of Shares of Less than One Voting Unit)

In accordance with the provisions of the share handling rules, any shareholder having Less-than-One-Voting-Unit Shares of the Company (including beneficial shareholders, and the same shall apply hereinafter) shall be entitled to demand that the Company sell such number of shares as may, together with the Less-than-One-Voting-Unit Shares, constitute the number of shares constituting one voting unit.

Article 9 (Transfer Agent)

The Company shall appoint a transfer agent with respect to shares.

The transfer agent and its handling office shall be designated by a resolution of the board of directors, and a public notice shall be made with respect thereto.

The register of shareholders and the register of beneficial shareholders (hereinafter referred to as the “Register of Shareholders, Etc.”) and the lost-share-certificate register of the Company shall be kept at the handling office of the transfer agent,

2. Notwithstanding the provisions of Article 7 hereof, the Company shall not issue any share certificates representing shares constituting less than one voting unit; provided, however, that in cases set forth in the share handling rules, this shall not apply.

Article 10 (Rights of Shares Constituting Less Than One Voting Unit)

Shareholders (including beneficial shareholders, and the same shall apply hereinafter) of the Company shall not be entitled to exercise any rights other than the following rights in respect of shares constituting less than one voting unit:

- (1) Rights listed in each item of the Corporate Law, Article 189, paragraph 2.
- (2) Rights to demand in accordance with the provisions of the Corporate Law, Article 166, paragraph 1.
- (3) Rights to receive the allocation of offered shares and share subscription rights according to the number of shares held by such shareholder.
- (4) Rights to demand as provided in the following Article.

Article 11 (Additional Purchase of Shares of Less than One Voting Unit)

In accordance with the provisions of the share handling rules, any shareholder shall be entitled to demand that the Company sell such number of shares as may, together with the number of shares constituting less than one voting unit held by them, constitute the number of shares constituting one voting unit.

Article 12 (Manager of Register of Shareholders)

1. The Company shall appoint a manager of the register of shareholders.

2. The manager of the register of shareholders and its handling office shall be designated by a resolution of the board of directors, and a public notice shall be made with respect thereto.

3. Preparation and keeping of the register of shareholders (including the register of beneficial shareholders, and the same shall apply hereinafter), the register of share subscription rights and the lost-share-certificate register of the

and the registration of transfers of shares, purchases and additional purchases of Less-than-One-Voting-Unit Shares, delivery of share certificates, acceptance of notification and other operations relating to shares shall be handled by the transfer agent.

Article 10 (Record Date)

The Company shall deem shareholders having voting rights registered or recorded in the last Register of Shareholders, Etc. as of the last day of February of each year as the shareholders who shall be entitled to exercise their rights at the annual shareholders' meeting for the accounting period.

Notwithstanding the preceding paragraph, the Company may, pursuant to a resolution of the board of directors and upon making a prior public notice thereof, deem shareholders having voting rights registered or recorded in the last Register of Shareholders, Etc. as of a date different from the aforesaid date as the shareholders who shall be entitled to exercise their rights at the annual shareholders meeting for the relevant accounting period.

In addition to the preceding two paragraphs, the Company may, if necessary, pursuant to a resolution of the board of directors and upon making a prior public notice thereof, deem shareholders having voting rights registered or recorded in the last Register of Shareholders, Etc. as of a certain date as the shareholders who shall be entitled to exercise their rights.

Article 11 (Share Handling Rules)

The denominations of share certificates of the Company, registration of transfers of shares, purchases and additional purchases of the Less-than-One-Voting-Unit Shares, registration of pledges and indications of shares in trust and cancellations thereof, non-possession of share certificates, re-issuance of share certificates, various notifications from shareholders, other operations relating to shares and handling fees therefor shall be governed by the share handling rules prescribed by the board of directors.

CHAPTER III: SHAREHOLDERS' MEETING

Article 12 (Time of Meeting)

An annual shareholders' meeting of the Company shall be convened no later than three (3) months from the day following the end of each accounting period and an extraordinary shareholders' meeting shall be convened

Company and other operations relating to the register of shareholders, register of share subscription rights and lost-share-certificate register shall be entrusted to the manager of the register of shareholders, and shall not handled by the Company.

(Deleted)

Article 13 (Share Handling Rules)

The handling of shares of the Company and handling fees therefore shall be governed by the share handling rules prescribed by the board of directors, as well as laws and ordinances and these articles of incorporation.

CHAPTER III: SHAREHOLDERS' MEETING

Article 14 (Convocation)

An annual shareholders' meeting of the Company shall be convened in May of each year and an extraordinary shareholders' meeting shall be convened whenever necessary.

whenever necessary.

Article 13 (Place of Convocation)

General shareholders' meeting shall be convened in Tokyo.

(New)

Article 14 (Chairperson of the Meeting)

The Director-President shall preside over the shareholders' meeting.

If the Director-President is unable to so act, one of the other directors in an order previously determined by the board of directors shall take the Director-President's place.

(New)

Article 15 (Method of Adopting Resolution)

Unless otherwise stipulated by laws or ordinances or these Articles of Incorporation, resolutions of a shareholders' meeting shall be adopted by a majority of the voting rights of the shareholders attending the meeting.

Unless otherwise stipulated by these Articles of Incorporation, special resolutions of a shareholders' meeting governed by Article 343 of the Commercial Code shall be adopted by a vote of two-thirds (2/3) or more of the voting rights of those shareholders who attend the relevant meeting who shall hold in aggregate one-third (1/3) or more of the voting rights of all shareholders.

Article 16 (Voting by Proxy)

(Deleted)

Article 15 (Record Date for Annual Meetings of Shareholders)

The record date for the voting rights of an annual shareholders' meeting of the Company shall be the last day of February of each year.

Article 16 (Convener and Chairperson)

1. The Director-President shall convene and preside over the shareholders' meeting.

2. If the Director-President is unable to so act, one of the other directors in accordance with an order previously determined by the board of directors shall convene and preside over the shareholders' meeting.

Article 17 (Internet Disclosure and Deemed Provision of Reference Documents for Shareholders' Meeting, Etc.)

The Company may be deemed to have provided to the shareholders, upon the convocation of a shareholders' meeting, the reference documents for the shareholders' meeting, business reports, financial statements, consolidated financial statements, accounting audit reports and any information concerning the matters to be described or indicated in the audited reports, by disclosing such items through the Internet pursuant to the provisions set forth by the order of the Ministry of Justice.

Article 18 (Method of Adopting Resolution)

1. Unless otherwise stipulated by laws or ordinances or these Articles of Incorporation, resolutions of a shareholders' meeting shall be adopted by a majority of the voting rights of the shareholders attending the meeting entitled to exercise voting rights.

2. Resolutions of a shareholders' meeting governed by Article 309, paragraph 2 of the Corporate Law shall be adopted by a vote of two-thirds (2/3) or more of the voting rights of those shareholders who attend the relevant meeting who shall hold in aggregate one-third (1/3) or more of the voting rights of shareholders entitled to exercise voting rights.

Article 19 (Voting by Proxy)

Shareholders may exercise their voting rights by a proxy who shall also be a shareholder of the Company entitled to exercise voting rights. In this case, the shareholder or his/her proxy shall submit to the Company a document evidencing the authority of such proxy to act as such at each shareholders' meeting.

Article 17 (Minutes)

The substance of the proceedings and the results of the shareholders' meeting shall be recorded in the minutes, to which the chairperson of the meeting and the directors and corporate auditors present at such meeting shall affix their names and seals.

CHAPTER IV: BOARD OF DIRECTORS

Article 18 (Authority of Board of Directors)

In addition to matters stipulated by laws and ordinances or by these Articles of Incorporation, the board of directors shall determine the execution of important business of the Company.

Article 19 (Convocation of Meetings of the Board of Directors)

Unless otherwise stipulated by laws or ordinances, the Director-President shall convene and preside over meetings of the board of directors. If the Director-President is unable so to act, one of the other directors in an order previously determined by the board of directors shall convene and preside over meetings of the board of directors.

Notice to convene a meeting of the board of directors shall be given to each director and corporate auditor not less than three (3) days prior to the date set for such meeting; provided, however, that in the case of an emergency, such period may be shortened.

With the consent of all directors and corporate auditors, a meeting of the board of directors may be held without conducting the procedures of convocation.

Article 20 (Resolutions of the Board of Directors)

Resolutions of a meeting of the board of directors shall be adopted by a majority in number of the directors present at a meeting attended by the directors who constitute a majority in number of

1. Shareholders may exercise their voting rights by a proxy who shall also be one (1) shareholder of the Company entitled to exercise voting rights.

2. The shareholder or his/her proxy shall submit to the Company a document evidencing the authority of such proxy to act as such at each shareholders' meeting.

(Deleted)

CHAPTER IV: DIRECTORS AND BOARD OF DIRECTORS

(CHAPTER IV was incorporated to this chapter.)

(Deleted)

(Divided into Articles 24 and 25 with partial amendments.)

(Deleted)

all the directors.

Article 21 (Minutes)

The substance of proceedings and the results of the meetings of the board of directors shall be recorded in the minutes, to which the directors and corporate auditors present at such meetings shall affix their names and seals.

CHAPTER V: DIRECTORS

Article 22 (Number)

The Company shall have not more than eighteen (18) directors.

Article 23 (Election)

A resolution for the election of directors shall be adopted by a majority of the voting rights of those shareholders present at the relevant meeting who shall hold in aggregate one-third (1/3) or more of the voting rights of all shareholders.

Cumulative voting shall not be used for the election of directors.

Article 24 (Term of Office)

The term of office of directors shall expire at the closing of the annual shareholders' meeting concerning the last accounting period within one (1) year after their assumption of office.

The term of office of a director who has been elected to fill a vacancy or in order to increase the number of directors shall expire when the term of the other directors then serving will expire.

Article 25 (Directors with Titles)

(New)

The board of directors may, by its resolutions, appoint one Director-Chairperson, one Director-President, some Director-Deputy Chairpersons, some Director-Deputy Presidents, some Senior Managing Directors and some Managing Directors.

Article 26 (Representative Directors)

The Director-President shall represent the Company.

In addition to the preceding paragraph, the board

(Deleted)

(Incorporated to CHAPTER IV)

Article 20 (Number)

(As set forth in the current articles of incorporation.)

Article 21 (Method of Election)

1. Directors shall be elected at a general meeting of shareholders.

2. A resolution for the election of directors shall be adopted by a majority of the voting rights of those shareholders present at the relevant meeting who shall hold in aggregate one-third (1/3) or more of the voting rights of shareholders entitled to exercise voting rights.

3. Cumulative voting shall not be used for the election of directors.

Article 22 (Term of Office)

1. The term of office of directors shall expire at the closing of the annual shareholders' meeting concerning the last business year ending within one (1) year after their appointment.

2. The term of office of a director who has been elected to fill a vacancy or in order to increase the number of directors shall expire when the term of the other directors then serving would have expired.

Article 23 (Representative Directors and Directors with Titles)

1. The board of directors shall, by its resolution, appoint Representative Directors.

2. The board of directors may, by its resolution, appoint one Director-Chairperson, one Director-President, several Director-Deputy Chairpersons and several Director-Deputy Presidents.

(Deleted)

of directors may, by its resolutions, appoint directors to represent the Company.

(Moved from current Article 19 with partial amendments.)

(Moved from current Article 19 with partial amendments.)

(New)

Article 27 (Compensation)

The compensation for directors shall be determined by a resolution of a shareholders' meeting.

Article 28 (Reduction of Directors' Liability, Etc.)

The Company may, in accordance with the provisions of the Commercial Code, Article 266, paragraph 12, by a resolution of its board of directors, exempt a director (including a former director) from his/her liability regarding an act

Article 24 (Convener and Chairperson of Meetings of the Board of Directors)

1. Unless otherwise stipulated by laws or ordinances, the Director-President shall convene and preside over meetings of the board of directors.

2. If the Company has a vacancy for the position of Director-President or the Director-President is unable so to act, one of the other directors in accordance with an order previously determined by the board of directors shall convene and preside over the meeting of the board of directors.

Article 25 (Convocation Notice of Meetings of the Board of Directors)

1. Notice to convene a meeting of the board of directors shall be given to each director and corporate auditor not less than three (3) days prior to the date set for such meeting; provided, however, that in the case of emergency, such period may be shortened.

2. With the consent of all directors and corporate auditors, a meeting of the board of directors may be held without conducting the procedures of convocation.

Article 26 (Omission of Resolutions of the Board of Directors)

If all of the directors consent to the matters to be resolved at the board of directors meeting in writing or electromagnetic records, resolutions of a meeting of the board of directors of the Company shall be deemed to be adopted unless objected to by the corporate auditors.

Article 27 (Compensation, Etc.)

The compensation, bonus or other proprietary interests to be received by directors from the Company in consideration for performance of their duties (hereinafter referred to as the "Compensation, Etc.") shall be determined by the resolution of a shareholders' meeting.

Article 28 (Reduction of Directors' Liability, Etc.)

1. In the case of fulfillment of the requirements regarding the liability indemnity as provided in the Corporate Law, Article 423, paragraph 1, the Company may, by a resolution of its board of directors, exempt a director (including

mentioned in Article 266, paragraph 1, item 5 to the extent stipulated in the relevant laws and ordinances.

The Company may, in accordance with the provisions of the Commercial Code, Article 266, paragraph 19, execute an agreement with an outside director that limits his/her liability for compensation regarding an act mentioned in Article 266, paragraph 1, item 5; provided, however, that the limited amount of liability for compensation pursuant to such agreement shall be the amount stipulated in the relevant laws and ordinances.

CHAPTER VI: BOARD OF CORPORATE AUDITORS

Article 29 (Authority of Board of Corporate Auditors)

In addition to its authority as stipulated by laws and ordinances, the board of corporate auditors may, by its resolutions, determine matters with respect to the execution of duties of corporate auditors (to an extent not to prevent corporate auditors from exercising their authority).

Article 30 (Convocation of Meetings of the Board of Corporate Auditors)

Notice to convene a meeting of the board of corporate auditors shall be given to each corporate auditor not less than three (3) days prior to the date set for such meeting; provided, however, that in the case of an emergency, such period may be shortened.

With the consent of all corporate auditors, a meeting of the board of corporate auditors may be held without conducting the procedures of convocation.

Article 31 (Resolutions of the Board of Corporate Auditors)

Unless otherwise stipulated in laws and ordinances, resolutions of a meeting of the board of corporate auditors shall be adopted by a majority of the corporate auditors.

Article 32 (Minutes)

The substance of proceedings and the results of the meetings of the board of corporate auditors shall be recorded in the minutes, to which the corporate auditors present at such meetings shall

a former director) from the amount of his/her liability indemnity minus the minimum amount of liability indemnity stipulated in the relevant laws and ordinances.

2. The Company may execute an agreement with an outside director that limits his/her liability indemnity as provided in the Corporate Law, Article 423, paragraph 1; provided, however, that such limitation shall apply only in the case of fulfillment of the requirements stipulated in the relevant laws and ordinances, and that the limited amount of liability indemnity pursuant to such an agreement shall be the minimum amount of liability indemnity stipulated in the relevant laws and ordinances.

CHAPTER V: CORPORATE AUDITORS AND BOARD OF CORPORATE AUDITORS

(CHAPTER VII was incorporated to this chapter.)

(Deleted)

(Moved to Article 33 with partial amendments.)

(Deleted)

(Deleted)

affix their names and seals.

CHAPTER VII: CORPORATE AUDITORS

Article 33 (Number)

The Company shall have not more than five (5) corporate auditors.

Article 34 (Election)

(New)

Resolutions for the election of corporate auditors shall be adopted by a majority of the voting rights of those shareholders present at the relevant meeting who shall hold in aggregate one-third (1/3) or more of the voting rights of all shareholders.

Article 35 (Term of Office)

The term of office of corporate auditors shall expire at the closing of the annual shareholders' meeting concerning the last accounting period within four (4) years after their assumption of office. The term of office of a corporate auditor who has been elected to fill a vacancy of a corporate auditor who has retired shall expire when the term of office of the corporate auditor who has retired would have otherwise expired.

Article 36 (Full-Time Corporate Auditor(s))

The corporate auditors shall appoint full-time corporate auditor(s) from among themselves.

(Moved from current Article 30 with partial amendments.)

Article 37 (Compensation)

The compensation for the corporate auditors shall be determined by a resolution of a shareholders' meeting.

Article 38 (Reduction of Corporate Auditors'

(Incorporated into CHAPTER V)

Article 29 (Number)

(As set forth in the current articles of incorporation.)

Article 30 (Method of Election)

1. Corporate auditors shall be elected at a general meeting of shareholders.

2. Resolutions for the election of corporate auditors shall be adopted by a majority of the voting rights of those shareholders present at the relevant meeting who shall hold in aggregate one-third (1/3) or more of the voting rights of shareholders entitled to exercise voting rights.

Article 31 (Term of Office)

1. The term of office of corporate auditors shall expire at the closing of the annual shareholders' meeting concerning the last business year within four (4) years after their appointment.

2. The term of office of a corporate auditor who has been elected to fill a vacancy of a corporate auditor who has retired before the expiration of the term of his/her office shall expire when the remaining term of the predecessor would have expired.

Article 32 (Full-Time Corporate Auditors)

The board of corporate auditors shall appoint full-time corporate auditor(s) by its resolution.

Article 33 (Convocation Notice of Meetings of the Board of Corporate Auditors)

1. Notice to convene a meeting of the board of corporate auditors shall be given to each corporate auditor not less than three (3) days prior to the date set for such meeting; provided, however, that in the case of emergency, such period may be shortened.

2. With the consent of all corporate auditors, a meeting of the board of corporate auditors may be held without conducting the procedures of convocation.

Article 34 (Compensation, Etc.)

The Compensation, Etc. for the corporate auditors shall be determined by the resolution of a shareholders' meeting.

Article 35 (Reduction of Corporate Auditors'

Liability, Etc.)

The Company may, in accordance with the provisions of the Commercial Code, Article 280, paragraph 1, by a resolution of its board of directors, exempt a corporate auditor (including a former corporate auditor) from his/her liability to the extent stipulated in the relevant laws and ordinances.

(New)

CHAPTER VIII: ACCOUNTING

Article 39 (Business Year)

The business year of the Company shall be the one-year period from March 1 of each year through the last day of February of the following year and the last day of the accounting period shall be the last day of the relevant business year.

Article 40 (Profit Dividends)

Profit dividends of the Company shall be paid to shareholders or registered pledgees registered or recorded in the last Register of Shareholders, Etc. as of the last day of February of each year.

Article 41 (Interim Dividends)

The Company may, by a resolution of the board of directors, make cash distributions as interim dividends to the shareholders or registered pledgees registered or recorded in the last Register of Shareholders, Etc. as of August 31 of each year.

Article 42 (Payment Period of Dividends)

The Company shall be released from the obligation to pay profit dividends or cash amounts stipulated in the preceding Article that have not been received after the lapse of three (3) years from the date that the payment of such dividends or cash amounts commenced.

Liability, Etc.)

1. In the case of fulfillment of the requirements regarding the liability indemnity as provided in the Corporate Law, Article 423, paragraph 1, the Company may, by a resolution of its board of directors, exempt a corporate auditor (including a former corporate auditor) from the amount of his/her liability indemnity minus the minimum amount of the liability indemnity stipulated in the relevant laws and ordinances.

2. The Company may execute an agreement with an outside corporate auditor that limits his/her liability indemnity as provided in the Corporate Law, Article 423, paragraph 1; provided, however, that such limitation shall apply only in the case of fulfillment of the requirements stipulated in the relevant laws and ordinances, and that the limited amount of liability indemnity pursuant to such an agreement shall be the minimum amount of liability indemnity stipulated in the relevant laws and ordinances.

CHAPTER VI: ACCOUNTING

Article 36 (Business Year)

The business year of the Company shall be the one-year period from March 1 of each year through the last day of February of the following year.

Article 37 (Record Date for Dividends of Surplus)

The record date for final dividends of the Company shall be the last day of February of each year.

Article 38 (Interim Dividends)

The Company may, by a resolution of the board of directors, make cash distributions as interim dividends, the record date being August 31 of each year.

Article 39 (Exclusion Period for Dividends)

The Company shall be released from the obligation to pay or deliver final dividends, interim dividends, and other distributions that have not been received after the lapse of three (3) years from the date that payment or delivery of such dividends, interim dividends or other

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| | <u>distributions commenced. No interest shall accrue on final dividends, interim dividends, and other distributions.</u> |
| <u>SUPPLEMENTARY PROVISIONS</u> | (Deleted) |
| <u>Article 1 (Shares to be Issued upon Incorporation)</u> | (Deleted) |
| <u>The Company shall be incorporated by means of a stock-transfer stipulated in the Commercial Code, Article 364.</u> | |
| <u>The total number of shares to be issued by the Company upon its incorporation shall be 1,346,383,002 common shares.</u> | |
| <u>Article 2 (First Business Year)</u> | (Deleted) |
| <u>Notwithstanding the provisions of Article 39, the first business year of the Company shall be from the incorporation day of the Company to the last day of February, 2006.</u> | |
| <u>Article 3 (First Term of Office of Corporate Auditors)</u> | (Deleted) |
| <u>Notwithstanding the provisions of Article 35, paragraph 1, the first term of office of corporate auditors shall expire at the closing of the annual shareholders' meeting concerning the last account settlement date within one (1) year after their assumption of office.</u> | |
| <u>Article 4 (First Compensation for Directors and Corporate Auditors)</u> | (Deleted) |
| <u>Notwithstanding the provisions of Articles 27 and 37, the total compensation for directors until the closing of the first annual shareholders' meeting of the Company shall be 50,000,000 yen or less per month and the total compensation for corporate auditors until the closing of the first annual shareholders' meeting of the Company shall be 5,000,000 yen or less per month; provided that if a director is also an employee, the compensation amount for such director shall not include the salary for his/her service in the capacity of employee.</u> | |

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