

(English Summary)

To Our Shareholders:

Securities Code: 8697

June 2, 2006

Michio Yoneda, President & CEO
Osaka Securities Exchange Co., Ltd.
1-8-16, Kitahama, Chuo-Ku, Osaka

Notice of the 5th Ordinary General Meeting of Shareholders

You are cordially invited to attend the 5th Ordinary General Meeting of Shareholders of Osaka Securities Exchange Co., Ltd. (hereinafter referred to as “the Exchange”). The meeting will be held as described below.

If you are unable to attend the meeting, you can exercise your voting rights by paper ballot or via the Internet. Please review the reference documents in the following pages, and either return the Voting Rights Exercise Form with your vote and seal by mail, or exercise your voting rights electronically via the Internet by accessing our website for exercising the voting rights specified in the Voting Rights Exercise Form.

- 1. Date & Time:** Friday, June 23, 2006 at 10:00am
- 2. Place:** Kitahama Forum, OSE Building 3rd Floor
1-8-16, Kitahama, Chuo-ku, Osaka
- 3. Purpose of the Meeting**

[Matters to be reported]

The Business Report, Balance Sheet and Profit and Loss Statement for the 5th Fiscal Year (From April 1, 2005 to March 31, 2006)

[Matters to be resolved]

Proposal No. 1: Approval of the proposed appropriation of retained earnings for the 5th Fiscal Term

Note: This document has been translated from a part of the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail. The Company assumes no responsibility for this translation or for direct, indirect or any other forms of damages arising from the translation.

Proposal No. 2: Approval of the proposed policy for the review of measures and related systems concerning loss on the bankruptcy of the clearing participants

Proposal No. 3: Partial Amendments to the Articles of Incorporation
The general nature of the proposal is described on pages 6-19 of the attached "Reference Documents for the Exercise of Voting Rights"

Proposal No. 4: Election of 11 Directors

Proposal No. 5: Election of 1 Substitute Statutory Auditor

Proposal No. 6: Revision of Amount of Compensation Payable to Directors and Statutory Auditors

Proposal No. 7: Granting of Retirement Benefits to Retiring Directors and Final Retirement Benefits to Directors and Statutory Auditors following Discontinuation of the Retirement Benefit System for Directors and Statutory Auditors

For those attending, please present the enclosed Voting Rights Exercise Form at the reception desk on arrival at the meeting.

Reference Documents for the Exercise of Voting Rights

1. Total number of voting rights held by all shareholders 90,000 voting rights

2. Proposals and references

Proposal No. 1: Approval of the proposed appropriation of retained earnings for the 5th Fiscal Term

We understand that the most important assignment of the management is to return the profit to our shareholders. Based on the basic policy to continue stable dividend payment, and in consideration of the propensity of dividends to depend on the results of performance, we are determined to return the profit positively, aiming at a dividend ratio of approximately 40%. Accordingly, we propose a dividend payment of 9,500 yen per share, in view of the good results continuing since the previous fiscal year. As a result, the total annual dividend payment, including the interim dividend of 4,500 yen, will amount to 14,000 yen per share, an increase of 5,000 yen from the previous fiscal year.

The Exchange has retained internal reserve with a focus on preparation for system development to strengthen the self-regulatory function and competitive power as a stock exchange and for the risks as a clearing organization.

In view of the results of the fiscal year under review, we also propose the payment of 24.2 million yen in total (including 3.3 million yen for a statutory auditor) as bonuses to the three directors and one statutory auditor who were in office as of the end the fiscal year.

Proposal for Appropriation of Retained Earnings

(Unit : yen)

| Item | Amount |
|--|---------------------------|
| Unappropriated retained earnings at the end of the fiscal term | 8,163,994,078 |
| To be appropriated as follows: | |
| Cash dividends (9,500 yen per share) Ordinary dividend 3,000 yen Special dividend 6,500 yen | 855,000,000 |
| Bonuses to Directors and Statutory Auditor (For Statutory Auditor) | 24,200,000 (3,300,000) |
| Retained earnings carried forward | 7,284,794,078 |

Note: Interim dividend of 405,000,000 yen (Ordinary dividend 3,000 yen, special dividend 1,500yen per share) was paid on December 1, 2005.

Proposal No. 2: Approval of the proposed policy for the review of measures and related systems concerning loss on the bankruptcy of the clearing participants

As a clearing organization, the Exchange undertakes the liabilities of the derivative transactions made in the Exchange based on the Securities and Exchange Law. Under the current rules, if a clearing participant falls into bankruptcy and the participant's clearing margin and deposit is not enough to indemnify the loss caused thereby, the Exchange shall bear the loss within the limit of default compensation reserve for futures trading, etc. (Note, hereinafter referred to as the "Compensation Reserve for Futures Trading"), and then all the clearing participants except the bankrupt one shall bear the loss remaining after the loss bearing of the Exchange.

In order to increase the corporate value of the Exchange through the enhancement of its security and competitive power, we will revise the current rules to promote the initiatives on systems and institutions with respect to the risk management of the clearing service. We propose the implementation of the principle that one half of the amount of loss exceeding the Compensation Reserve for Futures Trading shall be indemnified by the Exchange within the limit of accumulated earnings (except legal reserve of retained earnings and default compensation reserve) of the Exchange and the remaining half shall be indemnified by all the clearing participants except the bankrupt one. We hereby wish to obtain the approval of the shareholders. If the appropriation described above is still insufficient, the clearing participants other than the bankrupt one shall bear the remaining portion.

This proposal is not, under the laws, ordinances, and the Articles of Incorporation, a matter requiring the approval of the General Meeting of Shareholders. Even so, we decide that we should respect the intentions of the shareholders as this matter concerns their material interests. Accordingly, we submit this proposal at the General Meeting of Shareholders.

Note:

Default compensation reserve for futures trading, etc. was originally funded by the contributions of the members of the Exchange (membership organization) . The amount of the reserve as of March 31, 2006 is 7,011 million yen.

With the recent expansions in international transactions, both participants

in the markets and regulatory authorities in Japan and abroad have engaged in various discussions on how clearing risks should be managed. In November 2004, the securities regulatory bodies and central banks of developed countries jointly released a set of “Recommendations for Central Counterparties.” Now that the Exchange has become an exchange with a clearing operation, it must control its management resources and conduct clearing operation in close consideration of the various relevant interests which have changed from the previous membership period.

Safe and secured performance of clearing and settlement is the most important responsibility of a clearing organization. Hence, in July 2005, the Exchange brought together a group of neutral specialists to form an “advisory committee to determine the form of cash management to be conducted by an exchange involved in both listing and clearing.” This advisory committee discussed the clearing risk management extensively and released a recommendation on “what an exchange which conducts both listing and clearing should be,” in December 2005. Based on this recommendation, a newly established Clearing & Settlement Committee made up of specialists from securities companies and knowledgeable and experienced persons has been discussing specifically what the related institution should be. In view of these discussions, the Exchange intends to promote necessary revisions in each of the following fields:

Firstly, we will reinforce a risk management system through computer systems. The full operation of the new trading and clearing system enabled the Exchange to get hold of the nearly real-time positions and assumed profits and losses of individual participants. The Exchange will continue to elaborate those systems.

Secondly, we will adjust the system to manage the clearing risks. If the risks caused to individual participants resulting from the derivative transactions are identified as too large to maintain the stability of the whole market, the clearing organization must avoid the elicitation of the risk. Therefore, the Exchange will review the system concerning the management of the clearing margin and open interest, the reporting of clearing participants, and inspection.

Thirdly, we will review the rule of loss compensation on the bankruptcy of the clearing participants proposed in this proposal. This review will be made from the viewpoint of equitability in the exchange-clearing organization and

based on the maintenance and enhancement of competitive power of the Exchange, with reference to the examples, home and abroad, in which compensation is based on the funds of clearing organizations. We will review the above mentioned rule, a rule which has been in effect since the membership time, under the advisory committee recommendation described above, in accordance with the following policies in principle:

- 1) We will review the clearing deposit system basically from the viewpoint of the self-responsibility of clearing participants.
- 2) If a clearing participant falls into bankruptcy and the resulting loss to the Exchange exceeds the amount of clearing margin and deposit, we will, in principle, appropriate the Compensation Reserve for Futures Trading. If this appropriation is still insufficient, one half of the amount of loss exceeding the Compensation Reserve for Futures Trading will be indemnified by the Exchange within the limit of accumulated earnings (except legal reserve of retained earnings and default compensation reserve) of the Exchange, and the remaining half will be indemnified by all of the clearing participants except the bankrupt one.
- 3) If the appropriation of the above 2) is still insufficient, the clearing participants other than the bankrupt one shall bear the remaining portion in accordance with the Securities and Exchange Law.

We believe that consistent progress and implementation of the above reviews will improve confidence in the exchange among investors and securities companies, and increase the corporate value of the Exchange.

Proposal No. 3: Partial Amendments to the Articles of Incorporation

1. Reasons for the Amendments

- (1) Amendments to the related rules in accordance with the introduction of an electronic notification system

For the enhanced convenience of the shareholders and streamlining of public notification procedures, we propose the introduction of an electronic notification system for use as the public notification method of the Exchange. These amendments also include an alternative method of notice for any contingency caused by the electronic notification system.

(2) Additions to, changes in, and deletions of the provisions in accordance with the enforcement (May 1, 2006) of the Company Law (Law No. 86 of 2005)

The enforced Company Law expands the scope of autonomous control by the Board of Directors authorized by the Articles of Incorporation. Accordingly, in order to expedite the decision making of the management, improve the business efficiency, and reinforce corporate governance, the Exchange proposes the necessary adjustments, including addition, amendment, and deletion of provisions, and correction of words, as follows:

- 1) Addition of provisions concerning the establishment of the various managing organs, including the Board of Directors and Board of Statutory Auditors
- 2) Addition of provisions concerning the online disclosure of the documents of Shareholders' Meeting via the Internet, including the reference documents for the General Meeting of Shareholders
- 3) Addition of provisions concerning the approval of resolutions of the Board of Directors by paper ballot or the electromagnetic method
- 4) Addition of provisions to enable the conclusion of liability limitation agreements with outside directors
- 5) Amendment of provisions concerning the effects of resolved elections of Substitute Statutory Auditors

(3) Additions to, changes in, and deletions of other provisions

The Exchange proposes the following changes in wording and additions, amendments, and deletions of the provisions as necessary adjustments:

- 1) Deletion of the relative provisions in accordance with the discontinuation of the Retirement Benefit System for Directors and Statutory Auditors
- 2) Amendment of the provisions in accordance with the changed classification of the securities markets of the Exchange
- 3) Addition of provisions concerning the establishment of advisory committees for the Board of Directors

2. Contents of the Amendments

The details of the amendments in the Articles of Incorporation are as follows:

(Underlined parts are amended.
Note: In case that change in original Japanese text does not effect a substantial change in the meaning, no change is made in English translation.)

| Current Articles of Incorporation | Proposed Amendments |
|--|--|
| <p>CHAPTER I.GENERAL PROVISIONS</p> <p>(Method of Public Notice) Article 4. Public notices of the Exchange shall be issued in the <i>Nihon Keizai Shimbun</i>.</p> <p>(New)</p> <p>CHAPTER II. SECURITIES MARKETS OF THE EXCHANGE</p> <p>(Markets of the Exchange) Article 5. <u>The Exchange has the following markets:</u> <u>(1) Auction market;</u> <u>(2) The J-NET (Negotiation) market;</u> <u>(3) Nippon New Market – “Hercules”.</u></p> <p>CHAPTER III. EQUITY</p> <p>(Total Number of Shares) Article 11.The total number of shares authorized to be issued by the Exchange shall be three hundred and ten thousand (310,000) shares.</p> | <p>CHAPTER I.GENERAL PROVISIONS</p> <p>(Method of Public Notice) Article 4. Public notices of the Exchange shall be <u>electronic public notices;</u> <u>provided, however, that if the Exchange is unable to issue an electronic public notice due to an accident or any other unavoidable reason, public notices of the Exchange shall be issued in the <i>Nihon Keizai Shimbun</i>.</u></p> <p>(Organs) <u>Article 4-2. The Exchange shall have the following organs in addition to the General Meeting of Shareholders and Directors:</u> <u>(1) Board of Directors;</u> <u>(2) Statutory Auditors;</u> <u>(3) Board of Statutory Auditors; and</u> <u>(4) Accounting Auditors.</u></p> <p>CHAPTER II. SECURITIES MARKETS OF THE EXCHANGE</p> <p>(<u>Matter Pertaining to Securities Markets of the Exchange</u>) Article 5. <u>The Exchange shall conduct transactions in securities.</u></p> <p>CHAPTER III. EQUITY</p> <p>(<u>Total Number of Shares Authorized to be Issued</u>) Article 11.The total number of shares authorized to be issued by the Exchange shall be three hundred and ten thousand (310,000) shares.</p> |

| Current Articles of Incorporation | Proposed Amendments |
|---|---|
| <p>(Transfer Agent) Article 13. The Exchange shall appoint a transfer agent <u>with respect to its shares and odd lot shares.</u> 2. The transfer agent and its business office shall be designated by resolution of the Board of Directors of the Exchange. 3. The register of shareholders, the register of odd-lot shares and the register of lost share certificates of the Exchange <u>shall be retained at the business office of the transfer agent. The business pertaining to the shares and odd-lot shares, such as registration of transfers of shares, purchase and sale of odd-lot shares shall be handled by the transfer agent and not by the Exchange.</u></p> | <p>(Transfer Agent) Article 13. The Exchange shall appoint a transfer agent. 2. The transfer agent and its business office shall be designated by resolution of the Board of Directors of the Exchange. 3. <u>Preparation and retention of the register of shareholders (including the register of beneficial shareholders; hereinafter the same interpretation shall apply), the register of stock acquisition rights and the register of lost share certificates of the Exchange, as well as any other business with respect to the register of shareholders, register of stock acquisition rights and the register of lost share certificates of the Exchange, shall be entrusted to the transfer agent and shall not be handled by the Exchange.</u></p> |
| <p>(Share Handling Regulations) Article 14. The business pertaining to shares of the Exchange, <u>denominations of share certificates, recording in the register of odd-lot shares, purchase and sale of odd-lot shares, as well as any other business with respect to shares and odd-lot shares,</u> shall be governed by the Share Handling Regulations adopted or amended by resolution of the Board of Directors of the Exchange.</p> | <p>(Share Handling Regulations) Article 14. The business <u>and handling charges</u> pertaining to shares of the Exchange shall be governed by, <u>in addition to law or these Articles of Incorporation,</u> the Share Handling Regulations adopted or amended by resolution of the Board of Directors of the Exchange.</p> |
| <p>(Record Date) <u>Article 15. The Exchange shall deem those shareholders with voting rights whose names are listed or recorded in the last register of shareholders (including the register of beneficial shareholders; hereinafter the same interpretation shall apply) as of March 31 of each year to be shareholders entitled to exercise their rights at the Ordinary General Meeting of Shareholder to be held with respect to such fiscal year.</u></p> | <p>(Deleted)</p> |

| Current Articles of Incorporation | Proposed Amendments |
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| <p><u>2. In addition to the preceding paragraph, whenever necessary, in accordance with resolution of the Board of Directors of the Exchange and upon giving prior public notice including a certain date and time determined, the shareholders or registered pledgees recorded in the register of shareholders as of that date may exercise their rights,</u></p> | <p>(Deleted)</p> |
| <p>(Purchase of Treasury Stock) Article 15-2. The Exchange may, by resolution of the Board of Directors, purchase treasury stock pursuant to <u>Article 211-3, Paragraph 1, Item 2 of the Commercial Code.</u></p> | <p>(Acquisition of Own Shares) Article 15. The Exchange may, by resolution of the Board of Directors, acquire the Exchange's own shares pursuant to <u>Article 165, Paragraph 2 of the Company Law.</u></p> |
| <p>CHAPTER IV. GENERAL MEETING OF SHAREHOLDERS</p> | <p>CHAPTER IV. GENERAL MEETING OF SHAREHOLDERS</p> |
| <p>(Convocation) Article 16. General Meetings of Shareholders shall be an ordinary General Meeting of Shareholders and an Extraordinary General Meeting of Shareholders. The Ordinary General Meeting of Shareholders shall be convened within three months after the day following the closing day of each business year. An Extraordinary General Meeting of Shareholders shall be convened whenever necessary.</p> | <p>(Convocation) Article 16. General Meetings of Shareholders shall be an Ordinary General Meeting of Shareholders and an Extraordinary General Meeting of Shareholders. The Ordinary General Meeting of Shareholders shall be convened within three months after the day following the closing day of each business year. An Extraordinary General Meeting of Shareholders shall be convened whenever necessary.</p> |
| <p>2. (Omitted)</p> | <p>2. (Unchanged)</p> |
| <p>(New)</p> | <p>(Record Date with respect to Ordinary General Meeting of Shareholders) <u>Article 16-2. The record date with respect to voting rights exercisable at an Ordinary General Meeting of Shareholders of the Exchange shall be March 31 of each year.</u></p> |

| Current Articles of Incorporation | Proposed Amendments |
|---|---|
| <p data-bbox="470 347 550 380">(New)</p> <p data-bbox="236 853 671 887">(Method of Adopting Resolutions)</p> <p data-bbox="236 889 576 922">Article 18 (Omitted)</p> <p data-bbox="236 925 762 1189">2. Resolutions to be adopted pursuant to <u>Article 343, Paragraph 1 of the Commercial Code</u> may be adopted by two-thirds (2/3) or more of the votes of the shareholders present who hold one-third (1/3) or more of the total number of voting rights of all shareholders.</p> <p data-bbox="236 1223 703 1256">(Exercise of Voting Rights by Proxy)</p> <p data-bbox="236 1258 772 1523">Article 19. A shareholder may exercise his/her voting rights by authorizing <u>another</u> shareholder with voting rights to act as his/her proxy. The shareholder or his/her proxy shall submit to the Exchange a document evidencing his/her power of representation for the General Meeting of Shareholders.</p> <p data-bbox="236 1556 363 1590"><u>(Minutes)</u></p> <p data-bbox="236 1592 778 1825">Article 20. <u>The substance of the proceedings at a General Meeting of Shareholders and the results thereof shall be entered in the minutes and the chairman and Directors present shall inscribe their names and affix their seals thereon.</u></p> | <p data-bbox="810 347 1359 817"><u>Article 16-3. The Exchange shall be deemed to have provided the shareholders (including a beneficial shareholder; hereinafter the same interpretation shall apply) with the necessary information with respect to the matters to be stated or indicated in the reference documents for the General Meeting of Shareholders, the business reports, the statutory reports and the consolidated statutory reports, by disclosing such information via the Internet in accordance with the ordinance of the Ministry of Justice.</u></p> <p data-bbox="810 853 1246 887">(Method of Adopting Resolutions)</p> <p data-bbox="810 889 1187 922">Article 18 (Unchanged)</p> <p data-bbox="810 925 1347 1189">2. Resolutions to be adopted pursuant to <u>Article 309, Paragraph 2 of the Company Law</u> may be adopted by two-thirds (2/3) or more of the votes of the shareholders present who hold one-third (1/3) or more of the total number of voting rights of shareholders with voting rights.</p> <p data-bbox="810 1223 1278 1256">(Exercise of Voting Rights by Proxy)</p> <p data-bbox="810 1258 1350 1523">Article 19. A shareholder may exercise his/her voting rights by authorizing <u>one (1) other</u> shareholder with voting rights to act as his/her proxy. The shareholder or his/her proxy shall submit to the Exchange a document evidencing his/her power of representation for the General Meeting of Shareholders.</p> <p data-bbox="810 1592 1139 1626">Article 20. (Deleted)</p> |

| Current Articles of Incorporation | Proposed Amendments |
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| <p style="text-align: center;">CHAPTER V. DIRECTORS AND BOARD OF DIRECTORS</p> | <p style="text-align: center;">CHAPTER V. DIRECTORS AND BOARD OF DIRECTORS</p> |
| (Election of Directors) | (Election of Directors) |
| Article 22. (Omitted) | Article 22. (Unchanged) |
| 2. (Omitted) | 2. (Unchanged) |
| 3. Resolutions of the preceding two paragraphs shall be adopted by a majority vote of the shareholders present who hold one-third (1/3) or more of the voting rights of <u>all shareholders</u> . | 3. Resolutions of the preceding two paragraphs shall be adopted by a majority vote of the shareholders present who hold one-third (1/3) or more of the voting rights of <u>shareholders with voting rights</u> . |
| 4. (Omitted) | 4. (Unchanged) |
| 5. (Omitted) | 5. (Unchanged) |
| (Term of Office of Directors) | (Term of Office of Directors) |
| Article 23. The term of office of a Director shall expire upon conclusion of the Ordinary General Meeting of Shareholders held with respect to the last <u>closing of accounts</u> within two (2) years from his/her <u>assumption of office</u> . The term of office of a Director elected to fill a vacancy shall be the same as the remaining term of office of his/her predecessor. | Article 23. The term of office of a Director shall expire upon conclusion of the Ordinary General Meeting of Shareholders held with respect to the last <u>fiscal year ending</u> within two (2) years from his/her <u>election to office</u> . The term of office of a Director elected to fill a vacancy shall be the same as the remaining term of office of his/her predecessor. |
| (Representative Directors) | (Representative Directors) |
| Article 24. <u>Directors representing the Exchange shall be elected by resolution of the Board of Directors.</u> | Article 24. <u>The Board of Directors of the Exchange shall elect Representative Directors by its resolution.</u> |
| 2. (Omitted) | 2. (Unchanged) |
| (Directors) | (Directors) |
| Article 25. The Board of Directors may <u>appoint from Directors</u> one (1) Chairman and Director, one (1) President & CEO, one (1) Senior Executive Vice President, some Senior Executive Directors and Executive Directors by its resolution. | Article 25. The Board of Directors may <u>elect</u> one (1) Chairman and Director, one (1) President & CEO, one (1) Senior Executive Vice President, some Senior Executive Directors and Executive Directors by its resolution. |
| 2. (Omitted) | 2. (Unchanged) |
| 3. (Omitted) | 3. (Unchanged) |

| Current Articles of Incorporation | Proposed Amendments |
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| <p>(Convocation) Article 26. (Omitted) 2. Notice of convocation of a meeting of the preceding paragraph shall be sent to each Director and Statutory Auditor at least three (3) days prior to the meeting; provided, however, that in the event of urgency, such period may be shortened. 3. (Omitted) (New) (New)</p> | <p>(Convocation) Article 26. (Unchanged) 2. Notice of convocation of a meeting of the preceding paragraph shall be sent to each Director and Statutory Auditor at least three (3) days prior to the meeting <u>of the Board of Directors</u>; provided, however, that in the event of urgency, such period may be shortened. 3. (Unchanged) <u>(Omission of the Procedure for Adopting Resolutions of the Board of Directors)</u> <u>Article 27-2. When the requirements provided for in Article 370 of the Company Law are satisfied, resolutions of the Board of Directors of the Exchange shall be deemed to have been adopted.</u> <u>(Board of Directors Regulations)</u> <u>Article 27-3. In addition to what is provided by law or by these Articles of Incorporation, the matters concerning the Board of Directors of the Exchange shall be governed by the Board of Directors Regulations established by the Board of Directors of the Exchange.</u></p> |
| <p><u>(Minutes of the Board of Directors)</u> Article 28. <u>The substance of the proceedings at a meeting of the Board of Directors of the Exchange and the results thereof shall be entered in the minutes and the chairman and Directors present shall inscribe their names and affix their seals thereon.</u></p> | <p>Article 28. (Deleted)</p> |
| <p>(Compensation) Article 29. The amount of compensation <u>and retirement benefits to be paid to Directors</u> shall be determined at the General Meeting of Shareholders.</p> | <p>(Compensation etc.) Article 29. The amount of compensation, <u>bonuses and any other proprietary benefits to be granted to Directors by the Exchange in consideration of their performance of duties (hereinafter referred to as “compensation etc.”)</u> shall be determined <u>by resolution of the</u> General Meeting of Shareholders.</p> |

| Current Articles of Incorporation | Proposed Amendments |
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| <p>(Limitation of Liabilities of Directors) Article 29-2, Pursuant to the provisions of <u>Article 266, Paragraph 12 of the Commercial Code</u>, the Exchange may release Directors (including former Directors) from liabilities <u>relating to the acts specified in Paragraph 1, Item 5 of the said article</u>, to the extent permitted by law, in accordance with resolution of the Board of Directors of the Exchange.</p> <p>2. Pursuant to the provisions of <u>Article 266, Paragraph 19 of the Commercial Code</u>, the Exchange may enter into an agreement with each of the Outside Directors to the effect that any liability of such Outside Director arising from <u>acts specified in Paragraph 1, Item 5 of the said article</u> shall be limited; provided, however, the limit of the liability shall be a prescribed amount that is one million yen or more or an amount set by law, whichever is the greater.</p> | <p>(Limitation of Liabilities of Directors) Article 29-2, Pursuant to the provisions of <u>Article 426, Paragraph 1 of the Company Law</u>, the Exchange may release Directors (including former Directors) from liabilities <u>for damages arising from negligence in the performance of their duties</u>, to the extent permitted by law, in accordance with resolution of the Board of Directors of the Exchange.</p> <p>2 Pursuant to the provisions of <u>Article 427, Paragraph 1 of the Company Law</u>, the Exchange may enter into an agreement with each of the Outside Directors to the effect that any liability <u>for damages</u> of such Outside Director arising from <u>negligence in the performance of his/her duties</u> shall be limited; provided, however, the limit of the liability shall be a prescribed amount that is one million yen or more or an amount set by law, whichever is the greater.</p> |
| <p>CHAPTER VI. STATUTORY AUDITORS AND BOARD OF STATUTORY AUDITORS</p> | <p>CHAPTER VI. STATUTORY AUDITORS AND BOARD OF STATUTORY AUDITORS</p> |
| <p>(Election of Statutory Auditors) Article 31. (Omitted) 2 Resolutions for the election of Statutory Auditors shall be adopted by a majority vote of the shareholders present who hold one-third (1/3) or more of the voting rights of <u>all shareholders</u>.</p> | <p>(Election of Statutory Auditors) Article 31. (Unchanged) 2 Resolutions for the election of Statutory Auditors shall be adopted by a majority vote of the shareholders present who hold one-third (1/3) or more of the total number of voting rights of <u>shareholders with voting rights</u>.</p> |

| Current Articles of Incorporation | Proposed Amendments |
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| <p>(Preliminary of Substitute Statutory Auditors) Article 31-2. <u>The Exchange may elect preliminarily (hereinafter referred to as “Preliminary”) a substitute for a Statutory Auditor (hereinafter referred to as “Substitute Statutory Auditor” in preparation for a vacancy of Statutory Auditors, the number of which is stipulated by law.</u></p> <p>2. <u>For the quorum of Preliminary of Substitute Statutory Auditors, provisions in Article 31, Paragraph 2 shall apply.</u></p> <p>3. <u>The effect of Preliminary shall be valid until the first ordinary shareholders’ meeting held after the shareholders’ meeting which has resolved the Preliminary.</u></p> | <p>(Effects of Election of Substitute Statutory Auditors) Article 31-2. <u>The resolution to elect Substitute Statutory Auditors who are elected in preparation for a vacancy of Statutory Auditors, the number of which is stipulated by law or the Articles of Incorporation, shall be effective until the beginning of the Ordinary General Meeting of Shareholders held with respect to the last fiscal year ending within four (4) years from the said resolution; provided, however, that such effective term may be shortened by resolution of the General Meeting of Shareholders.</u></p> <p>(Deleted)</p> <p>(Deleted)</p> |
| <p>(Term of Office of Statutory Auditors) Article 32. The term of office of a Statutory Auditor shall expire upon conclusion of the Ordinary General Meeting of Shareholders held with respect to the last <u>closing of accounts</u> within four (4) years from his/her <u>assumption of office</u>; provided, however, that the term of office of a Statutory Auditor elected to fill a vacancy shall be the same as the remaining term of office of the retired Statutory Auditor.</p> | <p>(Term of Office of Statutory Auditors) Article 32. The term of office of a Statutory Auditor shall expire upon conclusion of the Ordinary General Meeting of Shareholders held with respect to the last <u>fiscal year</u> ending within four (4) years from his/her <u>election to office</u>; provided, however, that the term of office of a Statutory Auditor elected to fill a vacancy <u>caused by retirement of a Statutory Auditor prior to the expiry of his/her term of office</u> shall be the same as the remaining term of office of the retired Statutory Auditor.</p> |

| Current Articles of Incorporation | Proposed Amendments |
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| <p>2. If a Substitute Statutory Auditor <u>passed preliminaries according to the preceding article</u> assumes the office of a Statutory Auditor, the term of office of the Statutory Auditor shall be the same as the remaining term of office of the retired Statutory Auditor.</p> <p>(Standing Statutory Auditors) Article 33. <u>Statutory Auditors shall determine among themselves</u> one or more Standing Statutory Auditors.</p> <p>2. (Omitted)</p> <p>3. Standing Statutory Auditors shall not be occupied in any other business during his/her term of office, unless approved by the Board of <u>Directors</u>.</p> <p>(Convocation of the Board of Statutory Auditors) Article 34. (Omitted)</p> <p>2. Notice of convocation of a meeting of the Board of Statutory Auditors of the preceding paragraph shall be sent to each Statutory Auditor at least three (3) days prior to the meeting; provided, however, that in the event of urgency, such period may be shortened.</p> <p>3. When the consent of all Statutory Auditors is obtained in advance, a meeting of the Board of Statutory Auditors of the Exchange may be held without following the procedures for convening a meeting.</p> <p>(<u>Method of Adopting Resolutions of the Board of Statutory Auditors</u>) Article 35. <u>Except as otherwise provided by law, resolutions of the Board of Statutory Auditors of the Exchange shall be adopted by a majority of the Statutory Auditors.</u></p> | <p>2. If a Substitute Statutory Auditor <u>elected in preparation to fill a vacancy of Statutory Auditors, the number of which is stipulated by law or the Articles of Incorporation,</u> assumes the office of a Statutory Auditor, the term of office of the Statutory Auditor shall be the same as the remaining term of office of the retired Statutory Auditor.</p> <p>(Standing Statutory Auditors) Article 33. <u>The Board of Statutory Auditors shall elect one or more Standing Statutory Auditors by its resolution.</u></p> <p>2. (Unchanged)</p> <p>3. Standing Statutory Auditors shall not be occupied in any other business during his/her term of office, unless approved by the Board of <u>Statutory Auditors</u>.</p> <p>(Convocation of the Board of Statutory Auditors) Article 34. (Unchanged)</p> <p>2. Notice of convocation of a meeting of the Board of Statutory Auditors of the preceding paragraph shall be sent to each Statutory Auditor at least three (3) days prior to the meeting <u>of the Board of Statutory Auditors</u>; provided, however, that in the event of urgency, such period may be shortened.</p> <p>3. When the consent of all Statutory Auditors is obtained in advance, a meeting of the Board of Statutory Auditors of the Exchange may be held without following the procedures for convening a meeting.</p> <p>(<u>Board of Statutory Auditors Regulations</u>) Article 35. <u>In addition to what is provided by law or by these Articles of Incorporation, the matters concerning the Board of Statutory Auditors of the Exchange shall be governed by the Board of Statutory Auditors Regulations established by the Board of Statutory Auditors of the Exchange.</u></p> |

| Current Articles of Incorporation | Proposed Amendments |
|--|---|
| <p data-bbox="229 344 788 378"><u>(Minutes of the Board of Statutory Auditors)</u></p> <p data-bbox="229 383 788 613">Article 36. <u>The substance of the proceedings at a meeting of the Board of Statutory Auditors of the Exchange and the results thereof shall be entered or recorded in the minutes, and the Statutory Auditors present shall inscribe their names and affix their seals thereon.</u></p> <p data-bbox="229 651 437 685">(Compensation)</p> <p data-bbox="229 689 772 846">Article 37. The amount of compensation <u>and retirement benefits</u> to be granted to Statutory Auditors shall be determined by resolution of the General Meeting of Shareholders.</p> <p data-bbox="229 884 724 952">(Limitation of Liabilities of Statutory Auditors)</p> <p data-bbox="229 956 788 1218">Article 37-2. Pursuant to the provisions of <u>Article 280, Paragraph 1 of the Commercial Code</u>, the Exchange may release Statutory Auditors (including former Statutory Auditors) from liabilities to the extent permitted by law, in accordance with resolution of the Board of Directors of the Exchange.</p> <p data-bbox="469 1285 549 1319">(New)</p> | <p data-bbox="804 383 1139 416">Article 36. (Deleted)</p> <p data-bbox="804 651 1059 685">(Compensation etc.)</p> <p data-bbox="804 689 1347 813">Article 37. The amount of compensation <u>etc.</u> to be granted to Statutory Auditors shall be determined by resolution of the General Meeting of Shareholders.</p> <p data-bbox="804 884 1299 952">(Limitation of Liabilities of Statutory Auditors)</p> <p data-bbox="804 956 1362 1285">Article 37-2. Pursuant to the provisions of <u>Article 426, Paragraph 1 of the Company Law</u>, the Exchange may release Statutory Auditors (including former Statutory Auditors) from liabilities <u>for damages arising from negligence in the performance of their duties</u>, to the extent permitted by law, in accordance with resolution of the Board of Directors of the Exchange.</p> <p data-bbox="804 1290 1362 1720">2. Pursuant to the provisions of <u>Article 427, Paragraph 1 of the Company Law</u>, the Exchange may enter into an <u>agreement with each of the Outside Statutory Auditors to the effect that any liability for damages of such Outside Statutory Auditor arising from negligence in the performance of his/her duties shall be limited; provided, however, that the limit of the liability shall be a prescribed amount of one million yen or more or an amount set by law, whichever is the greater.</u></p> |

| Current Articles of Incorporation | Proposed Amendments |
|---|---|
| (New) | <u>CHAPTER VII. ADVISORY</u> |
| | <u>COMMITTEES</u> |
| (New) | <u>Article 37-3 The Exchange may establish</u> |
| | <u>advisory committees.</u> |
| | <u>2. The advisory committees may express</u> |
| | <u>opinions to the Board of Directors on</u> |
| | <u>important matters concerning the</u> |
| | <u>management of the Exchange, at</u> |
| | <u>inquiries of the Board of Directors.</u> |
| | <u>3. The matters concerning the advisory</u> |
| | <u>committees of the Exchange shall be</u> |
| | <u>governed by the advisory committee</u> |
| | <u>regulations established by the Board of</u> |
| | <u>Directors of the Exchange.</u> |
| <u>CHAPTER VII. ACCOUNTS</u> | <u>CHAPTER VIII. ACCOUNTS</u> |
| (Business Year) | (Business year) |
| Article 38. The business year of the | Article 38. The business year of the |
| Exchange shall commence on April 1 of | Exchange shall commence on April 1 of |
| each year and shall end on March 31 of | each year and shall end on March 31 of |
| the following year. | the following year. |
| (Budget) | (Budget) |
| Article 39. The budget for the business | Article 39. The budget for the business |
| year as stipulated in the preceding | year as stipulated in the preceding |
| article shall be resolved at a meeting of | article shall be resolved at a meeting of |
| the Board of Directors by two-thirds | the Board of Directors by two-thirds |
| (2/3) or more of the Directors present, | (2/3) or more of the Directors present, |
| ten (10) days before the beginning of the | ten (10) days before the beginning of the |
| said business year. | said business year. |
| <u>(Dividends and Interim Dividends)</u> | <u>(Distribution of Surplus)</u> |
| Article 40. Dividends of the Exchange | Article 40. <u>By resolution of the General</u> |
| shall be paid to the shareholders or | <u>Meeting of the Shareholders, year-end</u> |
| registered pledgees whose names are | dividends of the Exchange shall be paid |
| listed or recorded in the last register of | to the shareholders or registered pledgees |
| shareholders <u>and the odd-lot</u> | whose names are listed or recorded in |
| <u>shareholders whose names are listed or</u> | the last register of shareholders as of |
| <u>recorded in the last register of odd-lot</u> | March 31 of each year. |
| <u>shares, as of March 31 of each year.</u> | |

| Current Articles of Incorporation | Proposed Amendments |
|--|---|
| <p>2. The Exchange may, by resolution of the Board of Directors of the Exchange, <u>make cash distributions as set out in Article 293-5 of the Commercial Code (hereinafter referred to as “interim dividends”)</u> to the shareholders or registered pledgees whose names are listed or recorded in the last register of shareholders <u>and the odd-lot shareholders whose names are listed or recorded in the last register of odd-lot shares,</u> as of September 30 of each year.</p> <p>3. If dividends or interim dividends in the preceding two paragraphs are not claimed within three (3) years from the date of commencement of payment thereof, the Exchange shall be relieved of the obligation to make such payment.</p> <p>CHAPTER <u>VIII</u>. MISCELLANEOUS</p> | <p>2. <u>In addition to the provisions in the preceding paragraph,</u> the Exchange may, by resolution of the Board of Directors of the Exchange, <u>pay interim dividends</u> to the shareholders or registered pledgees whose names are listed or recorded in the last register of shareholders as of September 30 of each year.</p> <p>3. If year-end dividends or interim dividends in the preceding two paragraphs are not claimed within three (3) years from the date of commencement of payment thereof, the Exchange shall be relieved of the obligation to make such payment.</p> <p>CHAPTER <u>IX</u>. MISCELLANEOUS</p> |

Proposal No. 4: Election of 11 Directors

Mr. Yoshitake Kaneda resigned as Director on July 31, 2005 and Mr. Satoshi Iue resigned as Director on September 30, 2005. 9 Directors (all) will expire at the conclusion of this General Meeting of Shareholders. We propose the election of 11 Directors.

The candidates for Directors are as follows:

| No. | Name (Date of Birth) | Brief History and Representation of Other Companies | Number of Shares of the Exchange Held |
|-----|--|--|--|
| 1 | Michio Yoneda (June 14, 1949) | <p>April, 1973 Joined the Bank of Japan</p> <p>July, 1995 General Manager, Akita Branch, ditto</p> <p>May, 1998 General Manager, Sapporo Branch, ditto</p> <p>April, 2000 Executive Director, the Exchange (Membership Org.)</p> <p>April, 2001 Executive Director, the Exchange</p> <p>October, 2002 Senior Executive Director, ditto</p> <p>December, 2003 President & CEO, ditto (To the present)</p> <p>June, 2004 Director, Osaka Securities Finance Company, Ltd. (To the present)</p> <p>Director, Osaka Small and Medium Business Investment & Consultation Co., Ltd. (To the present)</p> | 8 shares |
| 2 | Shigeo Ojima (December 11, 1947) | <p>April, 1970 Joined the Exchange (Membership Org.)</p> <p>April, 1998 General Manager, Personnel Dept. , ditto</p> <p>April, 2001 Executive Officer, the Exchange</p> <p>June, 2002 Director, ditto</p> <p>October, 2002 Executive Director, ditto</p> <p>June, 2004 Representative Executive Director, ditto (To the present)</p> | 6 shares |
| 3 | Motoharu Fujikura (August 19, 1947) | <p>July, 1971 Joined Ministry of Finance (MOF)</p> <p>July, 1987 Councillor, Cabinet Secretariat</p> <p>June, 1989 Director, Investment Trust and Management Office, Securities Business Division, Securities Bureau, MOF</p> <p>June, 1991 Director, International Capital Division, International Finance Bureau, ditto</p> <p>May, 1995 Director, Coordination Division, Customs and Tariff Bureau, ditto</p> <p>July, 1996 Director-General, Yokohama Customs</p> <p>July, 1997 Deputy Commissioner, Commissioner's Secretariat, National Tax Agency</p> <p>July, 2000 Director, Tokyo Office, International Finance Corporation</p> <p>October, 2005 Senior Advisor to the President, the Exchange (To the present)</p> | 0 shares |

| No. | Name (Date of Birth) | Brief History and Representation of Other Companies | Number of Shares of the Exchange Held |
|-----|---|--|--|
| 4 | Kazutoshi Aritomi (October 29, 1947) | <p>March, 1974 Joined Nippon Telegraph and Telephone Public Corporation</p> <p>April, 1991 Executive Manager, Financial Network Section, 1st Financial Systems Division, Financial Systems Sector, NTT Data Communications Systems Corporation</p> <p>April, 1994 Deputy Senior Executive Manager, 1st Financial Systems Division, Financial Systems Sector, ditto</p> <p>April, 1996 Senior Executive Manager, Chugoku Regional Headquarters, ditto</p> <p>July, 1999 Senior Executive Manager, Purchasing Dept., ditto</p> <p>September, 2000 Senior Executive Manager, Card Business Division, Information Network Business Sector, ditto</p> <p>April, 2002 Director, NTT Data FIT Corporation</p> <p>May, 2003 President and CEO, NTT Data Chugoku Tecsys Corporation</p> <p>April, 2006 Executive Officer, the Exchange (To the present)</p> | 0 shares |
| 5 | Yoji Arakawa (January 3, 1935) | <p>April, 1959 Assumed office as Prosecutor</p> <p>December, 1990 Chief Prosecutor, Kobe District Public Prosecutors Office</p> <p>June, 1992 Chief Prosecutor, Osaka District Public Prosecutors Office</p> <p>February, 1995 Superintendent Prosecutor, Takamatsu High Public Prosecutors Office</p> <p>May, 1996 Superintendent Prosecutor, Osaka High Public Prosecutors Office</p> <p>February, 1998 Registered as Attorney at Law (Osaka Bar Association) (To the present)</p> <p>July, 2000 Director to Represent Public Interest, the Exchange</p> <p>April, 2001 Director, the Exchange (To the present)</p> | 0 shares |
| 6 | Tsutomu Okuda (October 14, 1939) | <p>April, 1964 Joined The Daimaru, Inc.</p> <p>September, 1991 Representative Director, Daimaru Australia Pty. Ltd.</p> <p>May, 1995 Director, The Daimaru, Inc.</p> <p>May, 1996 Managing Director, ditto</p> <p>March, 1997 President, ditto</p> <p>May, 2003 Chairman and CEO, ditto (To the present)</p> <p>< Representation of Other Companies ></p> <p>Chairman and CEO, The Daimaru, Inc.</p> | 0 shares |

| No. | Name (Date of Birth) | Brief History and Representation of Other Companies | Number of Shares of the Exchange Held |
|-----|--|---|--|
| 7 | Yuko Kawamoto (May 31, 1958) | <p>April, 1982 Joined Bank of Tokyo, Ltd.</p> <p>September, 1988 Joined Tokyo Office, McKinsey & Company</p> <p>April, 2004 Professor, Graduate School of Finance, Accounting & Law, Waseda University (To the present)</p> <p>June, 2004 Director, the Exchange (To the present)</p> | 0 shares |
| 8 | Izumi Kobayashi (January 18, 1959) | <p>June, 1985 Joined Merrill Lynch Futures Japan Co., Ltd.</p> <p>May, 1998 Director of Operations, Merrill Lynch Japan Inc.</p> <p>November, 2000 First Vice President and Chief Administrative Officer, ditto</p> <p>March, 2001 First Vice President and Chief Administrative Officer, Corporate and Institutional Client Group, Merrill Lynch Japan Securities Co., Ltd.</p> <p>December, 2001 President and Representative Director, ditto (To the present)</p> <p>June, 2002 Director, the Exchange (To the present)</p> <p>< Representation of Other Companies > Representative Director and President, Merrill Lynch Japan Securities Co., Ltd.</p> | 0 shares |
| 9 | Taichi Sakaiya (Autonym: Kotaro Ikeguchi) (July 13, 1935) | <p>April, 1960 Joined Ministry of International Trade and Industry</p> <p>October, 1978 Started as author and economist</p> <p>July, 1998 Minister of State for Economic Planning</p> <p>December, 2000 Special Advisor to the Prime Minister</p> <p>April, 2001 Director, the Exchange (To the present)</p> <p>April, 2002 Professor of the University of Tokyo, Research Center for Advanced Science and Technology</p> <p>April, 2004 Professor of Waseda University, Finance Graduate School of Finance, Accounting & Law</p> <p>April, 2006 Professor (Special appointment), Waseda University (To the present)</p> | 0 shares |

| No. | Name (Date of birth) | Brief History and Representation of Other Companies | | Number of Shares of the Exchange Held |
|-----|---|---|--|--|
| 10 | Manabu Matsumoto (June 19, 1950) | April, 1975 June, 1998 June, 2001 June, 2003 April, 2005 June, 2005 | Joined Nomura Securities Co., Ltd. Director, ditto Managing Director, ditto Senior Managing Director, Nomura Holdings Inc. Executive Managing Director, Nomura Securities Co., Ltd. Executive Vice President, ditto (To the present) Director, the Exchange (To the present) <Representation of Other Companies > Executive Vice President, Nomura Securities Co., Ltd. | 0 shares |
| 11 | Shigeru Morinaka (November 29, 1934) | March, 1952 November, 1977 February, 1978 November, 1980 November, 1982 June, 2002 June, 2003 July, 2004 | Joined The Hikari Securities Co., Ltd. Director, ditto Managing Director, ditto Representative Director and Vice President, ditto Representative Director and President, ditto Director, the Exchange (To the present) Representative Director and Chairman, The Hikari Securities Co., Ltd. Chairman, Osaka District, Japan Securities Dealers Association (To the present) <Representation of Other Companies > Representative Director and Chairman, The Hikari Securities Co., Ltd. | 0 shares |

Notes:

1. No conflict of interest exists between the Exchange and the above candidates.
2. Mr. Yoji Arakawa, Mr. Tsutomu Okuda, Ms. Yuko Kawamoto, Ms. Izumi Kobayashi, Mr. Taichi Sakaiya, Mr. Manabu Matsumoto, and Mr. Shigeru Morinaka are candidates for Outside Directors.
3. Mr. Motoharu Fujikura has not formally accepted the assumption of office as Director of the Exchange as of May 23, 2006, due to the incompleteness of procedure required by the National Public Service Law. The Exchange is scheduled to request his acceptance once the above procedure is completed.

Proposal No. 5: Election of 1 Substitute Statutory Auditor

To prepare for cases where the number of Statutory Auditors falls below the number stipulated by law, we propose that 1 Substitute Statutory Auditor be preliminarily elected.

The resolution to elect 1 Substitute Statutory Auditor under this proposal shall, if it is approved as proposed in the present form, be effective until the

beginning of the Ordinary General Meeting of Shareholders held with respect to the last fiscal year ending within 3 years from the said resolution; provided, however, that such effective term may be shortened by resolution of the General Meeting of Shareholders.

In addition, the effect of the resolved election under this proposal may be cancelled with the prior consent of the Board of Statutory Auditors; provided, however, that such cancellation is made before he or she assumes office.

The Board of Statutory Auditors has agreed to this proposal.

The candidate for the Substitute Statutory Auditor is as follows:

| Name (Date of Birth) | Brief History and Representation of Other Companies | Number of Shares of the Exchange Held |
|-----------------------------------|--|--|
| Hiroshi Iwaki (March 12, 1959) | <p>April, 1986 Joined The Legal Training and Research Institute</p> <p>April, 1989 Registered as Attorney at Law (Osaka Bar Association) (To the present)</p> <p>June, 2004 Substitute Statutory Auditor, the Exchange (To the present)</p> | 0 shares |

Notes:

1. No conflict of interest exists between the Exchange and the above candidate.
2. Mr. Hiroshi Iwaki meets the requirement as Outside Statutory Auditor.

Proposal No. 6: Revision of Amount of Compensation Payable to Directors and Statutory Auditors

The amount of compensation for Directors and Statutory Auditors of the Exchange was determined by resolution of the Extraordinary General Meeting of Shareholders held on June 29, 2001. The annual amount resolved has been not more than 170 million yen for Directors and not more than 27 million yen for Statutory Auditors. The responsibility of Directors and Statutory Auditors has increased in accordance with the recent changes of the management environment. The discontinuation of the Retirement Benefit System for Directors and Statutory Auditors is proposed. Accordingly, we propose the revision of the annual amount of compensation to not more than 230 million yen for Directors (Excluding employee's portion of employee and Director, as before) and not more than 32 million yen for Statutory Auditors.

There are now 9 Directors and 3 Statutory Auditors. If the Proposal No. 4 is approved as proposed in the present form, the number of Directors will be

increased to 11 and the number of Statutory Auditors will remain 3.

Proposal No. 7: Granting of Retirement Benefits to Retiring Directors and Final Retirement Benefits to Directors and Statutory Auditors following Discontinuation of the Retirement Benefit System for Directors and Statutory Auditors

In order to reward their services while in office, it is proposed that retirement benefits be granted to Mr. Yoshitake Kaneda, who resigned as Director on July 31, 2005, and Mr. Hiroshi Nakagawa, who is to retire as Director at the conclusion of this General Meeting of Shareholders, in reasonable amounts to be determined in accordance with the prescribed standards of the Exchange. It is also proposed that the decisions as to the specific amounts of remuneration, timing, and method of payment be left to the Board of Directors.

Brief histories of Mr. Kaneda and Mr. Nakagawa are as follows:

| Name | Brief History | |
|------------------|---------------|---|
| Yoshitake Kaneda | June, 2004 | Director, the Exchange |
| | July, 2005 | Resigned as Director, the Exchange |
| Hiroshi Nakagawa | June, 2004 | Director, the Exchange (To the present) |

The Exchange resolved, at the meeting of the Board of Directors of the Exchange held on March 22, 2006, that the retirement benefit system for Directors and Statutory Auditors shall be discontinued from the day of this General Meeting of Shareholders. Accordingly, subject to the approval of Proposal No. 4 as it is proposed, we propose the payment of a final retirement benefit corresponding to their terms of office until the conclusion of this General Meeting of Shareholders to 2 Directors who are to continue service in office and 1 Statutory Auditor who is currently serving in office, in reasonable amounts to be determined in accordance with the prescribed standards of the Exchange. It is also proposed that the timing of payment shall be the retirement date of each Director and Statutory Auditor, and that the decisions as to the specific amounts of remuneration and method of payment, etc., be left to the Board of Directors and to the consultation of the Statutory Auditors.

Brief histories of the Directors and Statutory Auditor to receive the final retirement benefit are as follows:

| Name | Brief History | |
|---------------|----------------|---|
| Michio Yoneda | April, 2000 | Executive Director, the Exchange (Membership Org.) |
| | April, 2001 | Executive Director, the Exchange |
| | October, 2002 | Senior Executive Director, ditto |
| | December, 2003 | President & CEO, ditto (To the present) |
| Shigeo Ojima | June, 2002 | Director, the Exchange |
| | October, 2002 | Executive Director, ditto (To the present) |
| Minoru Nakano | June, 2004 | Standing Statutory Auditor, the Exchange (To the present) |