

**Yamatake Corporation**  
**June 9, 2006**

**Notice of the 84<sup>th</sup> Ordinary General Meeting of Shareholders**

Dear Shareholders,

You are cordially invited to attend the Ordinary General Meeting of Shareholders of Yamatake Corporation, which will be held on Thursday, June 29, 2006, at 10:00 a.m. in the Conference Room, 2nd Floor of Shinagawa Seaside South Tower, 4-12-1 Higashi-Shinagawa, Shinagawa-ku, Tokyo.

Faithfully yours,

Seiji Onoki  
President and Chief Executive Officer  
Yamatake Corporation  
2-7-3 Marunouchi, Chiyoda-ku, Tokyo

## Meeting Agenda

Items to be Reported:

Item 1: Non-Consolidated Balance Sheet, Business Report and Non-Consolidated Statement of Income for the 84th term from April 1, 2005 to March 31, 2006

Item 2: Consolidated Balance Sheet, Consolidated Statement of Income for the 84th term from April 1, 2005 to March 31, 2006, Consolidated financial documents audit result report of accounting auditor and board of corporate auditors

Items to be Resolved:

**Item 1: Approval of the proposed appropriation of retained earnings for the 84th term**

**Item 2: Revisions to the Articles of Incorporation**

**Item 3: Election of Eight (8) Directors**

**Item 4: Election of One (1) Corporate Auditor**

**Item 5: Matter of the revision in the amount of Directors' bonus**

## Reference Materials For General Meeting of Shareholders

### Item 1: Approval of the proposed appropriation of retained earnings for the 84th term

Details:

Our basic policy towards the appropriation of retained earnings is as follows: We consider returning profits to our shareholders as one of the important managerial issues. We take into consideration consolidated earnings, Return On Equity, Dividend On Equity and the need to strengthen future business development and business structure with retained earnings.

Furthermore, we strive to increase the return to shareholders through higher dividends, while simultaneously aiming to ensure that dividends remain relatively stable over the longer term.

In keeping with this policy, we propose to pay a dividend of ¥30 per share, in total of common dividend of ¥20 per share and commemorative dividend of ¥10 per share this year. And with the interim dividend of ¥20 per share paid in December 2005, the total dividend for the full year is ¥50 per share.

Taking into account our consolidated profits for the term and dividends and other related matters comprehensively, we propose to pay a total of ¥46 million in bonuses to our six (6) directors at the end of the term.

In addition, as those bonuses would be part of directors' remunerations, the adoption of this proposal would be deemed that the amount of remunerations prescribed in the Article 361, Clause 1.1 of the Company Law shall also be adopted.

<b>Appropriation of Retained Earnings</b>		(unit: yen)
<b>Item</b>		<b>Amount</b>
Unappropriated retained earnings at end of term		17,711,758,424
Reversal of special depreciation reserve		108,102,566
Reversal of fixed asset advanced depreciation reserve		50,635,122
<b>Total</b>		<b>17,870,496,112</b>
<b>Appropriation of earnings</b>		
Dividends (¥30 per share)		2,207,056,050
Special depreciation reserve		68,707,000
Fixed asset advanced depreciation reserve		1,311,013,358
Bonuses to directors		46,000,000
<b>Total</b>		<b>3,632,776,408</b>
<b>Retained earnings carried forward</b>		<b>14,237,719,704</b>

(Note) An interim dividend of ¥20 per share (total sum ¥1,471,373,100) was paid to shareholders as of September 30, 2005.

## **Item 2: Revisions to the Articles of Incorporation**

### 1) Reasons for the revisions

Accompanying the implementation on May 1, 2006 of the “Company Law” (Law No. 86, 2005) and the “Law on the Development of Related Laws accompanying the Implementation of the Company Law” (Law No. 87, 2005; hereafter referred to as the “Development Law”), amendments to the Company’s current Articles of Incorporation for the following reasons.

- (1) A provision has been newly established to limit the rights of shareholders of fractional share units. (Article 11 of the proposed Articles of Incorporation)
- (2) In order to seek expanded services for shareholders, a provision has been newly established relating to a system to purchase shares to increase fractional shares. (Article 12 of the proposed Articles of Incorporation)
- (3) So as to be able to undertake more enhanced information disclosure and considering the state and the expansion of the Internet, a provision has been newly established to enable the deemed provision of reference materials for a general meeting of shareholders through disclosure over the Internet in accordance with the stipulations of the Ministry of Justice Ordinance. (Article 18 of the proposed Articles of Incorporation)
- (4) A current provision has been amended to clearly state that the number of proxy able to attend the general meeting of shareholders shall be limited to only one (1). (Article 20 of the proposed Articles of Incorporation)
- (5) For the flexible management of the Board of Directors, a provision has been newly established to enable the Company to deem that a resolution of the Board of Directors has been made without holding a meeting of the Board of Directors. (Article 29 of the proposed Articles of Incorporation)
- (6) To enable Directors and Corporate Auditors to sufficiently undertake their expected functions and to more proactively make management decisions directed towards increasing the Company’s corporate value, provisions have been newly established with the intent of allowing, by resolution of the Board of Directors, a reduction in the respective liability of Directors and Corporate Auditors within the scope stipulated in the Company Law. (Article 27, Clause 1 and Article 37, Clause 1 of the proposed Articles of Incorporation)

Additionally, for the purpose of facilitating the recruitment of qualified individuals as outside Directors to further strengthen management supervision functions of Board of Director into the future, as well as enabling an outside Auditor to sufficiently exercise his/her expected duties to improve corporate governance, provisions have been newly

established with the intent of allowing the Company to enter into limited liability agreements with outside Auditors and outside Directors. (Article 27, Clause 2 and Article 37, Clause 2 of the proposed Articles of Incorporation)

With respect to the newly established provisions presented to the general meeting of shareholders as a resolution concerning the reduction of liability of Directors by the resolution of the Board of Directors and the agreement limiting the liability of outside Directors, the prior consent of all members of the Board of Corporate Auditors has been obtained.

- (7) In addition, accompanying the implementation of the Company Law, the Company has undertaken required amendments such as amendments of expressions, the preparation of provisions, amendments to a number of Articles accompanying the addition or deletion of articles, etc.

Based on the provisions of transitional measures stipulated in the “Development Law,” the following stipulations shall be deemed to have been made on May 1, 2006 in the Company’s Articles of Incorporation.

- 1) The Company shall have Board of Directors, Corporate Auditors, Board of Corporate Auditors and Accounting Auditor.
  - 2) The Company shall issue stock certificates relating to shares of the Company.
  - 3) The Company shall appoint an administrator of the shareholders’ register.
- (8) Although the Company has carried out business in a swift manner by introducing a hierarchical executive officer system, rather than having directors with special office among directors except for the Chairman and the President, and clarifying their executive duties and rights, it is proposed to state the adoption of this executive officer system in the Article of Incorporation, and to amend provisions regarding directors with special office of the current Articles of Incorporation in accordance with the current situation. (Article 24, Clause 2 and Article 25 of the proposed Articles of Incorporation)

2) Details of the Revisions

Details for the revisions are stated as follows:

(Revised portions are underlined.)

Current Articles of Incorporation	Proposed Revisions
<p><b>Chapter I. General Provisions</b> (Newly Established)</p>	<p><b>Chapter I. General Provisions</b> <u>(Organs)</u></p>
<p>Article <u>4</u> (Method of Public Notices) (Text Omitted)</p>	<p><u>The Company shall have the following organs in addition to the General Meeting of Shareholders and Directors.</u>  <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>Article <u>5</u> (Method of Public Notices) (Not Amended)</p>
<p><b>Chapter II. Shares</b></p> <p>Article <u>5</u> (Total number of <u>authorized</u> shares)  The total of the <u>share, which the Company issues</u>, is 279,710,000. <u>But when share is cancelled, the share which are equivalent to this are made to decrease.</u></p>	<p><b>Chapter II. Shares</b></p> <p>Article <u>6</u> (Total number of shares <u>issuable</u>)  The total number of <u>shares issuable</u> shall be <u>two hundred seventy nine million seven hundred ten thousand</u> (279,710,000) shares.</p>
<p>Article <u>6</u> (Acquisitions of the Company's Own Shares)  <u>Pursuant to the provision of Article 211-3 paragraph 1, item (2) of the Commercial Code, the Company may purchase the Company's own shares by a resolution of the Board of Directors.</u>  (Newly Established)</p>	<p>Article <u>7</u> (Acquisitions of the Company's Own Shares)  <u>Based on the provisions of Article 165, Clause 2 of the Company Law, the Company may, by resolution of the Board of Directors, acquire Company's own stock through market transactions.</u></p> <p>Article <u>8</u> (<u>Issuance of Stock Certificates</u>)  <u>The Company shall issue stock certificates relating to shares of the Company.</u></p>
<p>Article <u>7</u> (Share Units and Non-issuance of Fractional Share Unit Stock Certificates)  The trading share unit of the Company shall be 100 shares.  The Company shall not issue certificates for <u>shares constituting less than one share unit (hereinafter, "Fractional Share Units").</u>  However, this shall not apply with respect to stipulations of the Rules of Handling Shares.</p>	<p>Article <u>9</u> (Share Units and Non-issuance of Fractional Share Unit Stock Certificates)  The trading share unit of the Company shall be 100 shares.  <u>Notwithstanding the provisions of the above Article, the Company shall not issue certificates for fractional share units.</u>  However, this shall not apply with respect to stipulations of the Rules of Handling Shares.</p>
<p>Article <u>8</u> (Text Omitted)</p>	<p>Article <u>10</u> (Not Amended)</p>

<p>(Newly Established)</p>	<p><u>Article 11</u> (Rights of Fractional Share Units)  <u>Shareholders (including beneficial shareholders (“Jisshitsu – kabunushi,” hereinafter the same terminology is used)) who hold fractional units of shares will be unable to exercise any right other than the rights set forth below.</u>  <u>1. Rights stipulated in Article 189, Clause 2 of the Company Law.</u>  <u>2. Rights to make requests stipulated in the provisions of Article 166, Clause 1 of the Company Law.</u>  <u>3. The right to receive an allotment of subscription shares and subscription rights in accordance with the number shares held by the shareholder.</u>  <u>4. The right to make a request stipulated in the Article below.</u></p>
<p>(Newly Established)</p> <p><u>Article 9</u> (Transfer Agents)  <u>The Company will appoint a transfer agent for its shares. The selection of the transfer agent and the location of its office will be determined by resolution of the Board of Directors, and will be announced through public notice. The Company’s shareholders’ register (including beneficial shareholders’ register hereafter) and the register of lost stocks will be kept at the transfer agent’s office, where all matters relating to shares, including transfer of shares and the purchases of odd lots of shares, will be handled by the transfer agent.</u></p>	<p><u>Article 12</u> (Request for the Sale of Fractional Unit Shares)  <u>Based on the stipulations of the Rules of Handling Shares, a shareholder may request that the Company sell the number of shares which in combination with his/her fractional shareholdings would equal a share unit.</u></p> <p><u>Article 13</u> (Administrator of the Shareholders’ Register)  <u>The Company shall appoint an administrator of the shareholders’ register. The administrator of the shareholders’ register and the location of its office will be determined by resolution of the Board of Directors and will be announced through public notice. The preparation and storage of the shareholders’ register (including beneficial shareholders’ register hereafter), the register of warrants and the register of recorded lost share certificates and the administration of other matters relating to the shareholders’ register, the register of warrants and the register of recorded lost share certificates shall be entrusted to the administrator of the shareholders’ register and will not be handled within the Company.</u></p>
<p><u>Article 10</u> (Rules of Handling Shares)  <u>The procedures regarding the shares, including such matters as transfers of shares, indication or cancellation of trust property, registration regarding the creation or cancellation of a pledge, re-issuance of a share certificate, buying of shares constituting a fraction of a block, etc., shall be in accordance with the Rules of Handling Shares determined by the Board of Directors.</u></p>	<p><u>Article 14</u> (Rules of Handling Shares)  <u>Fees and handling relating to the shares of the Company shall, in addition to laws, regulations and this Articles of Incorporation, be in accordance with the Rules of Handling Shares determined by the Board of Directors.</u></p>

<p><u>Article 11</u> (Record Date)  <u> Holders of voting shares (including beneficial shareholders (“Jisshitsu – kabunushi,” hereinafter the same terminology is used)) whose names are registered in the last registry of shareholders on March 31 each business year shall be entitled to exercise their rights at the ordinary general meeting of shareholders with respect to the relevant accounting period. In addition to the preceding paragraph, where necessary, this Company may give public notice as required according to the resolution of the Board of Directors and determine shareholders or pledgees whose names are registered on the last registry of shareholders as of a fixed date to be shareholders or pledgees who are then entitled to exercise their rights.</u></p> <p style="text-align: center;"><b>Chapter III. General Meeting of Shareholders</b></p> <p><u>Article 12</u> (Text Omitted)  (Newly Established)</p> <p><u>Article 13</u> (Text Omitted)  (Newly Established)</p> <p><u>Article 14</u> (Voting Procedures)  <u> With the exception of special provisions provided for by the law, all resolutions will be required to have a vote of over 50% of the voting rights of the attending shareholders to be approved.</u></p> <p style="padding-left: 2em;">2 <u> In accordance with Section 343 of the Commercial Code, one-third of all shareholders with voting rights are required to be in attendance in order to hold a general shareholders meeting, and a vote of no less than two-thirds of the voting rights of shareholders in attendance is necessary to pass any resolution.</u></p>	<p style="text-align: center;">(Deleted)</p> <p style="text-align: center;"><b>Chapter III. General Meeting of Shareholders</b></p> <p><u>Article 15</u> (Not Amended)</p> <p><u>Article 16</u> (Record Date of the Ordinary General Meeting of Shareholders)  <u> The date to record Company’s shareholder voting rights that can be exercised in the Ordinary General Meeting of Shareholders shall be March 31 each year.</u></p> <p><u>Article 17</u> (Not Amended)</p> <p><u>Article 18</u> (Deemed Provision of Internet Disclosure of General Shareholder Meeting Reference Materials)  <u> When convening an Ordinary General Meeting of Shareholders, the Company may deem to have provided shareholders with information relating to matters which should be noted or expressed in reference materials for the General Meeting of Shareholders, business reports, financial reports, and consolidated financial reports by disclosing said materials over the Internet in accordance with Ministry of Justice Ordinance.</u></p> <p><u>Article 19</u> (Voting Procedures)  <u> Resolutions at the General Meeting of Shareholders shall, unless otherwise provided by the law or these Articles of Incorporation, be adopted by a vote of over 50% of the voting rights of the shareholders who are able to exercise voting rights and are present.</u></p> <p style="padding-left: 2em;">2 <u> A resolution of the General Meeting of Shareholders stipulated in Article 309, Clause 2 of the Company Law shall be adopted by shareholders in attendance holding one-third (1/3) or more of the voting rights of shareholders who are able to exercise voting rights, and by two-thirds (2/3) of those voting rights.</u></p>
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<p>Article <u>15</u> (Exercising Voting Rights by Proxy)  The shareholders or their legal representatives may exercise their <u>vote</u> by appointing <u>one of the other shareholder</u> who has voting rights in <u>this Company, as its proxy.</u>  <u>In case of the preceding paragraph, the proxy must submit in advance a document evidencing his right of representation.</u></p> <p style="text-align: center;"><b>Chapter IV Directors and Board of Directors</b></p> <p>Article <u>16</u> (Text Omitted)</p> <p>Article <u>17</u> (Election)  Directors shall be elected <u>at the general meeting of shareholders.</u>  <u>Election of directors shall be determined by a majority of the votes of shareholders present whose total share holdings shall be more than one third of the total number of voting shares of the Company issued and outstanding.</u>  Cumulative voting shall not be adopted for the election of directors.</p> <p>Article <u>18</u> (Term)  <u>The term of the office of directors shall be until the termination of the second ordinary general meeting of shareholders held subsequent to their election for the last settlement of accounts.</u>  The term of the office of a director elected to fill a vacancy or as a result of increase in the number of <u>directors</u> shall be the remaining term of the other directors then in office.</p> <p>Article <u>19</u> (<u>Directors with Special Office and Representative Directors</u>)  <u>By the resolution of the Board of Directors, a Director and President may be elected and in addition, a Chairman of Board, a Director(s) and Vice-President(s), and other directors with special office may be elected.</u>  <u>The Director and President shall be the Representative Director and other Representative Director(s) may be appointed by the resolution of the Board of Directors.</u>  (Newly Established)</p>	<p>Article <u>20</u> (Exercising Voting Rights by Proxy)  Shareholders or their legal representatives may exercise their <u>voting rights</u> by appointing <u>as a proxy one other shareholder</u> who has voting rights in <u>the Company.</u>  In case of the preceding paragraph, the proxy must submit in advance <u>to the Company</u> a document evidencing his/her right of representation <u>for each General Meeting of Shareholders.</u></p> <p style="text-align: center;"><b>Chapter IV Directors and Board of Directors</b></p> <p>Article <u>21</u> (Not Amended)</p> <p>Article <u>22</u> (Election)  Directors shall be elected <u>by resolution of General Meeting of Shareholders.</u>  <u>The resolution electing Directors shall be adopted by shareholders in attendance holding more than one-third (1/3) of the voting rights of shareholders who are able to exercise voting rights and by a majority of those voting rights.</u>  Cumulative voting shall not be adopted for the election of Directors.</p> <p>Article <u>23</u> (Term <u>of Office</u>)  <u>The term of office of Directors shall expire at the conclusion of the Ordinary General Meeting of Shareholders held in the business year that ends within two (2) years from their assumption of office.</u>  The term of office of a Director elected to fill a vacancy <u>of director who retires prior to the completion of his/her full term</u> or as a result of an increase in the number of <u>Directors</u> shall be <u>the same time as when the term of office of the other directors expires.</u></p> <p>Article <u>24</u> (<u>Representative Directors and Directors with Special Office</u>)  <u>The Board of Directors shall, by its resolution, elect Representative Directors.</u>  <u>2. The Board of Directors shall, by its resolution, select President and Chief Executive Officer and may select in addition other Director with Special Office.</u></p> <p>Article <u>25</u> (<u>Executive Officers</u>)  The Company may, by resolution of the Board of Directors, appoint Executive Offices with <u>Special Office and Executive Officers.</u></p>
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<p>Article <u>20</u> (Compensation) The compensation payable to the directors shall be determined by the resolution of the general meeting of the shareholders.</p> <p>(Newly Established)</p>	<p>Article <u>26</u> (Compensation, etc.) <u>The monetary benefits (hereafter referred to as “compensation, etc.”) received from the Company as Directors’ compensation, bonuses and other consideration for the performance of their respective duties shall be determined by the resolution of the General Meeting of Shareholders.</u></p> <p>Article <u>27</u> (Exemption of Directors’ Liability) <u>Based on the provisions of Article 426, Clause 1 of the Company Law, the Company may exempt within the limits of laws and regulations Directors (including former Directors) from liability for damages under Article 423, Clause 1 of said Law.</u></p> <p><u>2</u> <u>Based on the provisions of Article 427, Clause 1 of the Company Law, the Company may enter into an agreement with Outside Directors limiting liability for damages under Article 423, Clause 1 of said Law. However, the maximum amount of liability for damages based on said agreement shall the amount stipulated in laws and regulations.</u></p>
<p>Article <u>21</u> (Text Omitted) (Newly Established)</p> <p>Article <u>22</u> (Text Omitted)</p> <p>Article <u>23</u> (Text Omitted)</p>	<p>Article <u>28</u> (Not Amended)</p> <p>Article <u>29</u> (Omission of Board of Directors’ Resolution) <u>In respect to items for resolution of the Board of Directors, the Company shall deem that a resolution had been undertaken with the intent of adopting said items for resolution when all Directors (limited to those Directors able to exercise voting rights with respect to said items for resolution) have agreed in writing or through an electronic means. However, this shall not apply when a Corporate Auditor objects.</u></p> <p>Article <u>30</u> (Not Amended)</p> <p>Article <u>31</u> (Not Amended)</p>
<p><b>Chapter V Corporate Auditors and Board of Corporate Auditors</b></p> <p>Article <u>24</u> (Text Omitted)</p> <p>Article <u>25</u> (Election) Corporate Auditors shall be elected at the general meeting of shareholders. <u>Election of Corporate Auditors shall be determined by a majority of the votes of shareholders present whose total share holdings shall be more than one third of the total number of voting shares of the Company issued and outstanding.</u></p>	<p><b>Chapter V Corporate Auditors and Board of Corporate Auditors</b></p> <p>Article <u>32</u> (Not Amended)</p> <p>Article <u>33</u> (Election) Corporate Auditors shall be elected by <u>resolution</u> of the General Meeting of Shareholders. <u>Resolution electing Corporate Auditors shall be determined by a majority of the votes of shareholders in attendance holding more than one-third (1/3) of the voting rights of shareholders who are able to exercise voting rights.</u></p>

<p>Article <u>26</u> (Term) The tenure of corporate auditors <u>is to end as of the close of the regularly scheduled general shareholders meeting of the fourth fiscal year following their appointment</u>. In the event that a new corporate auditor is chosen to <u>replace a retiring corporate auditor</u>, then the new corporate auditor's <u>tenure</u> will be limited to the <u>remainder of the tenure of the</u> retiring corporate auditor.</p> <p>Article <u>27</u> (Statutory Corporate Auditor) <u>The statutory corporate auditor shall be appointed by mutual vote of corporate auditors.</u></p> <p>Article <u>28</u> (Compensation) The compensation payable to the corporate auditors shall be determined by the resolution of the <u>general meeting of the shareholders</u>.</p> <p>Article <u>29</u> (Newly Established)</p> <p>Article <u>29</u> (Text Omitted) Article <u>30</u> (Text Omitted)</p>	<p>Article <u>34</u> (Term of Office) The term of office of Corporate Auditors <u>shall expire at the conclusion of the Ordinary General Meeting of Shareholders held in the business year that ends within four (4) years from their assumption of office</u>. In the event that a new Corporate Auditor is chosen to <u>fill the vacancy of a Corporate Auditor who retires prior to the completion of his/her full term</u>, then the new Corporate Auditor's <u>term</u> will be <u>when the term of office of his/her predecessor's would have expired</u>.</p> <p>Article <u>35</u> (Standing Corporate Auditor) <u>Standing Corporate Auditors shall be appointed by the resolution of the Board of Corporate Auditors.</u></p> <p>Article <u>36</u> (Compensation, etc.) The compensation, <u>etc.</u>, payable to the Corporate Auditors shall be determined by the resolution of the <u>General Meeting of Shareholders</u>.</p> <p>Article <u>37</u> (Exemption of Corporate Auditors' Liability) <u>Based on the provisions of Article 426, Clause 1 of the Company Law, the Company may exempt within the limits of laws and regulations Corporate Auditors (including former Corporate Auditors) from liability for damages under Article 423, Clause 1 of said Law.</u></p> <p>2. <u>Based on the provisions of Article 427, Clause 1 of the Company Law, the Company may enter into an agreement with Outside Corporate Auditors limiting liability for damages under Article 423, Clause 1 of said Law. However, the maximum amount of liability for damages based on said agreement shall be the amount stipulated in laws and regulations.</u></p> <p>Article <u>38</u> (Not Amended) Article <u>39</u> (Not Amended)</p>
<p style="text-align: center;"><b>Chapter VI Accounting</b></p> <p>Article <u>31</u> (Business Year) The business year of this Company shall be one year commencing April 1 each year to March 31 of the following year.</p> <p>Article <u>32</u> (Dividends) The dividends of this Company shall be paid to shareholders or pledgees whose names are registered on the last registry shareholders as of March 31 each business year.</p>	<p style="text-align: center;"><b>Chapter VI Accounting</b></p> <p>Article <u>40</u> (Business Year) The business year of this Company shall be one (1) year commencing April 1 each year to March 31 of the following year.</p> <p>Article <u>41</u> (Dividends) The dividends of the Company shall be paid to shareholders or pledgees whose names are registered on the last registry shareholders as of March 31 each business year.</p>

<p>Article <u>33</u> (Interim Dividend)  The Company may, <u>according to the resolution of the Board of Directors, distribute money (hereinafter referred to as an “Interim Dividend”)</u> to the shareholders or the pledgees whose name are registered on the last registry of shareholders on September 30 each year, <u>in accordance with the provisions of Article 293-5 of the Commercial Code. The Board of Directors shall, not later than December 31 each year, determine the amount of payment in case a distribution of money is made as provided in the preceding paragraph.</u></p>	<p>Article <u>42</u> (Interim Dividend)  The Company may, <u>by resolution of the Board of Directors, make an Interim Dividend payment</u> to the shareholders or pledgees whose name are registered on the last registry of shareholders on September 30 each year.</p>
<p>Article <u>34</u> (Period of Exclusion)  The Company shall be exempted from the obligation to pay a Dividend or Interim Dividend in case the receipt thereof has not <u>been effected</u> after 3 years have elapsed from the date on which the payment thereof had been commenced.  <u>In addition, a Dividend or Interim Dividend shall accrue no interest.</u></p>	<p>Article <u>43</u> (Period of Exclusion, etc.)  The Company shall be exempted from the obligation to pay a Dividend or Interim Dividend in case the receipt thereof has not <u>claimed</u> after <u>three (3)</u> years have elapsed from the date on which the payment thereof had been commenced.</p> <p><u>2</u> <u>Interest will not attach to unpaid dividends or interim dividends.</u></p>

### Item 3: Election of Eight (8) Directors

At the conclusion of this Ordinary General Meeting of Shareholders, the term of office of all six (6) currently serving Directors will expire. Thus, the Company would like to request that two (2) additional Directors be added to the Board of Directors in order to seek the further strengthening of the management structure and, therefore, that eight (8) individuals be elected as Directors of the Company.

The following individuals are candidates for directorships.

No.	Name (Date of Birth)	Biographies, positions and sections of which they are in charge in the Company (Status of representation of other companies)	Number of shares held in the Company
1	Yoshiharu Sato (February 5, 1938)	<p>April 1960      Joined the Company</p> <p>December 1984      Executive Director of the Company</p> <p>December 1990      Managing Director of the Company</p> <p>June 1996      Executive Vice President of the Company</p> <p>June 1998      President of the Company</p> <p>June 2002      President and Chief Executive Officer of the Company</p> <p>June 2004      Chairman of the Company (In charge of overall YG) (Present post)</p>	16,800
2	Seiji Onoki (August 21, 1946)	<p>April 1970      Joined the Company</p> <p>November 1994      Systems Development Manager, Industrial Systems Division of the Company</p> <p>June 1996      Executive Director of the Company</p> <p>June 2000      President of Yamatake Industries Systems Co., Ltd. (Present: The Company's Advanced Automation Company)</p> <p>June 2000      Executive Director of the Company</p> <p>April 2003      Executive Director and Managing Executive Officer of the Company, President of Advanced Automation Company</p> <p>June 2004      President and Chief Executive Officer of the Company (Present post)</p> <p>April 2006      (CEO, in charge of overall YG, Internal Audit Office, Corporate Planning Department, Project for the Company's 100th Anniversary) (Present post)</p>	5,500

No.	Name (Date of Birth)	Biographies, positions and sections of which they are in charge in the Company (Status of representation of other companies)	Number of shares held in the Company
3	* Hisayoshi Mori (November 21, 1941)	<p>December 1974    Joined Yamatake Engineering Co., Ltd. (Present: The Company's Advanced Automation Company)</p> <p>January 1990    Chiba Branch Manager</p> <p>December 1990    Executive Director of the Company</p> <p>June 2000        Managing Director of Yamatake Industries Systems Co., Ltd. (Present: The Company's Advanced Automation Company)</p> <p>April 2003       Executive Officer of the Company</p> <p>June 2004        Managing Executive Officer of the Company, President of Advanced Automation Company</p> <p>April 2006       Senior Managing Executive Officer of the Company, President of Advanced Automation Company (Present post)</p>	5,700
4	* Kiyofumi Saito (December 13, 1946)	<p>June 1970        Joined the Company</p> <p>April 1998       Transferred to Yamatake Keiso Co., Ltd. (Present: The Company's Building Systems Company) Manager, General Affairs Department</p> <p>June 1998        Executive Director of the Company</p> <p>June 2002        Managing Director of Yamatake Building Systems Co., Ltd. (Present: The Company's Building Systems Company)</p> <p>April 2003       Executive Officer, Manager Human Resources Department of the Company</p> <p>April 2005       Managing Executive Officer of the Company</p> <p>April 2006       Senior Managing Executive Officer of the Company, President of Building Systems Company (Present post)</p>	3,100
5	Jun Kawachi (September 30, 1946)	<p>April 1972        Joined the Company</p> <p>October 1995    Product Engineering Group and Product Production Group Manager, Industrial Systems Division of the Company</p> <p>June 1996        Executive Director of the Company</p> <p>June 2002        Executive Director and Managing Executive Officer (Present post)</p> <p>April 2004       Manager, International Business Headquarters of the Company</p> <p>April 2006       (In charge of international operations, International Business Headquarters, Corporate Quality Assurance Promotion Department, Environment and Standardization Promotion Department) (Present post)</p>	5,200

No.	Name (Date of Birth)	Biographies, positions and sections of which they are in charge in the Company (Status of representation of other companies)	Number of shares held in the Company
6	* Masaaki Iwai (November 24, 1945)	<p>January 1971    Joined the Company</p> <p>April 1996    Sales Manager, Control Products Division of the Company</p> <p>July 2000    Executive Officer, Manager, Accounting Department of the Company</p> <p>April 2001    Executive Officer, Manager, Planning and Policy Department of the Company</p> <p>April 2005    Managing Executive Officer of the Company (Present post)</p>	6,000
7	Masaaki Togo (March 16, 1943)	<p>April 1965    Joined the Company</p> <p>December 1990    Executive Director of the Company</p> <p>April 1991    Manager, Industrial Systems Division of the Company</p> <p>April 1994    Manager, Advanced Technology Center of the Company</p> <p>June 1998    Managing Director of the Company</p> <p>July 1998    Manager, International Operations Department of the Company</p> <p>April 2001    Manager, IT Strategy Promotion Office of the Company</p> <p>June 2002    Executive Director and Managing Executive Officer of the Company</p> <p>April 2006    Executive Director of the Company (Present post)</p>	7,100
8	* Makoto Yasuda (November 7, 1937)	<p>April 1960    Joined the Company</p> <p>August 1968    Resigned</p> <p>October 1984    President of Elders Pika</p> <p>May 1987    President of Elders and Yasuda Limited</p> <p>July 1990    President of Yasuda and Pama Limited (Present: Yasuda EMP Limited) (Present post)</p> <p>March 1997    Director of Atlas Copco K.K. (Present post)</p> <p>June 2000    Corporate Auditor of the Company (Present post)</p> <p>May 2001    Director of Li &amp; Fung Limited (Present post)</p>	2,900

- (Note) 1. There are no vested interests between any of the candidates and the Company.  
2. \* indicates a new candidate.  
3. The current directors of the Company serve as executive officers.  
4. The biographies, positions and sections of which they are in charge in the Company, and status of representation of other companies are current as of the date this invitation was sent.

#### Item 4: Election of One (1) Corporate Auditor

As Corporate Auditor Makoto Yasuda will resign at the conclusion of this Ordinary General Meeting of Shareholders, the Company would like to request that one (1) individual be elected as Corporate Auditor to fill the vacancy created by this resignation. The prior consent of the Board of Corporate Auditors has been obtained with respect to the presentation of this resolution to the general meeting of shareholders.

The following individual is a candidate for corporate auditor.

Name (Date of Birth)	Biographies, positions and sections of which he is in charge in the Company (Status of representation of other companies)	Number of shares held in the Company
Kinya Fujimoto (October 1, 1946)	April 1969    Joined Toyo Precision Engineering Co., Ltd. (Present: Seisa Gear Co., Ltd.) March 1972    Resigned April 1972    Joined Shibata Certified Public Accountants Office March 1979    Resigned March 1979    Established Fujimoto Certified Public Accountants Office (Present position)	0

- (Note)
1. There are no vested interests between the candidate and the Company.
  2. The biography, positions and sections of which he is in charge in the Company, and status of representation of other companies are current as of the date this invitation was sent.
  3. Candidate Kinya Fujimoto meets all of the requirements of an outside corporate auditor stipulated in Article 2.16 of the Company Law.

#### Item 5: Matter of the revision in the amount of Directors' bonus

In the 78th Ordinary General Meeting of Shareholders held on June 29, 2000, shareholders approved bonus for the Company's Directors in the amount of, excluding the salary portion of employees concurrently serving as Directors, "within 280 million yen per annum." Today this remains the current state of Directors' compensation. However, accompanying the implementation of the Company Law (Law No. 86, 2005), bonuses have been deemed to be part of remunerations (Article 361 of the Company Law). Also, having considered that on the occasion of this shareholders meeting there was an increase in the number of Directors and that there is a possibility that the number of Directors will be increased in the future for the purpose of strengthening corporate governance, the Company would like to request that Directors' bonus be revised to "within 450 million yen per annum."

As has been the case up to the present, Directors' bonus will not include the salary portion of employees concurrently serving as Directors.

Currently there are six (6) directors, and two (2) more directors will be added in the case Resolution No. 3 is approved.

***Note: This English translation is an abridged version of the original notice in Japanese. In the event of discrepancies, the Japanese version shall prevail.***