

5/18/06

Press Release

Daiwa Securities Group Inc.

**Notice Regarding Partial Amendments of the Articles of Incorporation**

Attention

This document is an unofficial translation of a press release announced on May 18, 2006, by Daiwa Securities Group Inc. The original press release is in Japanese.

Daiwa Securities Group Inc. (hereinafter, the "Company") resolved at a meeting of its Board of Directors held today to propose an agenda asking for authorization to execute partial amendments of the Articles of Incorporation as outlined below. The proposal will be made at the Company's 69th Ordinary General Meeting of Shareholders to be held on June 24, 2006.

1. Reasons for Amendments

(1) Upon the enactment of the Corporation Law (Law No. 86, 2005), Corporation Law Enforcement Regulations (Article 12 of Ministerial Ordinance, 2006), and Corporation Accounting Regulations (Article 13 of Ministerial Ordinance, 2006), the Company will propose to amend a part of the Articles of Incorporation for the following reasons.

- a ) A proposed amendment of Article 16 (Disclosure of Reference Documents for General Meeting of Shareholders through the Internet) will be newly added in order to enable a variety of the methods of disclosure to shareholders of information for the General Meeting of Shareholders.
- b ) A proposed amendment of Paragraph 2 of Article 25 (Method of Resolutions) will be newly established to the effect that a resolution is deemed to be adopted by the directors' approval in either written or electronic methods in order to effectively operate the meeting of the Board of Directors'.
- c ) A proposed amendment of Article 45 (Record Date for Dividends from Surplus) will be newly established in order to pay the dividend distributions to shareholders in a timely manner.
- d ) Upon the enactment of the "Act for Amendments of Relevant Laws upon Enforcement of the Corporation Law" (2005 Law No.87) of Japan, with reflecting certain matters to be deemed included in the Articles of Incorporation, it is proposed that Article 6, 19 and 39 to be newly defined and to amend Article 10 and Article 41 of the current Article of Incorporation (Article 11 and Article 44 of the proposed amendments).

e ) Other than the-above-mentioned issues, it is proposed that all the relevant matters including clarifying the Rights pertaining to shares constituting less than one unit (Article 8 of the proposed amendments) will be amended.

(2) Upon enactment of “Act for Amendments of a part of Commercial Code, etc for an introduction of electronic public notices” (Law No. 87, 2004) on February 1, 2005, and based on increase of recognition of electronic public notice, considering improvement of convenience for access of public notices and reduction of expenses for public notices, a proposed amendment will change the method of public notices of the Company to electronic public notices and describe measures in case the Company is unable to give an electronic public notice because of an accident or any other unavoidable reason (Article 4 of the proposed amendments).

## 2. Contents of Amendment

Proposed amendments are as follows.

Current Articles of Incorporation	Proposed Amendments
ARTICLES OF INCORPORATION	ARTICLES OF INCORPORATION
CHAPTER GENERAL PROVISION	CHAPTER GENERAL PROVISION
(Corporate Name)	(Corporate Name)
Article 1. The Company shall be called "Kabushiki Kaisha Daiwa Shoken Group Honsha."	Article 1. [Not amended]
2. It shall be translated into English as "Daiwa Securities Group Inc."	2. [Not amended]
(Purposes)	(Purposes)
Article 2. The purposes of the Company shall be to hold shares of companies engaging in the following business and shares of foreign companies engaging in the business equivalent thereto, and thereby control and manage the business activity of these companies:	Article 2. The purposes of the Company shall be to hold shares <u>or equity interests</u> of companies engaging in the following business and shares <u>or equity interests</u> of foreign companies engaging in the business equivalent thereto, and thereby control and manage the business activity of these companies:
(1) To do securities business as provided for under the Securities and Exchange Law;	(1) [Not amended]
(2) To do investment trust entrustment business as provided for under the Law Concerning Investment Trusts and Investment Companies;	(2) [Not amended]
(3) To do the business of asset management for investment companies and asset custodial companies as provided for under the Law Concerning Investment Trusts and Investment Companies;	(3) [Not amended]
(4) To conduct investment advisory business or business relating to a discretionary investment advisory agreement, as provided for under the Law Concerning Regulations etc. of Investment Advisory Business Relating to Securities;	(4) [Not amended]
(5) To do business relating to finance including, but not limited to, banking business as provided for under the Banking Law, in addition to the business in each of the foregoing paragraphs;	(5) [Not amended]
(6) To do research and investigation into economies and financial and capital markets in domestic and foreign markets, and to be entrusted with such research and investigation;	(6) [Not amended]
(7) To be entrusted with calculation service by using a computer;	(7) [Not amended]
(8) To develop and sell software;	(8) [Not amended]
(9) To do the business of sale, purchase and lease of real estate and their brokerage;	(9) [Not amended]
(10) To do trust business as provided for under the Trust Business Law;	(10) [Not amended]

Current Articles of Incorporation	Proposed Amendments
<p>(11) To do the business of offering life insurance contracts and to engage in the non-life insurance agency business;</p> <p>(12) To do securities handling and administration business;</p> <p>(13) To do business relating to publishing, advertisement agency, broadcasting, and other information services; and</p> <p>(14) To do business relating to education and culture.</p> <p>2. The Company can engage in any and all business incidental or relating to any of the business in the foregoing paragraph.</p> <p>(Location of Head Office)</p> <p>Article 3. The head office of the Company shall be located in Chiyoda-ku, Tokyo.</p> <p>(Method of Public Notices)</p> <p>Article 4. <u>All public notices of the Company shall be given in The Nihon Keizai Shimbun generally circulated in Tokyo.</u></p>	<p>(11) [Not amended]</p> <p>(12) [Not amended]</p> <p>(13) [Not amended]</p> <p>(14) [Not amended]</p> <p>2. [Not amended]</p> <p>(Location of Head Office)</p> <p>Article 3. [Not amended]</p> <p>(Method of Public Notices)</p> <p>Article 4. <u>The method of public notices of the Company shall be electronic public notices; provided that if the Company is unable to give an electronic public notice because of an accident or any other unavoidable reason, public notices of the Company may be given in the Nihon Keizai Shimbun.</u></p>
<p>(Company with Committee)</p> <p>Article 5. <u>As a company with committees, as such is provided for under the Law for Special Exceptions to the Commercial Code concerning Audits, etc. of Corporations (hereinafter, “The Law for Special Exceptions to the Commercial Code”), the Company shall be subject to the special exceptions provided for under Chapter 2, Paragraph 4 of The Law for Special Exceptions to the Commercial Code.</u></p>	<p>[Deleted]</p>
<p style="text-align: center;"><u>CHAPTER</u> <u>SHARES</u></p> <p>(Total Number of Shares authorized to be issued by the Company)</p> <p>Article 6. <u>Total number of Shares authorized to be issued by the Company shall be four billion (4,000,000,000) shares; provided that if shares are cancelled, the total number of Shares shall be decreased by the relevant numbers corresponding thereto.</u></p>	<p style="text-align: center;"><u>CHAPTER</u> <u>SHARES</u></p> <p>(Total authorized shares)</p> <p>Article 5. <u>The total shares authorized to be issued by the Company shall be four billion (4,000,000,000) shares.</u></p>

Current Articles of Incorporation	Proposed Amendments
<p><u>(Repurchase of the Company's Shares)</u></p> <p><u>Article 7. Pursuant to the provisions of Item 2, Clause 1, Article 211-3 of the Commercial Code, the Company may repurchase its own shares through the adoption of a resolution by its Board of Directors.</u></p> <p>[New]</p> <p>(Number of Shares Constituting One Unit of Shares and Non-issuance of Share Certificate representing less than One Unit ["Tangen"])</p> <p><u>Article 8. With respect to shares of the Company, one thousand (1,000) shares shall constitute one unit["Tangen"] .</u></p> <p>2. The Company shall not issue share certificates representing "shares constituting less than one unit ["Tangen-miman-Kabu"]"; provided that the foregoing shall not apply if the Share Handling Regulations provides otherwise.</p> <p>[New]</p> <p>[New]</p>	<p>[Deleted]</p> <p><u>(Issue of share certificates)</u></p> <p><u>Article 6. The Company shall issue share certificates for its shares.</u></p> <p>(Number of Shares Constituting One Unit of Shares and Non-issuance of Share Certificate representing less than One Unit ["Tangen"])</p> <p><u>Article 7. [Not amended]</u></p> <p>2. <u>Notwithstanding the provisions of the preceding Article,</u> the Company shall not issue share certificates representing "shares constituting less than one unit ["Tangen-miman-Kabu"]"; provided that the foregoing shall not apply if the Share Handling Regulations provides otherwise.</p> <p><u>(Rights pertaining to shares constituting less than one unit)</u></p> <p><u>Article 8. Any shareholder of the Company (including any beneficial owner of shares of the Company; the same applies hereinafter) shall not exercise any right pertaining to shares which do not constitute a unit of the shares he/she has except for the following rights:</u></p> <p>(1) <u>a request for the repurchase of shares constituting less than one unit and other rights granted by the items listed in Article 189, Paragraph 2 of the Corporation Law.</u></p> <p>(2) <u>a right to make a request pursuant to Article 166, Paragraph 1 of the Corporation Law.</u></p> <p>(3) <u>a right to be allotted offered shares of offered stock acquisition rights in proportion to the number of shares owned by a shareholder.</u></p> <p>(4) <u>a right to make a request pursuant to the following Article.</u></p> <p><u>(Request to Buy up to One Unit of Shares)</u></p> <p><u>Article 9. A shareholder holding shares constituting less than one unit may request the Company to sell to the shareholder such amount of shares which will, when added together with the shares constituting less than one unit, constitute one unit.</u></p>

Current Articles of Incorporation	Proposed Amendments
<p>(Share Handling Regulations)</p> <p><u>Article 9.</u> <u>All procedures and formalities relating to the shares of the Company, including but not limited to the denominations of share certificates, registration of transfer of shares shall be subject to the provisions set forth in the Share Handling Regulations established by the Board of Directors, as well as the applicable provisions set forth herein.</u></p>	<p>(Share Handling Regulations)</p> <p><u>Article 10.</u> <u>The business relating to shares of the Company shall, except as provided in the applicable provisions set forth herein or any applicable laws, be governed by the Share Handling Regulations certified by the Board of Directors.</u></p>
<p>(Transfer Agent)</p> <p><u>Article 10.</u> <u>The Company shall have a Share Transfer Agent. The Share Transfer Agent shall undertake and handle the registration of transfer of shares and all other business relating to the Company's shares for and on behalf of the Company.</u></p> <p><u>[New]</u></p> <p><u>2.</u> <u>The Shareholders Register (including Register of Beneficial Shareholders; the same being applicable hereafter) and the Register of Lost Share Certificates of the Company shall be kept at the office of the Share Transfer Agent where he shall perform his duties as such.</u></p> <p><u>3.</u> <u>Such Share Transfer Agent and his particular office or offices where he shall perform his duties as such shall be appointed or designated by an Executive Officer and public notice thereof shall be given.</u></p>	<p>(Administrator of the Company's Shareholders' Register)</p> <p><u>Article 11.</u> <u>The Company shall have an Administrator of the Company's Shareholders' Register.</u></p> <p><u>2.</u> <u>The Company shall cause the Administrator of the Company's Shareholders' Register to handle the business relating to the Register of Shareholders (including the Register of Beneficial Shareholders; the same applies hereinafter), the Register of Stock Acquisition Rights, and the Register of Lost Share Certificate of the Company, and the Company shall not handle the above business directly.</u></p> <p><u>3.</u> <u>The Register of Shareholders, the Register of Stock Acquisition Rights and the Register of Lost Share Certificate of the Company shall be kept at the office of the Administrator of the Company's Shareholders' Register where it shall perform its duties as such.</u></p> <p><u>4.</u> <u>Such Administrator of the Company's Shareholders' Register and its particular office or offices where it shall perform its duties as such shall be appointed or designated by the Executive Officer and public notice thereof shall be given accordingly.</u></p>
<p>(Registration of Names, Addresses and Seal Impressions, etc.)</p> <p><u>Article 11.</u> <u>Shareholders (including beneficial shareholders; the same being applicable hereafter) and their registered or logged pledgees or their legal representatives shall register their names, addresses and seal impressions with the Company's Share Transfer Agent.</u></p>	<p>(Registration of Names, Addresses and Seal Impressions, etc.)</p> <p><u>Article 12.</u> <u>Shareholders (including beneficial shareholders; the same being applicable hereafter) and their registered or logged pledgees or their legal representatives shall register their names, addresses and seal impressions with the Administrator of the Company's Shareholders' Register.</u></p>

Current Articles of Incorporation	Proposed Amendments
<p>2. In the event any person referred to in the preceding paragraph resides abroad, he shall designate his temporary address in Japan or appoint a resident agent in Japan and notify <u>the Share Transfer Agent</u> of such designation or appointment.</p> <p>3. Any and all subsequent changes in any of the matters registered or notified pursuant to either of the preceding two paragraphs shall also require registration or notification.</p>	<p>2. In the event any person referred to in the preceding paragraph resides abroad, he shall designate his temporary address in Japan or appoint a resident agent in Japan and notify <u>the Administrator of the Company's Shareholders' Register</u> of such designation or appointment.</p> <p>3. [Not amended]</p>
<p><u>(Request to Buy up to One Unit of Shares)</u></p> <p><u>Article 12.</u> <u>Shareholders who own shares constituting less than one unit of shares ['Tangen-miman-Kabu'], may request the Company to sell up to the number of shares which will meet the requirement of a unit in addition to such shares owned by such shareholders.</u></p>	<p>[Deleted]</p>
<p><u>(Record Date)</u></p> <p><u>Article 13.</u> <u>The Company shall deem those shareholders whose names appear or are logged in the Shareholders Register at the close of business on the 31st day of March each year as shareholders entitled to attend and exercise their rights at the Ordinary General Meeting of Shareholders.</u></p>	<p>[Deleted]</p>
<p>2. <u>Pursuant to the preceding paragraph, the Company may, from time to time whenever deemed necessary, fix a certain date by a decision of an Executive Officer and upon giving public notice deem those shareholders and their registered pledgees whose names appear or are logged in the Shareholders Register on that day as Shareholder and their pledgees entitled to exercise appropriate rights.</u></p>	<p>[Deleted]</p>
<p style="text-align: center;">CHAPTER GENERAL MEETINGS OF SHAREHOLDERS</p> <p>(Ordinary General Meeting and Extraordinary General Meeting)</p> <p><u>Article 14.</u> An Ordinary General Meeting of Shareholders of the Company shall be convened and held within three (3) months after the end of each <u>fiscal</u> year, and an Extraordinary General Meeting of Shareholders may be convened whenever necessary.</p>	<p style="text-align: center;">CHAPTER GENERAL MEETINGS OF SHAREHOLDERS</p> <p>(Ordinary General Meeting and Extraordinary General Meeting)</p> <p><u>Article 13</u> An Ordinary General Meeting of Shareholders of the Company shall be convened and held within three (3) months after <u>the day following</u> the end of each <u>business</u> year, and an Extraordinary General Meeting of Shareholders may be convened whenever necessary.</p>

Current Articles of Incorporation	Proposed Amendments
<p><u>[New]</u></p> <p>(Chairman of Meetings)</p> <p>Article 15. <u>The President and Executive Officer</u> shall convene General Meeting of Shareholders upon resolutions of the meetings of the Board of Directors and shall act as chairman thereat.</p> <p>2. In the event that the office of <u>the President and Executive Officer</u> is vacant or he fails or is unable to act, one of the other <u>Executive Officers</u> shall act in his place in accordance with the order fixed in advance by the Board of Directors.</p> <p><u>[New]</u></p> <p>(How to Adopt Resolutions)</p> <p><u>Article 16.</u> Unless otherwise provided by law or by these Articles of Incorporation, all resolutions at a General Meeting of Shareholders shall be adopted by a majority of the voting rights of the shareholders <u>present or represented at the Meeting.</u></p> <p>2. Resolutions set forth in <u>Article 343 of the Commercial Code</u> shall be made by a vote of <u>two-third (2/3)</u> or more of the voting rights owned by shareholders representing one-third (1/3) or more of the total number of voting rights.</p>	<p><u>(Record Date of Ordinary General Meeting of Shareholders)</u></p> <p><u>Article 14.</u> The Company shall deem those shareholders whose names appear or are logged in the Shareholders Register on 31 March of each year as <u>shareholders entitled to attend and exercise their rights at the Ordinary General Meeting of Shareholders.</u></p> <p>(Chairman of Meetings)</p> <p>Article 15. <u>The Director who is concurrently in office as the President and Executive Officer</u> shall convene a General Meeting of Shareholders upon resolutions of the meetings of the Board of Directors and shall act as chairman thereat.</p> <p>2. In the event that <u>the Director who is concurrently in office as the President and Executive Officer</u> is vacant or he/she fails or is unable to act, one of the other <u>Directors</u> shall act in his/her place in accordance with the order fixed in advance by the Board of Directors.</p> <p><u>(Disclosure of Reference Documents for General Meeting of Shareholders, Etc. through the Internet)</u></p> <p><u>Article 16.</u> Upon convening a General Meeting of Shareholders, it may be deemed that the Company has provided shareholders with necessary information that should be described or indicated in reference documents for the General Meeting of Shareholders, business reports, non-consolidated financial statements, and consolidated financial statements, on condition that such information is <u>disclosed through the Internet in accordance with the Ministry of Justice Ordinance.</u></p> <p>(How to Adopt Resolutions)</p> <p><u>Article 17.</u> Unless otherwise provided by law or by these Articles of Incorporation, all resolutions at a General Meeting of Shareholders shall be adopted by a majority of the voting rights of the <u>attending shareholders who are entitled to exercise their voting rights.</u></p> <p>2. Resolutions set forth in <u>Article 309, Paragraph 2 of the Corporation Law</u> shall be made by a vote of <u>two-thirds (2/3)</u> or more of the voting rights owned by the attending shareholders who hold one-third (1/3) or more of the voting rights of shareholders <u>who are entitled to exercise their voting rights.</u></p>



Current Articles of Incorporation	Proposed Amendments
<p>(Exercise of Voting Rights by Proxy)</p> <p><u>Article 17.</u> A shareholder of the Company may exercise his voting rights by proxy who shall be a shareholder of the Company entitled to vote at a General Meeting of Shareholders.</p> <p><u>(Minutes of the General Meeting)</u></p> <p><u>Article 18.</u> <u>The substance of the proceedings and the results of the General Meeting of Shareholders shall be recorded in the minutes; and the chairman thereat, and Directors and Executive Officers present thereat shall affix their names and seals to such minutes.</u></p> <p style="text-align: center;"><u>CHAPTER</u> <u>DIRECTORS AND BOARD OF DIRECTORS</u></p> <p style="text-align: center;">[New]</p> <p>(Number)</p> <p><u>Article 19.</u> The Company shall have twenty (20) or less Directors.</p> <p>2. <u>A minimum of two (2) of the Directors referred to in the preceding paragraph shall be Outside Directors (as defined under Item 7-2, Clause 2, Article 188 of the Commercial Code; the same being applicable hereafter).</u></p> <p><u>(Method of Election)</u></p> <p><u>Article 20.</u> Directors shall be elected at a General Meeting of Shareholders.</p> <p>2. Election referred to in the preceding paragraph shall be made by a majority vote of the voting rights owned by shareholders <u>representing</u> one-third (1/3) or more of the total number of voting rights.</p> <p>3. Election of Directors shall not be conducted by cumulative voting.</p> <p><u>(Term of Office)</u></p> <p><u>Article 21.</u> The term of office of a Director shall expire upon conclusion of the Ordinary General Meeting of Shareholders for the last fiscal year ending within one (1) year after his assumption of the directorship.</p>	<p>(Exercise of Voting Rights by Proxy)</p> <p><u>Article 18.</u> A shareholder of the Company may exercise his voting rights by proxy who shall be one (1) person of <u>the</u> shareholders of the Company <u>who is</u> entitled to vote at a General Meeting of Shareholders.</p> <p style="text-align: center;">[Deleted]</p> <p style="text-align: center;"><u>CHAPTER</u> <u>DIRECTORS AND BOARD OF DIRECTORS</u></p> <p><u>(The Board of Directors)</u></p> <p><u>Article 19.</u> <u>The Company shall have a Board of Directors.</u></p> <p><u>(Number of the Directors)</u></p> <p><u>Article 20.</u> [Not amended]</p> <p style="text-align: center;">[Deleted]</p> <p><u>(Election of Directors)</u></p> <p><u>Article 21.</u> Directors shall be elected <u>by a resolution</u> at a General Meeting of Shareholders.</p> <p>2. Election referred to in the preceding paragraph shall be made by a majority vote of the voting rights owned by <u>the attending</u> shareholders who hold one-third (1/3) or more of the voting rights of <u>shareholders who are entitled to exercise their voting rights.</u></p> <p>3. [Not amended]</p> <p><u>(Term of Office of Directors)</u></p> <p><u>Article 22.</u> The term of office of a Director shall expire upon conclusion of the Ordinary General Meeting of Shareholders for the last <u>business year</u> ending within one (1) year after his/<u>her</u> election.</p>

Current Articles of Incorporation	Proposed Amendments
<p>(Director and Chairman, and Director and Vice Chairman)  <u>Article 22.</u> The Board of Directors, by its resolution shall appoint one (1) Chairman of the Board of Directors and may appoint one or more Vice Chairman of the Board of Directors from among its members.</p> <p>(Convocation of the Meeting of the Board of Directors)  <u>Article 23.</u> A Chairman of the Board of Directors may convene a meeting of the Board of Directors, and notice thereof shall be given to each Director at least three (3) days prior to the date set for such meeting. Provided that such period of notice may be shortened in the case of urgency.</p> <p>2. A meeting of the Board of Directors may be held without following the convocation procedure if all Directors consent thereto.</p> <p>(Method of Resolutions)  <u>Article 24.</u> Resolutions at a meeting of the Board of Directors shall be adopted by a majority of the Directors present, the quorum being a majority of the Directors in office.  <u>[New]</u></p> <p>(Minutes of the Meeting of the Board of Directors)  <u>Article 25.</u> <u>The substance of the proceedings and the results of the meeting of the Board of Directors shall be recorded in the minutes; and Directors present thereat shall affix their names and seals to such minutes.</u></p> <p>(Regulations of the Board of Directors)  Article 26. Matters concerning the Board of Directors shall be governed by the Regulations of the Board of Directors established by the Board of Directors, unless otherwise provided by law or these Articles of Incorporation.</p> <p>(Remuneration)  Article 27. Remuneration to be paid to Directors shall be determined by the resolution of the Compensation Committee.</p>	<p>(Director and Chairman, and Director and Vice Chairman)  <u>Article 23.</u> [Amended only in Japanese description ]</p> <p>(Convocation of the Meeting of the Board of Directors)  <u>Article 24.</u> [Not amended]</p> <p>2. [Not amended]</p> <p>(Method of Resolutions)  <u>Article 25.</u> Resolutions at a meeting of the Board of Directors shall be adopted by a majority of the Directors present, the quorum being a majority of the Directors in office <u>who are entitled to vote.</u></p> <p>2. <u>The Company shall deem that a resolution of the Board of Directors has been adopted if the requirements stipulated by Article 370 of the Corporation Law have been fulfilled.</u></p> <p>[Deleted]</p> <p>(Regulations of the Board of Directors)  Article 26. [Amended only in Japanese description ]</p> <p>(Remuneration etc. for Directors)  Article 27. <u>Remuneration, bonus and other profit</u> to be paid to Directors <u>by the Company as consideration for their execution of their duties (hereinafter “Remuneration etc.”)</u> shall be determined by a resolution of the Compensation Committee.</p>

Current Articles of Incorporation	Proposed Amendments
<p>(Exemption of Directors' Liability)</p> <p>Article 28. Pursuant to the provisions of <u>Clause 12, Article 266 of the Commercial Code, which applies mutatis mutandis to Clause 4, Article 21-17 of The Law for Special Exceptions to the Commercial Code</u>, the Company may exempt directors (including former directors) from liabilities stipulated under <u>Clause 1, Article 21-17 of The Law for Special Exceptions to the Commercial Code</u>. Such exemptions shall be determined through a resolution of the Board of Directors and shall apply only to the extent permitted by statute.</p> <p>2. Pursuant to the provisions of <u>Clause 19, Article 266 of the Commercial Code, which applies mutatis mutandis to Clause 5, Article 21-17 of The Law for Special Exceptions to the Commercial Code</u>, the Company may enter into agreements with Outside Directors that limit their liability for acts set forth under <u>Clause 1, Article 21-17 of The Law for Special Exceptions to the Commercial Code</u>. However, the amount of such exemptions from liability shall be the higher of the following amounts: an amount <u>established</u> beforehand that is in excess of ten (10) million yen; or the total of the amounts stipulated under the items in <u>Clause 19, Article 266 of the Commercial Code</u>.</p> <p>(Establishment of Committees)</p> <p>Article 29. The Company shall <u>establish</u> a Nominating Committee, an Audit Committee, and a Compensation Committee.</p> <p>2. Each committee shall be composed of three (3) or more <u>directors</u>, of which the majority shall be Outside Directors <u>who are not Executive Officers of the Company. Directors who are members of the Auditing Committee may not serve concurrently as Executive Officers, managers, or other employees of the Company or any of its subsidiaries (including consolidated subsidiaries as defined under Clause 4, Article 1-2 of The Law for Special Exceptions to the Commercial Code), or as directors engaged in executing the operations of such subsidiaries.</u></p> <p>3. <u>Directors who make up the membership of each committee shall be selected</u> by resolution of the Board of Directors.</p>	<p>(Exemption of Directors' Liability)</p> <p>Article 28. Pursuant to the provisions of <u>Article 426, Paragraph 1 of the Corporation Law</u>, the Company may exempt directors (including former directors) from liabilities stipulated under <u>Article 423, Paragraph 1 of the Corporation Law</u>. Such exemptions shall be determined through a resolution of the Board of Directors and shall apply only to the extent permitted by statute.</p> <p>2. Pursuant to the provisions of <u>Article 427, Paragraph 1 of the Corporation Law</u>, the Company may enter into agreements with Outside Directors that limit their liability for acts set forth under <u>Article 423, Paragraph 1 of the Corporation Law</u>. However, the amount of such exemptions from liability shall be the higher of the following amounts: an amount <u>defined</u> beforehand that is in excess of ten (10) million yen; or the total of the amounts stipulated under the items in <u>Article 425 Paragraph 1 of the Corporation Law</u>.</p> <p>(Establishment of Committees)</p> <p>Article 29. The Company shall <u>have</u> a Nominating Committee, an Audit Committee, and a Compensation Committee.</p> <p>2. Each committee shall be composed of three (3) or more <u>committee members</u>, of which the majority shall be Outside Directors. <u>Committee members of the Auditing Committee may not serve concurrently as Executive Officers or Directors engaged in executing the operations of the Company or any of its subsidiaries, or account councilors or managers or other employees of the subsidiaries of the Company.</u></p> <p>3. <u>Committee members of each committee shall be elected</u> by resolution of the Board of Directors <u>from among the Directors</u>.</p>

Current Articles of Incorporation	Proposed Amendments
<p><u>(Authority of the Committees)</u></p> <p><u>Article 30.</u> <u>The Nominating Committee shall decide on the substance of proposals submitted to the General Meeting of Shareholders regarding the election and removal of directors.</u></p> <p><u>2.</u> <u>In addition to the following, the Audit Committee shall exercise all authority granted to it under the law.</u></p> <p><u>(1)</u> <u>Auditing the execution of operational duties by Directors and Executive Officers.</u></p> <p><u>(2)</u> <u>Deciding on the content of proposals submitted to the General Meeting of Shareholders regarding the election, removal or decision not to reelect financial auditors.</u></p> <p><u>3.</u> <u>The Compensation Committee shall determine the remuneration paid to individual directors and Executive Officers.</u></p> <p><u>(Other Matters Relating to Committees)</u></p> <p><u>Article 31.</u> Matters relating to the authority of each committee and its operations shall be governed by statute <u>and</u> by these Articles of Incorporation, and the Regulations of the Board of Directors and of the respective committees, which have been adopted by resolution of the Board of Directors and committees, respectively.</p>	<p>[Deleted]</p> <p>[Deleted]</p> <p>[Deleted]</p> <p>[Deleted]</p> <p>[Deleted]</p> <p>(Other Matters Relating to Committees)</p> <p><u>Article 30.</u> Matters relating to the authority of each committee and its operations shall be governed by statute <u>or</u> by these Articles of Incorporation, and the Regulations of the Board of Directors and of the respective committees, which have been adopted by resolution of the Board of Directors and committees, respectively.</p>
<p style="text-align: center;">CHAPTER EXECUTIVE OFFICERS</p> <p>(Number)</p> <p><u>Article 32.</u> The Company shall have thirty (30) or less Executive Officers</p> <p>(Election and Removal of Executive Officers)</p> <p><u>Article 33.</u> Executive Officers shall be elected and removed by resolution of the Board of Directors.</p> <p>(Relationships Among Executive Officers)</p> <p><u>Article 34.</u> When there are <u>a number</u> of Executive Officers, matters concerning relationships among such officers, including divisions of operational responsibility and reporting lines, shall be determined by resolution of the Board of Directors.</p>	<p style="text-align: center;">CHAPTER EXECUTIVE OFFICERS</p> <p>(Number <u>of Executive Officers</u>)</p> <p><u>Article 31.</u> [Not amended]</p> <p>(Election and Removal of Executive Officers)</p> <p><u>Article 32.</u> [Amended only in Japanese description]</p> <p>(Relationships Among Executive Officers)</p> <p><u>Article 33.</u> When there are <u>two (2) or more</u> of Executive Officers, matters concerning relationships among such officers, including divisions of operational responsibility and reporting lines, shall be determined by resolution of the Board of Directors.</p>

Current Articles of Incorporation	Proposed Amendments
<p>(Terms of Office of Executive Officers)</p> <p><u>Article 35.</u> The terms of office of Executive Officers shall expire upon conclusion of the first meeting of the Board of Directors that is convened following the conclusion of the Ordinary General Meeting of Shareholders for the last <u>fiscal year ending</u> one (1) year after <u>his assumption of office</u>.</p> <p>(Representative Executive Officers)</p> <p><u>Article 36.</u> Executive Officers with the Authority to represent the Company shall be appointed by resolution of the Board of Directors.</p> <p>(Senior Executive Officers)</p> <p><u>Article 37.</u> The Board of Directors, by its resolution shall appoint One President and may appoint one or more Executive Deputy President, Senior Managing Director and Managing Director from among Executive Officers.</p> <p>(Remuneration)</p> <p><u>Article 38.</u> Remuneration to be paid to Executive Officers shall be determined by resolution of the Compensation Committee.</p> <p>[New]</p> <p>(Exemption of Executive Officers' Liability)</p> <p><u>Article 39.</u> In accordance with the provisions of <u>Clause 12, Article 266 of the Commercial Code, which applies mutatis mutandis to Clause 6, Article 21-17 of The Law for Special Exceptions to the Commercial Code</u>, the Company may exempt Executive Officers (including former Executive Officers) from liabilities stipulated under Clause 1, Article 21-17 of The Law for Special Exceptions to the Commercial Code. Such exemptions shall be determined through a resolution of the Board of Directors and shall apply only to the extent permitted by statute.</p> <p>[New]</p> <p>[New]</p>	<p>(Terms of Office of Executive Officers)</p> <p><u>Article 34.</u> The terms of office of Executive Officers shall expire upon conclusion of the first meeting of the Board of Directors that is convened following the conclusion of the Ordinary General Meeting of Shareholders for the last <u>business year ending</u> within one (1) year after <u>his/her election</u>.</p> <p>(Representative Executive Officers)</p> <p><u>Article 35.</u> [Amended only in Japanese description]</p> <p>(Senior Executive Officers)</p> <p><u>Article 36.</u> [Amended only in Japanese description]</p> <p>(Remuneration etc. for Executive Officers)</p> <p><u>Article 37.</u> Remuneration <u>etc.</u> to be paid to Executive Officers shall be determined by resolution of the Compensation Committee.</p> <p><u>2.</u> <u>In case that an Executive Officer serves concurrently as a manager or other employees of the Company, Remuneration etc. for such managers or employees shall be determined as the same as the preceding paragraph herein.</u></p> <p>(Exemption of Executive Officers' Liability)</p> <p><u>Article 38.</u> In accordance with the provisions of <u>Article 426, Paragraph 1 of the Corporation Law</u>, the Company may exempt Executive Officers (including former Executive Officers) from liabilities stipulated under Article 423, Paragraph 1 of the Corporation Law. Such exemptions shall be determined through a resolution of the Board of Directors and shall apply only to the extent permitted by statute.</p> <p style="text-align: center;"><u>CHAPTER VI</u> <u>ACCOUNTING AUDITORS</u></p> <p>(Accounting Auditors)</p> <p><u>Article 39.</u> <u>The Company shall have Accounting Auditors.</u></p>

Current Articles of Incorporation	Proposed Amendments
<p>[New]</p> <p>[New]</p> <p>[New]</p> <p>[New]</p>	<p><u>(Election of Accounting Auditors)</u>  <u>Article 40. Accounting Auditors shall be elected by a resolution at a General Meeting of Shareholders.</u></p> <p><u>(Term of Accounting Auditors)</u>  <u>Article 41. The term of office of an Accounting Auditor shall expire upon conclusion of the Ordinary General Meeting of Shareholders for the last business year ending within one (1) year after its election.</u></p> <p>2. <u>Unless otherwise decided at the Ordinary General Meeting of Shareholders in the preceding paragraph, an Accounting Auditor shall be deemed to be re-elected.</u></p> <p><u>(Remuneration etc. for Accounting Auditor)</u>  <u>Article 42. Remuneration etc. to be paid to an Accounting Auditor shall be determined by Executive Officers with the Authority to represent the Company with the consent of the Auditing Committee.</u></p>
<p style="text-align: center;"><u>CHAPTER VI</u> <b>ACCOUNTING</b></p> <p><u>(Fiscal Year)</u>  <u>Article 40. The fiscal year of the Company shall begin on April 1 of each year and end on March 31 of the following year.</u></p> <p><u>(Appropriation of Retained Earnings)</u>  <u>Article 41. All retained earnings of the Company, pursuant to the provisions of statute, shall be appropriated as authorized and directed by resolution of the General Meeting of Shareholders or by resolution of the Board of Directors.</u></p> <p><u>(Payment of Dividends)</u>  <u>Article 42. Dividends, if declared on shares of the Company for any fiscal year, shall be paid to shareholders or their registered pledgees whose names appear or are logged in the Shareholders Register as of the last day of such fiscal year as their interests appear.</u></p> <p>[New]</p> <p>[New]</p>	<p style="text-align: center;"><u>CHAPTER VII</u> <b>ACCOUNTING</b></p> <p><u>(Business Year)</u>  <u>Article 43. The business year of the Company shall begin on April 1 of each year and end on March 31 of the following year.</u></p> <p><u>(Dividends from Surplus)</u>  <u>Article 44. The Company may determine the matters provided for in each item of Article 459, Paragraph 1 of the Corporation Law by a resolution of the Board of Directors without a resolution of General Meeting of Shareholders unless otherwise provided by law.</u></p> <p><u>(Record Date for Dividends from Surplus)</u>  <u>Article 45. Year-end Dividends of the Company may be paid to shareholders or their registered pledgees whose names appear or are logged in the Shareholders Register as of 31 March of each year.</u></p> <p>2. <u>Interim Dividends of the Company may be paid to shareholders or their registered pledgees whose names appear or are logged in the Shareholders Register as of the 30 September of each year.</u></p> <p>3. <u>The Company may, without prejudice to the preceding two paragraphs, declare other record dates for Dividends.</u></p>

Current Articles of Incorporation	Proposed Amendments
<p><u>(Interim Dividends)</u></p> <p><u>Article 43. The Company, by resolution of the Board of Directors, may pay interim dividends to shareholders or their registered pledgees whose names appear or are logged in the Shareholders Register as of September 30 of each year.</u></p> <p><u>(Exemption from Payment of Dividends or Interim Dividends)</u></p> <p>Article 44. The Company shall be released from its obligation to pay any <u>dividends or interim dividends</u> which <u>have</u> remained unclaimed for more than five (5) years after the date on which the Company offered to pay the dividends <u>or interim dividends</u>.</p>	<p><u>[Deleted]</u></p> <p>(Exemption from Payment of Dividends)</p> <p>Article 46. The Company shall be released from its obligation to pay any <u>cash as Dividends from Surplus</u> which <u>has</u> remained unclaimed for more than five (5) years after the date on which the Company offered to pay the dividends.</p>