

CONVOCAATION NOTICE FOR THE 69TH ORDINARY GENERAL MEETING OF SHAREHOLDERS  
(SUMMARY)

June 1, 2006

Hisao Sakuta  
President and Chief Executive Officer

OMRON CORPORATION  
Shiokoji Horikawa, Shimogyo-ku,  
Kyoto, Japan

Dear Shareholders:

Notice is hereby given that the 69th Ordinary General Meeting of Shareholders will be held as detailed below, and your attendance is cordially requested.

In the event that you are unable to attend the meeting, you are kindly requested to examine the attached reference materials for the General Meeting of Shareholders, indicate your preferences on the enclosed ballot, affix your signature (or registered seal) on the ballot and send it to us by return mail, or vote via our website or other means. Whichever method you use, we ask that you please exercise your voting rights no later than 5:30 p.m. on Wednesday, June 21, 2006. (See pages 15 – 17, “Guide to Exercising Voting Rights, Etc.”)

\*Please note there is no ballot attached to this translation.

1. Date: Thursday, June 22, 2006, 10:00 a.m.
2. Place: Banquet room “Genji,” 3rd floor of Hotel Granvia Kyoto  
(In Kyoto Station)  
Karasuma-dori, Shiokoji-sagaru, Shimogyo-ku, Kyoto
3. Agenda:
  - A. Reports
    1. Reports on the business report, consolidated balance sheet, and consolidated statement of operations, and reports of the independent auditors and corporate auditors on the results of audits of consolidated financial documents for the 69th fiscal year (April 1, 2005 to March 31, 2006)
    2. Reports on the balance sheet and the statement of operations for the 69th fiscal year (April 1, 2005 to March 31, 2006)
  - B. Proposals
    - No. 1 Approval of the proposed appropriation of unappropriated retained earnings for the 69th fiscal year
    - No. 2 Partial amendment of the Articles of Incorporation
    - No. 3 Reacquisition of shares
    - No. 4 Setting of amount and content of stock option compensation for directors

Copies of the accounting documents and auditor’s report attached to this convocation notice are printed in the Business Report for the 69th Accounting Period provided separately. Attendees are kindly requested to submit the enclosed ballot, completed, at the reception desk at the entrance to the meeting hall.

## REFERENCE MATERIALS FOR THE GENERAL MEETING OF SHAREHOLDERS

### **No. 1:** Approval of the proposed appropriation of unappropriated retained earnings for the 69th fiscal year

It is proposed to implement the contents of this proposal as described in the Business Report for the 69th Accounting Period (page26).

Under Grand Design 2010, Omron's long-term management vision, Omron has set the management objective of maximizing the Company's corporate value over the long term. Appropriate returns to shareholders and growth to expand earnings over the long-term are positioned as management priorities. Accordingly, in order to increase its corporate value, Omron's fundamental policy for distributing profits is to maintain long-term stable dividends, with a target payout ratio approx. 20% of consolidated net income, after securing internal capital resources for essential R&D expenditures, capital investment and other investments in growth.

Based on the above policies and considering that Omron achieved record net income in during the year ended March 31, 2006, the fourth consecutive year of sales and profit growth, Omron will pay a year-end cash dividend of ¥18.00 per share.

As the Company earlier paid an interim cash dividend of ¥12.00 per share, total cash dividends for the fiscal year would be ¥30.00, an increase of ¥6.00 from the previous fiscal year.

As for bonuses to directors for the fiscal year, the Company proposes bonuses totaling ¥140,200,000 to the five directors at the end of the period, excluding outside directors, taking into general account the Company's performance and other factors, to reward them for their service during the past fiscal year. To provide for bonuses to directors, the Company asks your approval of this proposal as a distribution of profits and necessary compensation of directors, as provided in Article 361-1 of the Corporation Law.

### **No. 2:** Partial amendment of the Articles of Incorporation

It is proposed to amend the Company's Articles of Incorporation as described below.

#### 1. Reasons for the Amendments

- 1) In accordance with the enactment of the Corporation Law (Law No. 86, 2005) and Ministry of Finance directives based on the Corporation Law, Omron will amend its Articles of Incorporation as follows for items that will be enabled by stipulating them in the Articles of Incorporation.
  - A. The proposed amendment of Article 10 ("Rights for Shares Less than One Trading Unit") will be established to restrict, within reasonable limits, the rights of odd-lot shareholders.
  - B. The proposed amendment of Article 18 ("Provision of Internet Disclosure of General Shareholders' Meeting Reference Materials, etc.") will be established so that the Company can, when necessary, provide enhanced information disclosure to shareholders without restricting paper width, through the use of the Internet for certain general shareholders' meeting reference materials, etc.
  - C. Traditionally, the exercise of voting rights by proxy has been handled by limiting the number of proxies to one, based on the provisions of the Commercial Code, to facilitate smooth running of the general shareholders' meeting. The present Article 16 will be amended where necessary to clarify this in the Articles of Incorporation.
  - D. The present Article 25 will be amended to enable Board of Directors resolutions to be made flexibly using paper or electronic methods if necessary.

- E. To facilitate invitation of outside auditors, the proposed amendment of Article 40 (“Limited Liability Contracts with Outside Auditors”) will be established to allow the Company to enter into contracts with outside auditors that limit their liability in performing their duties, provided that they act in good faith and without gross negligence.
- 2) In addition to the above reasons, as a corporation under the Corporation Law, the Company will make additions, deletions, revisions and movements as necessary, and will take this opportunity to review the provisions of the Articles of Incorporation and make any necessary changes across the board.

## 2. Contents of Amendments

(Underlines indicate amendments.)

Present Articles of Incorporation	Proposed Amendment
<p style="text-align: center;"><b>CHAPTER I General Provisions</b></p> <p><b>Article 1. (Corporate Name)</b></p> <p>The <u>corporate name</u> of the Company shall be called Omron Kabushiki Kaisha.</p> <p><u>In English, the Company shall be called OMRON CORPORATION.</u></p> <p><b>Article 2. (Purpose)</b></p> <p>The purpose of the Company shall be to conduct the following businesses.</p> <p style="padding-left: 40px;"><u>1.</u> ~ (Text Omitted)</p> <p style="padding-left: 40px;"><u>15.</u></p> <p><b>Article 3. (Address of Head Office)</b> (Text Omitted)</p> <p style="text-align: center;">(New)</p> <p><b>Article 4. (Method of Giving Public Notice)</b></p> <p>Public notices of the Company shall be <u>made by electronic means</u>. <u>Provided, however, that upon the occurrence of any accidents or other unavoidable circumstances which render the use of electronic public notice impossible,</u> the same shall be made by publishing in the <i>Nihon Keizai Shimbun</i>, and the <i>Kyoto Shimbun</i> issued in the city of Kyoto.</p>	<p style="text-align: center;"><b>CHAPTER I General Provisions</b></p> <p><b>Article 1. (Corporate Name)</b></p> <p>The Company shall be called Omron Kabushiki Kaisha, <u>and the name in English shall be displayed as OMRON Corporation.</u></p> <p><b>Article 2. (Purpose)</b></p> <p>The purpose of the Company shall be to conduct the following businesses.</p> <p style="padding-left: 40px;"><u>(1)</u> ~ (No Change)</p> <p style="padding-left: 40px;"><u>(15)</u></p> <p><b>Article 3. (Address of Head Office)</b> (No Change)</p> <p><b>Article 4. (Institutions)</b></p> <p><u>In addition to the General Meeting of Shareholders and directors, the Company shall have the following institutions.</u></p> <p><u>(1) Board of Directors</u> <u>(2) Corporate Auditors</u> <u>(3) Board of Corporate Auditors</u> <u>(4) Accounting Auditor</u></p> <p><b>Article 5. (Method of Giving Public Notice)</b></p> <p>The Company’s <u>method of giving public notice shall be electronic notice</u>. <u>Provided, however, that if the Company is unable to give public notice by electronic means due to an accident or other unavoidable circumstance,</u> the same shall be made by publishing in the <i>Nihon Keizai Shimbun</i>, and the <i>Kyoto Shimbun</i> issued in the city of Kyoto.</p>

**CHAPTER II Stock**

**Article 5. (Total Number of Shares to be Issued by the Company)**

The total number of shares to be issued by the Company shall be 487,000,000 shares.

Provided, however, that in the event that any shares are canceled, the number of such shares so canceled shall be subtracted from the total number of shares authorized to be issued.

(New)

**Article 6. (Acquisition of the Company's Own Shares)**

The Company may repurchase shares of its own stock by resolution of the Board of Directors, pursuant to the provisions of Item 1, Paragraph 2 of Article 211-3 of the Commercial Code.

**Article 7. (Number of Shares to Constitute One Unit and Non-Issuance of Stock Certificates of Less than One Unit)**

The number of shares to constitute one unit of shares of the Company shall be one hundred (100) shares.

The Company shall not issue any stock certificates representing less than one unit.

(New)

**CHAPTER II Stock**

**Article 6. (Total Number of Shares Issuable by the Company)**

The total number of shares issuable by the Company shall be 487,000,000 shares.

**Article 7. (Issue of Stock Certificates)**

The Company shall issue stock certificates related to its shares.

**Article 8. (Acquisition of the Company's Own Shares)**

The Company may repurchase shares of its own stock through market transactions or other means by resolution of the Board of Directors, pursuant to the provisions of Article 165-2 of the Corporation Law.

**Article 9. (Number of Unit Shares and Non-Issuance of Stock Certificates of Less than One Unit)**

The number of unit shares of the Company shall be one hundred (100) shares.

2. The Company shall not issue any stock certificates for less than one unit share, regardless of the provisions of Article 7 of these Articles of Incorporation. Provided, however, that this limitation shall not apply to instances stated in the Rules for Handling Shares.

**Article 10. (Rights for Shares of Less than One Unit)**

Shareholders of the Company (including beneficial shareholders; the same shall apply below) may not exercise any rights other than the following in regard to shares of less than one unit.

- (1) Rights stated in Article 189-2 of the Corporation Law.
- (2) Rights requested under the provisions of Article 166-1 of the Corporation Law.
- (3) Right to receive allocations of subscription shares and allocations of subscriptions for common stock acquisition rights
- (4) Rights requested under the following articles.

**Article 8. (Purchase of Odd-Lot Shares)**

Shareholders (including beneficial shareholders; hereinafter the same) of odd-lot shares may submit a request to purchase a number which, combined with the odd-lot shares, will form one unit share.

**Article 9. (Rules for Handling Shares)**

The type of the Company's share certificates, the registration of transfer of share ownership, the listing or recording of the register of beneficial shareholders, the registration of the right of pledge, the indication of property in trust, the loss of share certificates, notices from shareholders, the reissue of share certificates, the sale or purchase of odd-lot shares, loss of share certificates, and other handling of the shares and fees thereof, shall be in accordance with the rules for handling of shares established by the Board of Directors.

**Article 10. (Transfer Agent)**

The Company shall have a transfer agent for its shares.

Selection of the transfer agent and its business office shall be made by resolution of the Board of Directors and shall be reported by a public notice.

The shareholder register of the Company (including the register of beneficial shareholders; hereinafter the same) and the register of lost share certificates shall be kept at the business office of the transfer agent, and the registration of the transfer of share ownership, the listing or recording of beneficial shareholders, the sale or purchase of odd-lot shares, the registration of lost share certificates, and other business related to the shares shall be handled by the transfer agent, and not by the Company.

**Article 11. (Purchase of Odd-Lot Shares)**

Shareholders of odd-lot shares of the Company may submit a request to the Company to purchase shares in a number which, combined with the odd-lot shares that the shareholder owns, will form one unit share.

**Article 12. (Rules for Handling Shares)**

Handling of the Company's shares and fees thereof shall be in accordance with law, these Articles of Incorporation, and the rules for handling shares established by the Board of Directors.

**Article 13. (Administrator of Shareholders' Register)**

The Company shall have an administrator of its shareholders' register.

2. The administrator of the shareholder's register and its business office shall be selected by resolution of the Board of Directors and shall be reported by a public notice.

3. Compilation and storage of the shareholder register of the Company (including the register of beneficial shareholders; hereinafter the same), the stock option register and the register of lost share certificates, and other business related to the shareholder register and the register of lost share certificates, shall be entrusted to the administrator of the shareholders' register, and shall not be handled by the Company.

**Article 11. (Record Date)**

The Company deems those shareholders who are listed or recorded in the shareholder register as of March 31 each year to be the shareholders entitled to exercise shareholders' rights at the ordinary general meeting of shareholders for that fiscal year.

In addition to the preceding paragraph, if necessary, upon prior public notice and by resolution of the Board of Directors, those shareholders and registered pledgees who are listed or recorded in the shareholder register as of any relevant date shall be entitled to exercise their rights.

**CHAPTER III General Meeting of Shareholders**

**Article 12. (Convocation)**

(Text Omitted)

(New)

**Article 13. (Convocator)**

(Text Omitted)

**Article 14. (Chairman)**

(Text Omitted)

(New)

(To Be Deleted)

**CHAPTER III General Meeting of Shareholders**

**Article 14. (Convocation)**

(No Change)

**Article 15. (Record Date of the Ordinary General Meeting of Shareholders)**

The record date for voting rights of the Company's Ordinary General Meeting of Shareholders shall be March 31 of each year.

**Article 16. (Convocator)**

(No Change)

**Article 17. (Chairman)**

(No Change)

**Article 18. (Internet Disclosure of General Meeting of Shareholders Reference Materials, Etc., Deemed Provision)**

Upon convocation of the General Meeting of Shareholders, the Company may disclose information on items to be listed or disclosed in the General Meeting of Shareholders reference materials, business report, financial statements and consolidated financial statements by a method that uses the Internet in accordance with the provisions of a Ministry of Justice ordinance, and by so doing, may deem such information as having been provided to shareholders.

**Article 15. (Resolutions)**

Except as otherwise provided by laws or regulations or in these Articles of Incorporation, all resolutions of a General Meeting of Shareholders shall be adopted by a majority of the votes of the shareholders present thereat.

Resolutions of a General Meeting of Shareholders pursuant to Article 343 of the Commercial Code shall be adopted when shareholders having one-third or more of all voting rights are present at the meeting and when resolutions are approved by two thirds of the votes of the shareholders present.

**Article 16. (Exercise of Voting Rights by Proxy)**

Shareholders or their legal representatives may exercise their voting rights by proxy, provided that such proxy is another shareholder of the Company who has voting rights.

Such shareholders or proxies must submit to the Company documentation evidencing the power of representation at each general meeting of shareholders.

**Article 17. (Minutes)**

The substance of proceedings of a General Meeting of Shareholders and results thereof shall be recorded in minutes of the meeting, and the chairman and the directors present shall affix their signatures and seals or their electronic signatures thereto, and the minutes shall be stored at the Company.

**CHAPTER IV Directors and Board of Directors**

**Article 18. (Number of Directors)**

(Text Omitted)

**Article 19. (Resolutions)**

Except as otherwise provided by laws or regulations or in these Articles of Incorporation, all resolutions of a General Meeting of Shareholders shall be adopted by a majority of the votes of the shareholders present thereat who are entitled to exercise voting rights.

2. Resolutions of a General Meeting of Shareholders pursuant to Article 309-2 of the Corporation Law shall be adopted when one-third or more of shareholders entitled to exercise voting rights are present at the meeting and when resolutions are approved by two thirds of the votes of the shareholders present.

**Article 20. (Exercise of Voting Rights by Proxy)**

Shareholders or their legal representatives may exercise their voting rights by one proxy, provided that such proxy is another shareholder of the Company who has voting rights.

2. Such shareholders or proxies must submit to the Company documentation certifying the power of representation at each general meeting of shareholders.

(To Be Deleted)

**CHAPTER IV Directors and Board of Directors**

**Article 21. (Number of Directors)**

(No Change)

**Article 19. (Election)**

Directors shall be elected at the General Meeting of Shareholders.

A resolution for the election of directors shall require the presence of shareholders holding no less than one-third of the voting rights of all shareholders, and shall be adopted with a majority of the votes of those shareholders.

Cumulative voting for the election of the Board of Directors shall not be permitted.

**Article 20. (Term of Office)**

The term of office of a director shall expire at the close of the Ordinary General Meeting of Shareholders for the last accounting period within two years following the director's assumption of office.

The term of office of a director elected due to an increase in the number of directors or as a substitute shall expire when the term of office of the other directors is to expire.

**Article 21. (Directors with Special Titles)**

The Company may, by means of resolution of its Board of Directors, elect one Chairman of the Board of Directors, one President and CEO, and one or more Executive Vice President-Directors, Senior Managing Directors, Managing Directors and Executive Advisors.

**Article 22. (Representative Directors)**

The President and CEO shall be the representative director.

In addition to the preceding paragraph, the Company may, by means of resolution of the board of directors, appoint representatives from among the directors with special titles in the preceding article.

**Article 23. (Convenor and Chairman of Board of Directors Meetings)**

Except as otherwise provided, the chairman of the Board of Directors shall convene and preside over meetings of the Board of Directors.

If the Chairman is prevented from discharging his duties, another director, in the order previously fixed by the Board of Directors, shall take his place.

**Article 22. (Election)**

Directors shall be elected at the General Meeting of Shareholders

2. A resolution for the election of directors shall require the presence of shareholders holding no less than one-third of the voting rights of shareholders entitled to exercise voting rights, and shall be adopted with a majority of the votes of those shareholders.

3. Cumulative voting for the election of the Board of Directors shall not be permitted.

**Article 23. (Term of Office)**

The term of office of a director shall expire at the close of the Ordinary General Meeting of Shareholders for the last business year ending within two years following the director's election.

2. The term of office of a director elected due to an increase in the number of directors or as a substitute for a director who retired before the end of his term shall expire when the term of office of the other directors expires.

**Article 24. (Directors with Special Titles)**

The Company may, by resolution of its Board of Directors, appoint one Chairman of the Board of Directors, one President and CEO, and one or more Executive Vice President-Directors, Senior Managing Directors, Managing Directors and Executive Advisors.

**Article 25. (Representative Directors)**

The President and CEO shall be the representative director.

2. In addition to the preceding paragraph, the Company may, by resolution of the board of directors, select representatives from among the directors with special titles in the preceding article.

**Article 26. (Convenor and Chairman of Board of Directors Meetings)**

Except as otherwise provided, the chairman of the Board of Directors shall convene and preside over meetings of the Board of Directors.

2. If the Chairman is prevented from discharging his duties, another director, in the order previously fixed by the Board of Directors, shall take his place.

**Article 24. (Convocation Notice of Board of Directors Meetings)**

Convocation notices of meetings of the Board of Directors shall be issued to each director and corporate auditor no later than three (3) days prior to the meeting. However, this period may be shortened in cases of urgency.

With the consent of all directors and corporate auditors, a Board of Directors meeting may convene without following the convocation procedures.

**Article 25. (Method of Adopting Resolutions by the Board of Directors)**

A resolution by the Board of Directors shall require the presence of a majority of the total number of directors, and shall be adopted by a majority vote of the directors present.

**Article 26. (Minutes of Board of Directors Meetings)**

The substance of proceedings of a Board of Directors meeting and results thereof shall be recorded in minutes of the meeting, and the directors and corporate auditors present shall affix their signatures and seals or their electronic signatures thereto, and the minutes shall be stored at the Company.

**Article 27. (Board of Directors Regulations)**

(Text Omitted)

**Article 28. (Compensation)**

The compensation of directors shall be determined by resolution of a General Meeting of Shareholders.

The compensation in the preceding paragraph does not include employee wages paid to directors serving concurrently as employees.

**Article 27. (Convocation Notice of Board of Directors Meetings)**

Convocation notices of meetings of the Board of Directors shall be issued to each director and corporate auditor no later than three (3) days prior to the meeting. However, this period may be shortened in cases of urgency.

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

**Article 28. (Method of Adopting Resolutions by the Board of Directors)**

A resolution by the Board of Directors shall require the presence of a majority of the total number of directors entitled to vote, and shall be adopted by a majority vote of such directors.

2. Notwithstanding the preceding paragraph, matters proposed as resolutions of the Board of Directors shall be deemed to have been resolved if all directors who are entitled to vote express unanimously in writing or by electromagnetic recording media their consent to or approval of such matters and the corporate auditors do not express an objection.

(To Be Deleted)

**Article 29. (Board of Directors Regulations)**

(No Change)

**Article 30. (Compensation, Etc.)**

Directors' compensation, bonuses and other property benefits received from the Company as compensation for execution their duties ("compensation, etc.") shall be determined by resolution of a General Meeting of Shareholders.

2. The compensation, etc. in the preceding paragraph does not include employee wages paid to directors serving concurrently as employees.

**Article 29. (Limited Liability Contracts with Outside Directors)**

Pursuant to the provisions of Article 266-19 of the Commercial Code, the Company may enter into a contract with an outside director limiting his/her liability for the actions of Item 5, Paragraph 1 in the same article. Provided, however, that the limit of liability according to said contract shall be the larger of an amount not less than 10 million yen set in advance or the amount prescribed by law.

**CHAPTER V Corporate Auditors and Board of Corporate Auditors**  
**Article 30. (Number of Corporate Auditors)**

(Text Omitted)

**Article 31. (Election)**

Corporate auditors shall be elected at a General Meeting of Shareholders.

A resolution on the election of corporate auditors shall require the presence of shareholders holding no less than one-third of the voting rights of total shareholders, and shall be adopted by a majority vote of those shareholders.

**Article 32. (Term of Office)**

The term of office of a corporate auditor shall expire at the close of the Ordinary General Meeting of Shareholders for the last accounting period within four (4) years following the corporate auditor's assumption of office.

The term of office of a corporate auditor elected as a substitute shall expire when the term of office of the retired corporate auditor is to expire.

**Article 33. (Full-Time Corporate Auditors)**

The corporate auditors shall appoint full-time corporate auditor(s) by means of a mutual vote.

**Article 31. (Limited Liability Contracts with Outside Directors)**

Pursuant to the provisions of Article 427-1 of the Corporation Law, the Company may enter into a contract with an outside director limiting the outside director's liability for damages under Article 423-1 of the Corporation Law. Provided, however, that the limit of liability according to said contract shall be the larger of an amount not less than 10 million yen set in advance or the amount prescribed by law.

**CHAPTER V Corporate Auditors and Board of Corporate Auditors**  
**Article 32. (Number of Corporate Auditors)**

(No Change)

**Article 33. (Election)**

Corporate auditors shall be elected at a General Meeting of Shareholders.

2. A resolution on the election of corporate auditors shall require the presence of shareholders holding no less than one-third of the voting rights of the shareholders entitled to exercise voting rights, and shall be adopted by a majority vote of those shareholders.

**Article 34. (Term of Office)**

The term of office of a corporate auditor shall expire at the close of the Ordinary General Meeting of Shareholders for the last business year ending within four (4) years following the corporate auditor's election.

2. The term of office of a corporate auditor elected as a substitute for a corporate auditor who retired before the end of his term shall expire when the term of office of the retired corporate auditor expires.

**Article 35. (Full-Time Corporate Auditors)**

The Board of Corporate Auditors shall select full-time corporate auditor(s) by its resolution.

**Article 34. (Convocation Notices of Board of Corporate Auditors Meetings)**

Convocation notices of meetings of the Board of Corporate Auditors shall be issued to each corporate auditor no later than three (3) days before the meeting. However, this period may be shortened when there is an urgent need.

With the consent of all the corporate auditors, a meeting of the Board of Corporate Auditors may open without following the convocation procedures.

**Article 35. (Method of Adopting Resolutions by the Board of Corporate Auditors)**

(Text Omitted)

**Article 36. (Minutes of Board of Corporate Auditors Meetings)**

The substance of proceedings of a Board of Corporate Auditors meeting and results thereof shall be recorded in minutes of the meeting, and the corporate auditors present shall affix their signatures and seals or their electronic signatures thereto, and the minutes shall be stored at the Company.

**Article 37. (Board of Corporate Auditors Regulations)**

(Text Omitted)

**Article 38. (Compensation)**

The compensation of corporate auditors shall be determined with a resolution of the General Meeting of Shareholders.

(New)

**CHAPTER VI Accounting**

**Article 39. (Operating Year)**

The operating year of the Company shall be from April 1 of each year to March 31 of the following year.

**Article 36. (Convocation Notices of Board of Corporate Auditors Meetings)**

Convocation notices of meetings of the Board of Corporate Auditors shall be issued to each corporate auditor no later than three (3) days before the meeting. However, this period may be shortened when there is an urgent need.

2. With the consent of all the corporate auditors, a meeting of the Board of Corporate Auditors may be held without following the convocation procedures.

**Article 37. (Method of Adopting Resolutions by the Board of Corporate Auditors)**

(No Change)

(To Be Deleted)

**Article 38. (Board of Corporate Auditors Regulations)**

(No Change)

**Article 39. (Compensation, Etc.)**

The compensation, etc. of corporate auditors shall be determined by resolution of the General Meeting of Shareholders.

**Article 40. (Limited Liability Contract with Outside Auditors)**

Pursuant to the provisions of Article 427-1 of the Corporation Law, the Company may enter into a contract with an outside auditor limiting the outside auditor's liability for damages under Article 423-1 of the Corporation Law. Provided, however, that the limit of liability according to said contract shall be the larger of an amount not less than 10 million yen set in advance or the amount prescribed by law.

**CHAPTER VI Accounting**

**Article 41. (Business Year)**

The business year of the Company shall be the year from April 1 of each year to March 31 of the following year.

<p><b>Article 40. (<u>Dividends to Shareholders</u>)</b></p> <p><u>Dividends to shareholders shall be paid to the shareholders or registered pledgees listed or recorded in the shareholder register at the close of March 31 of each year.</u></p> <p>(New)</p> <p><b>Article 41. (<u>Interim Dividends</u>)</b></p> <p>The Company may, <u>by means of a resolution of the Board of Directors, pay an interim dividend to shareholders or registered pledgees registered or recorded in the shareholder register at the close of September 30 of each year.</u></p> <p><b>Article 42. (<u>Prescription Period of Dividends</u>)</b></p> <p>The Company <u>shall</u> be relieved of the obligation to pay <u>shareholder dividends or interim dividends that are unclaimed after the lapse of three full years from the date of commencement of payment thereof.</u></p>	<p><b>Article 42. (<u>Record Date of Distribution of Surplus Profits</u>)</b></p> <p><u>The record date of the Company's year-end dividend shall be March 31 of each year.</u></p> <p><u>2. In addition, the Company may make a distribution of surplus profits with a reference date other than that in the preceding paragraph.</u></p> <p><b>Article 43. (<u>Interim Dividends</u>)</b></p> <p>The Company may, <u>by resolution of the Board of Directors, pay an interim dividend with September 30 of each year as the record date.</u></p> <p><b>Article 44. (<u>Prescription Period of Dividends</u>)</b></p> <p><u>If dividend assets are monetary, the Company will be relieved of the obligation to pay such dividends that remain unclaimed after the lapse of three full years from the date of commencement of payment thereof.</u></p>
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**No. 3: Reacquisition of shares**

To enable execution of flexible management that effectively responds to changes in economic conditions, in accordance with the provisions of Article 156 of the Corporation Law, the Company requests approval for transactions to repurchase of up to 4.2 million shares of shares of its own common stock, limited to a total purchase cost of 15.0 billion yen, by the time one year has lapsed from the day of the close of this ordinary general meeting of shareholders or by the close of the next ordinary general meeting of shareholders, whichever is sooner.

**No. 4: Setting of amount and content of stock option compensation for directors**

The Company requests approval for the granting of common stock acquisition rights as compensation and as stock options to directors of the Company, excluding outside directors, within a total amount of 94.0 million yen over the one year from the day after this ordinary general meeting of shareholders.

The value of these common stock acquisition rights shall be linked to the Company's share price. Granting of the common stock acquisition rights shall be for the purpose of further raising the management motivation of the Company's directors and increase the Company's business results and international competitiveness by reflecting the Company's medium- and long-term results in directors' compensation and aligning the interests of the recipients with shareholder value.

Compensation of directors consists of a fixed amount of base compensation (monthly), which was approved as "within a monthly amount of 35.0 million yen" at the 63rd General Meeting of Shareholders held on June 27, 2000, bonuses to directors that reflect short-term results, and common stock acquisition rights as stock options.

In view of the purpose stated above, the total amount of these common stock acquisition rights was determined by taking into general account the balance with the base compensation (monthly compensation) and directors' bonuses, as well as various other factors.

Details of the common stock acquisition rights to be granted are summarized below.

(1) Total Number of Common Stock Acquisition Rights and Class and Number of Shares to be Issued or Transferred upon Exercise of Stock Acquisition Rights

Number of common stock acquisition rights: A maximum of 1,200 rights for a period of one (1) year beginning the day following this ordinary general meeting of shareholders.

Class of shares: A maximum of one hundred and twenty thousand (120,000) shares of common stock of the Company for a period of one (1) year beginning the day following this ordinary general meeting of shareholders.

One stock acquisition right shall be equivalent to 100 shares.

In the event of a merger, corporate split-off, stock split or stock consolidation relating to the Company, the Company will adjust the number of shares as it considers appropriate.

(2) Amount to Be Paid upon Exercise of Each Stock Acquisition Right

The amount to be paid in upon the exercise of each stock acquisition right shall be obtained by multiplying the amount paid in per share, determined as follows, by the number of shares for each stock acquisition right as set forth in section (1) above.

The exercise price shall be 1.05 times the average closing price of the Company's stock on the Osaka Securities Exchange for each day (excluding days on which no transactions took place) of the month preceding the month in which the stock acquisition rights are issued. Any fraction less than one (1) yen arising as a result of such calculation shall be rounded up to the nearest whole number.

However, if the resulting exercise price is lower than the closing price on the day before the day of allocation (if there is no closing price on such date, then the closing price on the immediately preceding trading day), the closing price shall apply.

In the event that the Company makes a public offering, merger, corporate split-off, stock split, stock consolidation, etc., the Company will adjust the exercise price as it considers appropriate (any fraction less than one (1) yen arising as a result of such adjustment shall be rounded up to the nearest whole number).

(3) Period in which Rights May Be Exercised

July 1, 2008 through June 30, 2011

(4) Conditions for Exercising Rights

A. Persons who have received allocations of common stock acquisition rights must hold the position of director, managing officer or an equivalent position at the time of exercise. However, this limitation shall not apply in the case of directors and managing officers who have retired due to the expiration of their term of office, or for other valid reasons.

B. Common stock acquisition rights may not be assigned, pledged, or otherwise disposed of or inherited.

C. Other conditions shall be as set forth in the "Agreement on Allocation of Common Stock Acquisition Rights" between the Company and each person to whom stock acquisition rights are granted, based on this resolution of the general meeting of shareholders and the board of directors.

D. Other details regarding the stock acquisition rights shall be determined in the resolution of the Board of Directors that will decide the terms of the stock acquisition right offering.

END

## Guide to Exercising Voting Rights

### (1) Voting by Proxy

If you are unable to attend the general meeting of shareholders, you may have one other shareholder who has voting rights attend the general meeting of shareholders as your proxy. However, please note that it will be necessary to submit documentation certifying the power of representation.

### (2) Voting by Mail

Please indicate in the enclosed voting form whether you approve or disapprove of each proposal, affix your seal and return the form to us. The completed form must be received no later than 5:30 p.m. on June 21, 2006.

For the convenience of tabulating the voting results, we ask that you return the form earlier if possible.

### (3) Voting by Electronic Methods

- A. For procedures, please access the URL indicated by the Company, and use the Site for Exercising Voting Rights (the “Voting Site”) in the “General Meeting of Shareholders Procedure Site.”

Note: To login to the “General Meeting of Shareholders Procedure Site,” you will need the login ID and temporary password shown on the voting form (or the password that you have registered).

- B. Votes by Internet will be accepted up to 5:30 p.m. on Wednesday, June 21, 2006. However, for the convenience of tabulating the voting results, we ask that this be used earlier if possible.

- C. You may vote using either of two methods: by mail with your voting form, or through the Company’s online voting site. Please make sure that you do not use both methods to vote.

Note: If you vote with both methods, only your Internet vote will be considered valid.

- D. If you vote more than once by Internet, only your last vote will be considered valid.

- E. About Specific Procedures

Page Title	Procedure
	Using a computer with an Internet connection, access the following address: <a href="https://www.evoting.tr.mufg.jp/e-voting">https://www.evoting.tr.mufg.jp/e-voting</a>
Top Page	After reading the “Site Usage Rules” and the “Guide to Using this Site,” click on the “Next” button.
Log In	(1) Changing Your Password (when you first log in)  Following the guidelines on the screen, input the log in ID and temporary password printed on the lower right of your voting form. Then click on the “Log in” button. After you log in, you will automatically be redirected to a page for changing your password. Please register a new password there. *After you register your password, the log in page will reappear.  (2) Log in Following the guidelines on the screen, use your registered password to log in.
Company Verification	Verify the company name, shareholder number and number of voting rights displayed on the screen. Then click on the “Next” button.

Selection of Proposal Approval/ Disapproval Method	Following the guidelines on the screen, select a method of approval/disapproval of proposals, and click on the appropriate button.
Input Approval/ Disapproval for Each Proposal	If you selected the method of inputting approval or disapproval for each individual proposal (including diverse methods), input “approve” or “disapprove” for each proposal (and for each candidate in the proposal for electing multiple candidates), then click on the “Confirm” button.  If you return to the approval/disapproval method selection page, click on the “Back to previous page” button.
Confirmation of Your Vote	After confirming the contents of your vote displayed on the screen, click on the “Send” button. To change the contents of your vote, click on the “Back to previous page” button.
Finish	Your voting is now complete.

Note: The title will be displayed at the top of each page, so please follow these procedures after checking the title.

## System Requirements

To vote electronically, the following system environment is necessary.

Ability to access the Internet

Use of the following PC environments:

(1) Operating system and Internet viewing software (browser)

If using Windows (Japanese version of 95, 98, 2000, Me, NT 4.0 or XP):

Microsoft Internet Explorer 4.01SP1 (Japanese version) or higher, or

Netscape Communicator 4.5\* (Japanese version) or higher

\*Cannot be used with Netscape 6 or higher.

If using Macintosh (Japanese version of Mac OS 9.2 or higher, or Xv10.2):

Microsoft Internet Explorer 5.0 (Japanese version) or higher

Netscape Communicator 4.7\* (Japanese version) or higher

\*Cannot be used with Netscape 6 or higher.

(2) Display device (monitor): Environment capable of displaying at resolution of at least 800 × 600

Note: 1. Not compatible with mobile phones, PDAs, game machines, etc.

2. In following these procedures, use of a dial-up or other connection with a commercial service provider may require a dial-up connection fee or other fee to the provider or a telecommunications fee (telephone charge, etc.) to the telecommunications company. Payment of any such fees is the responsibility of the shareholder.

Windows® is a registered trademark of Microsoft Corporation in the United States and other countries.

Macintosh® is a registered trademark of Apple Computer, Inc. in the United States and other countries.

Internet Explorer is a trademark of Microsoft Corporation.

Netscape Communicator is a trademark of Netscape Communications Corporation.

Other product names are trademarks or registered trademarks of their respective companies.

References for the Site for Procedures concerning the General Meeting of Shareholders:

1. If you have questions about operating a personal computer, etc., please contact:

Mitsubishi UFJ Trust and Banking Corporation, Transfer Agent Dept.  
Phone: 0120-858-696 (toll free)  
Hours: 9:00 a.m. – 9:00 p.m. (closed weekends and holidays)

2. For questions about matters other than 1. above, please contact:

Mitsubishi UFJ Trust and Banking Corporation, Transfer Agent Dept.  
Phone: 0120-707-696 (toll free)  
Hours: 9:00 a.m. – 5:00 p.m. (closed weekends and holidays)