

JASDAQ code: 2767
June 12, 2006

To our shareholders:

3-6 Maruyama-cho, Shibuya-ku, Tokyo, Japan

Fields Corporation

President and CEO: Hidetoshi Yamamoto

NOTICE OF THE 18TH ANNUAL GENERAL MEETING OF SHAREHOLDERS

Notice is hereby given that the 18th Annual General Meeting of the Shareholders of the Company will be held as specified below. You are cordially invited to attend the Meeting.

If you are unable to attend the Meeting, you may exercise your voting rights by mail or through the internet. In this case, please review the reference documents as mentioned below, and then exercise your voting rights either by indicating your approval or disapproval for the items on the agenda on the enclosed Exercise of Voting Rights Form and sending it to the Company or entering your approval or disapproval on the Exercise of Voting Rights Website located at <http://www.evotep.jp/>, no later than 6 p.m. on June 27, 2006.

1. **Date and time:** Wednesday, June 28, 2006 at 10 a.m.
2. **Venue:** Ballroom, B2F, Cerulean Tower Tokyu Hotel
26-1 Sakuragaoka-cho, Shibuya-ku, Tokyo
3. **Objectives of Meeting**
Matters to be reported:
 1. Report on the Business Report, and the Consolidated Balance Sheet and Profit and loss Statement for the 18th fiscal period (commencing on April 1, 2005 and ending on March 31, 2006), and on the findings of the audit on the Consolidated Financial Documents for the 18th fiscal period from the accounting auditor and the Board of Statutory Auditors
 2. Report on the Balance Sheet and the Profit and Loss Statement for the 18th fiscal period (commencing on April 1, 2005 and ending on March 1, 2006)

Agenda:

- Proposal 1:** Approval of the Proposal for Disposition of Profit for the 18th fiscal period
- Proposal 2:** Partial amendments to the Articles of Incorporation
- Proposal 3:** Election of one (1) director
- Proposal 4:** Payment of final retirement allowance to officers associated with the abolition of the officer's retirement allowance system

4. Exercise of voting rights, etc.

(a) Exercise of voting rights by proxy:

If you appoint a proxy to attend the Meeting on your behalf, the proxy must be another member of the Company entitled to vote. In this case, please submit the proxy form along with the enclosed Exercise of Voting Rights Form to the receptionist at the place of the Meeting.

(b) Method of informing changes in the reference documents, financial documents, etc. for the Meeting:

In case of any changes in any matters described in the reference documents, financial documents, etc. for the Meeting, such matters will be posted on the Company's website located at <http://www.fields.biz>.

(c) In case that you exercise your voting rights more than once both in writing and through the internet:

The exercise of voting rights made through the internet will be valid.

(d) In case that you exercise your voting rights more than once through the internet:

The last exercise of voting rights will be valid.

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\* When you attend the Meeting in person, please submit the enclosed Exercise of Voting Rights Form to the receptionist at the place of the Meeting.

\* You are invited and encouraged to share the get-together session of our group companies after the General Meeting.

### **Proposal for Disposition of Profit**

(unit: yen)

| Item                                          | Amount                     |                      |
|-----------------------------------------------|----------------------------|----------------------|
| <b>(Unappropriated profit for the period)</b> |                            | <b>7,554,115,864</b> |
| This will be appropriated as follows.         |                            |                      |
| Dividend<br>(2,000 yen per share)             | 694,000,000                |                      |
| Officers' bonuses<br>(for statutory auditors) | 105,000,000<br>(3,000,000) |                      |
| Voluntary earned reserve<br>Special reserve   | 5,000,000,000              | 5,799,000,000        |
| <b>(Retained earnings carried forward)</b>    |                            | <b>1,755,115,864</b> |

## Reference Materials for the General Meeting of Shareholders

### Proposals and References

#### **Proposal 1:** Approval of the Proposal for Disposition of Profit for the 18th fiscal period

The contents of the item are as specified in the attached documents. (page 3)

It is the Company's basic policy to place the enhancement of shareholder value as an important point in the conduct of its management, including implementation of proper allocation of profits. The retained profits will be effectively utilized taking into account the financial structure, the needs for reinforcement of business infrastructure and the future business deployment.

The Company will be seeking a dividend payment for the current period of 2,000 yen per share to be declared, which makes the annual dividend including the interim dividend (2,000 yen per share) 4,000 yen per share.

The Company also proposes to pay the officers' bonuses for the current period of 105 million yen (3 million yen for Statutory Auditors) to seven (7) Directors and three (3) statutory auditors as of the end of the current business term.

#### **Proposal 2:** Partial amendments to the Articles of Incorporation

##### (1) Reasons for the amendments

1. The necessary amendments to Article 2 (Objects) of the current Articles of Incorporation are proposed to respond to the diversification of business activities including subsidiaries.
2. Since the details of Executive Officers and their conduct of office are provided for in the Regulations for Executive Officers, it is proposed to delete Article 26 (Executive Officers) and Article 27 (Regulations for Executive Officers) of the current Articles of Incorporation.
3. The following amendments are also proposed to be made by reason of the coming into effect of the "Company Law" (Law No. 86 of 2005), the "Law for Improvement of Relevant Laws, Etc. Associated With Enforcement of the Company Law" (Law No. 87 of 2005; hereinafter referred to as the "Improvement Law") and the relevant government and ministerial ordinances.
  - a. In convening a general meeting of shareholders, it has become possible to disclose proxy statement, etc., for the general meeting of shareholders by means of electronic means, such as the Internet. Accordingly, among the proposed amendments, Article 14 (Disclosures via Internet and Constructive Delivery of Proxy Statements, etc. for General Meeting of Shareholders), will be added in order to further facilitate delivery to our shareholders of the information related to general meetings of shareholders.
  - b. It has become possible to adopt the so-called written resolutions by the Board of Directors. Accordingly, under the proposed amendment, Article 23 (Exception to resolution of the Board of Directors), will be added to enable the Board of Directors to expeditiously and flexibly pass resolutions in writing or in electronic form when indicated by necessity.

- c. Under the proposed amendment, Article 35, Paragraph 2 (Exemption of liability of Statutory Auditors) will be added, to enable the Company to limit liability for damages by agreement with outside Statutory Auditors to facilitate recruitment of persons with quality to serve as outside Statutory Auditors.
- d. In addition to the above, new provisions will be added for clarity respecting those matters which are now deemed to be included in the Articles of Incorporation and the necessary amendments will be made to the entire text of the Articles of Incorporation, such as changes of terms, expressions, references and renumbering of articles.

(2) Particulars of the amendments

The proposed amendments are as set out below.

(Proposed changes are underlined.)

| Current Articles of Incorporation                                                                                                                                                                                                                  | Proposed amendments                                                                                                                                                                                                                                           |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Chapter 1. General Provisions                                                                                                                                                                                                                      | Chapter 1. General Provisions                                                                                                                                                                                                                                 |
| Article 1 (Omitted)                                                                                                                                                                                                                                | Article 1 (Unchanged)                                                                                                                                                                                                                                         |
| Article 2 (Objects)                                                                                                                                                                                                                                | Article 2 (Objects)                                                                                                                                                                                                                                           |
| The objects of the Company shall be to engage in any or all of the following business activities.                                                                                                                                                  | The objects of the Company shall be to engage in any or all of the following business activities.                                                                                                                                                             |
| (1)-(3) (Omitted)                                                                                                                                                                                                                                  | (1)-(3) (Unchanged)                                                                                                                                                                                                                                           |
| (4) Provision service <u>business</u> for various information via internet                                                                                                                                                                         | (4) Provision service <u>and mail-order sale</u> for various information via internet                                                                                                                                                                         |
| (5) ( Omitted)                                                                                                                                                                                                                                     | (5) ( Unchanged)                                                                                                                                                                                                                                              |
| (6) ( Omitted)                                                                                                                                                                                                                                     | (6) ( Unchanged)                                                                                                                                                                                                                                              |
| (7) Rental, management, <u>holding and operation</u> of real property                                                                                                                                                                              | (7) Rental, management, <u>purchase and sale, and brokerage</u> of real property                                                                                                                                                                              |
| (8) -(12) (Omitted)                                                                                                                                                                                                                                | (8) -(12) (Unchanged)                                                                                                                                                                                                                                         |
| (13) Operation of clubs with live music, <u>and</u> eating and drinking establishments                                                                                                                                                             | (13) Operation of <u>lodging facilities such as hotels</u> , clubs with live music, eating and drinking establishments <u>and orthopedic clinics</u>                                                                                                          |
| (14)-(18) (Omitted)                                                                                                                                                                                                                                | (14) -(18) (Unchanged)                                                                                                                                                                                                                                        |
| (19) <u>Wholesale and</u> sales of jewelry, gems, precious stones, precious metal products, accessories, small-wares, daily necessities and miscellaneous goods, fabrics, clothes, textile products for clothing materials, dry goods and footwear | (19) Sales of jewelry, gems, precious stones, precious metal products, accessories, small-wares, daily necessities and miscellaneous goods, <u>cosmetics, quasi-drugs</u> , fabrics, clothes, textile products for clothing materials, dry goods and footwear |
| (20)-(23) (Omitted)                                                                                                                                                                                                                                | (20)-(23) (Unchanged)                                                                                                                                                                                                                                         |
| Article 3 (Omitted)                                                                                                                                                                                                                                | Article 3 (Unchanged)                                                                                                                                                                                                                                         |
| (New)                                                                                                                                                                                                                                              | <u>Article 4 (Organization)</u>                                                                                                                                                                                                                               |
|                                                                                                                                                                                                                                                    | <u>The Company shall maintain the following corporate organs in addition to the general meeting of shareholders and the Directors.</u>                                                                                                                        |
|                                                                                                                                                                                                                                                    | <u>1. Board of Directors</u>                                                                                                                                                                                                                                  |
|                                                                                                                                                                                                                                                    | <u>2. Statutory Auditors</u>                                                                                                                                                                                                                                  |
|                                                                                                                                                                                                                                                    | <u>3. Board of Statutory Auditors</u>                                                                                                                                                                                                                         |
|                                                                                                                                                                                                                                                    | <u>4. Accounting auditor</u>                                                                                                                                                                                                                                  |

| Current Articles of Incorporation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Proposed amendments                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
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| <p>Article 4 (Method of public notices)<br/>Public notices by the Company <u>shall be made by</u> electronic public notice, provided that in the event that because of accidents or any other unavoidable reason, it is not possible to make an electronic public notice, the notice shall be inserted in the Nihon Keizai Shimbun.</p> <p style="text-align: center;">Chapter 2. Shares</p> <p>Article 5 (Total number of shares authorized to be issued)<br/>The total number of shares authorized to be issued by the Company shall be 1,388,000 shares.</p> <p style="text-align: center;">( New )</p> <p>Article 6 (Repurchase of own shares)<br/>The Company may repurchase its own shares by a resolution of the Board of Directors pursuant to <u>Article 211-3, Paragraph 1, Item 2 of the Commercial Code of Japan.</u></p> <p><u>Article 7 (Record date)</u><br/>7.1 <u>The Company shall treat the shareholders (including beneficial shareholders: the same applies hereinafter) listed or recorded in the final register of shareholders (including the register of beneficial shareholders: the same applies hereinafter) for each settlement period as the shareholders entitled to exercise their rights at the Annual General Meeting of Shareholders for such settlement period.</u><br/>7.2 <u>In addition to those provided in the preceding Paragraph and these Articles of Incorporation, when deemed necessary, the Company shall, by giving a public notice in advance, according to a resolution of the Board of Directors, treat the shareholders or registered pledgees listed or recorded in the final register of shareholders as of a certain date as the shareholders or registered pledgees entitled to exercise their rights.</u></p> | <p>Article 5 (Method of public notices)<br/>The <u>method of</u> public notices by the Company <u>shall be</u> electronic public notices, provided that in the event that because of accidents or any other unavoidable reason, it is not possible to make an electronic public notice, the notice shall be inserted in the Nihon Keizai Shimbun.</p> <p style="text-align: center;">Chapter 2. Shares</p> <p>Article 6 (Total number of shares authorized to be issued)<br/>The total number of shares authorized to be issued by the Company shall be 1,388,000 shares.</p> <p><u>Article 7 (Issuance of share certificates)</u><br/><u>The Company shall issue share certificates for its shares.</u></p> <p>Article 8 (Repurchase of own shares)<br/>The Company may repurchase its own shares <u>through the market transaction, etc.</u> by a resolution of the Board of Directors pursuant to <u>Article 165, Paragraph 2 of the Company Law of Japan.</u></p> <p style="text-align: center;">(Delete)</p> <p style="text-align: center;">(Delete)</p> |

| Current Articles of Incorporation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Proposed amendments                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
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| <p>Article 8 (<del>Transfer agent</del>)</p> <p><del>8.1 The Company shall have a transfer agent for shares and fractional shares.</del></p> <p><del>8.2 A transfer agent and its business office shall be selected by a resolution of the Board of Directors.</del></p> <p><del>8.3 The shareholders' register, the original register of fractional shares and the register of loss of share certificates of the Company shall be kept at the business office of the transfer agent. The transfer agent shall handle the transfer of shares, listing or recording into the original register of fractional shares, the delivery of share certificates, the preparation of register of beneficial shareholders, the acceptance of notices by beneficial shareholders and the purchase of fractional shares, the registration of loss of share certificates, and other businesses related to shares and fractional shares, and the Company shall not handle them.</del></p> | <p>Article 9 (<del>Administrator of shareholders' register</del>)</p> <p><del>9.1 The Company shall have an administrator of its shareholders' register.</del></p> <p><del>9.2 An administrator of shareholders' register and its business office shall be determined by a resolution of the Board of Directors.</del></p> <p><del>9.3 The preparation and maintenance of, and other businesses related to, the shareholders' register (including the register of beneficial shareholders; the same applies hereinafter), the original register of subscription rights and the register of loss of share certificates of the Company shall be entrusted upon the administrator of the shareholders' register, and the Company shall not handle them.</del></p> |
| <p>Article 9 (Share Handling Regulations)</p> <p><del>The kinds of shares certificates, the transfer of shares, listing or recording into the original register of fractional shares, the delivery of share certificates, the preparation of register of beneficial shareholders, the acceptance of notices by beneficial shareholders and the purchase of fractional shares, the registration of loss of share certificates, and other procedures and fees for request and notification related to the shares and fractional shares of the Company shall be governed by the Share Handling Regulations established by the Board of Directors.</del></p>                                                                                                                                                                                                                                                                                                                   | <p>Article 10 (Share Handling Regulations)</p> <p><del>The handling and fees related to the shares of the Company shall be governed by the Share Handling Regulations established by the Board of Directors, in addition to law and ordinances or these Articles of Incorporation.</del></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <p>Chapter 3. General Meeting of Shareholders</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | <p>Chapter 3. General Meeting of Shareholders</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <p>Article 10 (<del>Time of convocation</del>)</p> <p><del>An Annual General Meeting of Shareholders of the Company shall be convened within three (3) months from the day after the end of each settlement period and an Extraordinary General Meeting of Shareholders shall be convened from time to time when necessary.</del></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | <p>Article 11 (Convocation)</p> <p><del>An Annual General Meeting of Shareholders of the Company shall be convened in June of each year, and an Extraordinary General Meeting of Shareholders shall be convened from time to time when necessary.</del></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <p>(New)</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | <p>Article 12 (<del>Record date for Annual General Meeting of Shareholders</del>)</p> <p><del>The record date for the voting rights to be exercised at an Annual General Meeting of Shareholders of the Company shall be March 31 of each year.</del></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |

| Current Articles of Incorporation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Proposed amendments                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
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| <p>Article <u>11</u> (<u>Convocator</u> and chairman)</p> <p><u>Except as otherwise provided by law and ordinances, the President and Director shall convene and preside over a General Meeting of Shareholders pursuant to a resolution of the Board of Directors. Should the President and Director be unable to so act, another Director shall act in his/her place in the order predetermined by the Board of Directors.</u></p> <p>(New)</p> <p>(New)</p>                                                                                                                                              | <p>Article <u>13</u> (<u>Person authorized to convene</u> and chairman)</p> <p>The President and Director shall convene and preside over a General Meeting of Shareholders.</p> <p><u>13.2 Should the President and Director be unable to act, another Directors shall convene and preside over a General Meeting of Shareholders in the order predetermined by the Board of Directors.</u></p> <p><u>Article 14 (Disclosure via internet and constructive delivery of proxy statements, etc. for general meeting of shareholders)</u><br/> <u>For the purpose of convocation of a General Meeting of Shareholders, the Company may deem that it has duly delivered to its shareholders with the information related to the matters to be listed or indicated in the proxy statements for the General Meeting of Shareholders, the business report, financial statements and consolidated financial statements by disclosing such information via the internet as provided for by the Ministry of Justice ordinance.</u></p> |
| <p>Article <u>12</u> (Method of resolution)</p> <p><u>12.1</u> Unless otherwise provided for by law and ordinances or <u>the</u> Articles of Incorporation, resolutions of a General Meeting of Shareholders shall be adopted by a majority vote of shareholders <u>present</u> at the General Meeting of Shareholders.</p> <p><u>12.2 Resolutions of a General Meeting of Shareholders under Article 343 of the Commercial Code of Japan shall be passed by two-thirds or more of the voting rights of the shareholders present having one-third or more of the voting rights of all shareholders.</u></p> | <p>Article <u>15</u> (Method of resolution)</p> <p><u>15.1</u> Unless otherwise provided for by law and ordinances or <u>these</u> Articles of Incorporation, resolutions of a General Meeting of Shareholders shall be adopted by a majority vote of shareholders <u>present and entitled to exercise their voting rights</u> at the General Meeting of Shareholders.</p> <p><u>15.2 Resolutions under Article 309, Paragraph 2 of the Company Law of Japan shall be passed by two-thirds or more of the voting rights of the shareholders present having one-third or more of the number of voting rights of the shareholders entitled to exercise their voting rights.</u></p>                                                                                                                                                                                                                                                                                                                                            |

| Current Articles of Incorporation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Proposed amendments                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
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| <p>Article <u>13</u> (Exercise of voting rights by proxy)<br/>A shareholder may exercise his/her voting rights through another shareholder of the Company having voting rights and acting as a proxy. In this case, the shareholder or his/her proxy shall submit to the Company a document evidencing his/her power of representation for each General Meeting of Shareholders.</p> <p><u>Article 14 (Minutes)</u><br/><u>14.1 The summary of proceedings at a General Meeting of Shareholders and the results thereof shall be specified or recorded in the minutes of the Meeting. The chairman of the Meeting and the Directors who were present at the Meeting shall affix their hands and seals, or digital signatures thereto.</u><br/><u>14.2 The original of the minutes of a General Meeting of Shareholders shall be maintained at the head office for ten years, and the certified copies thereof shall be kept at its branches for five years.</u></p> <p>Chapter 4. Directors and the Board of Directors</p> <p>Article <u>15</u> (Number of Directors)<br/>The number of Directors of the Company shall be <u>between three (3) and ten (10).</u></p> <p>Article <u>16</u> (Election)<br/><u>16.1</u> A Director of the Company shall be elected at a General Meeting of Shareholders.<br/><u>16.2</u> A resolution for election of a Director shall be adopted by a majority vote of shareholders present having one-third or more of the voting rights of <u>all shareholders</u><br/><u>16.3</u> A resolution for election of a Director shall not be made by cumulative voting.</p> <p>Article <u>17</u> (Term of office)<br/>17.1 The term of office of Directors shall expire at the close of the Annual General Meeting of Shareholders held in relation to <u>the last settlement period within</u> two (2) years after <u>their assumption of office.</u></p> | <p>Article <u>16</u> (Exercise of voting rights by proxy)<br/>A shareholder may exercise his/her voting rights through another shareholder of the Company having voting rights and acting as a proxy. In this case, the shareholder or his/her proxy shall submit to the Company a document evidencing his/her power of representation for each General Meeting of Shareholders</p> <p>(Delete)</p> <p>Chapter 4. Directors and the Board of Directors</p> <p>Article <u>17</u> (Number of Directors)<br/>The number of Directors of the Company shall be not more than <u>ten (10).</u></p> <p>Article <u>18</u> (<u>Method of election</u>)<br/><u>18.1</u> A Director of the Company shall be elected at a General Meeting of Shareholders.<br/><u>18.2</u> A resolution for election of a Director shall be adopted by a majority vote of shareholders present having one-third or more of the number of voting rights of <u>the shareholders entitled to exercise their voting rights.</u><br/><u>18.3</u> A resolution for election of a Director shall not be made by cumulative voting.</p> <p>Article <u>19</u> (Term of office)<br/>19.1 The term of office of Directors shall expire at the close of the Annual General Meeting of Shareholders held in relation to <u>the last business year ending within</u> two (2) years after <u>their election.</u></p> |

| Current Articles of Incorporation                                                                                                                                                                                                                                                                                                     | Proposed amendments                                                                                                                                                                                                                                                                                                                                                                                                                                    |
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| <p>17.2 The term of office of a Director elected resulting from an increase in the number of Directors or a vacancy occurring in the Board of Directors shall expire upon the expiration of the term of office of <u>other</u> incumbent Directors <u>or a retired Director</u>.</p>                                                  | <p>19.2 The term of office of a Director elected resulting from an increase in the number of Directors or a vacancy occurring in the Board of Directors shall expire upon the expiration of the term of office of <u>the</u> incumbent Directors.</p>                                                                                                                                                                                                  |
| <p>Article <u>18</u> (Representative Directors)</p>                                                                                                                                                                                                                                                                                   | <p>Article <u>20</u> (Representative Directors <u>and Directors with specific titles</u>)</p>                                                                                                                                                                                                                                                                                                                                                          |
| <p>The Company shall <u>appoint several</u> representative Directors by resolutions of the Board of Directors.</p>                                                                                                                                                                                                                    | <p><u>20.1</u> The Company shall <u>elect</u> one or more representative Directors by resolutions of the Board of Directors.</p>                                                                                                                                                                                                                                                                                                                       |
| <p>(New)</p>                                                                                                                                                                                                                                                                                                                          | <p><u>20.2</u> <u>The Board of Directors may, by its resolution, appoint one (1) President and Director, and one or more Executive Vice Presidents, Senior Managing Directors and Managing Directors.</u></p>                                                                                                                                                                                                                                          |
| <p><u>Article 19 (Directors with special titles)</u></p>                                                                                                                                                                                                                                                                              | <p>(Delete)</p>                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <p><u>The Company may, by resolutions of the Board of Directors, appoint one (1) President and Director, and several Executive Vice Presidents, Senior Managing Directors and Managing Directors.</u></p>                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <p>Article <u>20</u> (Board of Directors)</p>                                                                                                                                                                                                                                                                                         | <p>Article <u>21</u> (<u>Person authorized to convene, and chairman of,</u> meeting of the Board of Directors)</p>                                                                                                                                                                                                                                                                                                                                     |
| <p><u>20.1</u> Except as otherwise provided by law and ordinances, the President and Director shall convene and preside over a meeting of the Board of Directors. <u>Should the President and Director be unable to so act, another Director shall act in his/her place in the order predetermined by the Board of Directors.</u></p> | <p><u>21.1</u> Except as otherwise provided by law and ordinances, the President and Director shall convene and preside over a meeting of the Board of Directors.</p>                                                                                                                                                                                                                                                                                  |
| <p><u>20.2</u> <u>The notice of a meeting of the Board of Directors shall be given to each Director and statutory auditor at least three (3) days prior to the day of such meeting, provided that in case of necessity, this period may be further shortened.</u></p>                                                                 | <p><u>21.2</u> <u>Should the President and Director be unable to act, another of Directors shall convene and preside over a meeting of the Board of Directors in the order predetermined by the Board of Directors.</u></p>                                                                                                                                                                                                                            |
| <p>(New)</p>                                                                                                                                                                                                                                                                                                                          | <p>Article <u>22</u> (Notice of meeting of Board of Directors)</p>                                                                                                                                                                                                                                                                                                                                                                                     |
|                                                                                                                                                                                                                                                                                                                                       | <p><u>22.1</u> <u>The notice of a meeting of the Board of Directors shall be given to each Director and Statutory Auditor at least three (3) days prior to the day of such meeting, provided that in case of necessity, this period may be shortened.</u></p> <p><u>22.2</u> <u>A meeting of the Board of Directors may be held by dispensing with the procedure for convocation by unanimous consent of all Directors and Statutory Auditors.</u></p> |

| Current Articles of Incorporation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Proposed amendments                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
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| <p>Article <u>21</u> (<u>Method of resolution</u>)</p> <p><u>A resolution of the Board of Directors shall be adopted by a majority vote of the Directors present at a meeting at which a majority of the Directors are present.</u></p> <p>Article <u>22</u> (<u>Minutes of meeting of Board of Directors</u>)</p> <p><u>22.1 The summary of proceedings at a meeting of the Board of Directors and the results thereof shall be specified or recorded in the minutes of the meeting. The chairman of the meeting and the Directors and statutory auditors who were present at the meeting shall affix their hands and seals, or digital signatures thereto.</u></p> <p><u>22.2 The minutes of a meeting of the Board of Directors shall be maintained at the head office for ten years.</u></p> <p>Article <u>23</u> (<u>Regulations for Board of Directors</u>)<br/>All matters concerning the Board of Directors shall be governed by the Regulations for Board of Directors prescribed by the Board of Directors.</p> <p>Article <u>24</u> (<u>Remuneration and retirement allowance</u>)<br/>The remunerations <u>and retirement allowances</u> for Directors shall be determined <u>at</u> a General Meeting of Shareholders.</p> <p>Article <u>25</u> (<u>Exemption of liability for Directors</u>)</p> <p><u>25.1 The Company may, pursuant to the provision of Article 266, Paragraph 12 of the Commercial Code of Japan, by a resolution of the Board of Directors, exempt a Director (including a former Director) from liabilities in respect of the acts set forth in Article 266, Paragraph 1, Item 5 of the Commercial Code of Japan to the extent permitted by law or ordinances.</u></p> | <p>Article <u>23</u> (<u>Constructive resolution of Board of Directors</u>)</p> <p><u>The Company shall deem that a resolution of the Board of Directors has been adopted if it meets the requirements set forth in Article 370 of the Company Law of Japan.</u></p> <p>(Delete)</p> <p>Article <u>24</u> (<u>Regulations for Board of Directors</u>)<br/><u>In addition to provision of law and ordinances or these Articles of Incorporation,</u> all matters concerning the Board of Directors shall be governed by the Regulations for Board of Directors prescribed by the Board of Directors.</p> <p>Article <u>25</u> (<u>Remuneration, etc.</u>)<br/>The remuneration, <u>bonuses and other benefits paid to Directors by the Company as consideration for the execution of their duties (hereinafter referred to as "Remuneration, Etc.")</u> shall be determined <u>by resolutions of a General Meeting of Shareholders.</u></p> <p>Article <u>26</u> (<u>Exemption of liability of Directors</u>)<br/>The Company may, pursuant to a resolution of the Board of Directors and the provision of <u>Article 426, Paragraph 1 of the Company Law of Japan,</u> exempt a Director (including a former Director) from liabilities <u>for damages arising out of a failure to perform his/her duties</u> to the extent permitted by law or ordinances.</p> |

| Current Articles of Incorporation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Proposed amendments                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
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| <p>25.2 The Company may, pursuant to the provision of <u>Article 266, Paragraph 19 of the Commercial Code of Japan</u>, enter into an agreement with an outside director under which liability of such director for damages <u>resulting from the acts set forth in Article 266, Paragraph 1, Item 5 of the Commercial Code of Japan</u> shall be limited, provided that the maximum amount of liability for damages under such agreement shall be the larger of the amount not less than three (3) million yen which has been determined in advance or the amount provided by laws or ordinances.</p> | <p>26.2 The Company may, pursuant to the provision of <u>Article 427, Paragraph 1 of the Company Law of Japan</u>, enter into an agreement with an outside Director under which liability of such Director for damages <u>resulting from a failure to perform his/her duties</u> may be limited, provided that the maximum amount of liability under such agreement shall be the larger of the amount not less than three (3) million yen which has been determined in advance or the amount provided by law or ordinances.</p> |
| <p><u>Article 26 (Executive Officers)</u></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | <p>(Delete)</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <p><u>26.1 The Company may have several Executive Officers pursuant to resolutions of the Board of Directors.</u></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <p><u>26.2 An Executive Officer shall, in accordance with the policy established by the Board of Directors, be responsible for a part of the execution of duties delegated by the President.</u></p>                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <p><u>Article 27 (Regulations for Executive Officers)</u></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | <p>(Delete)</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <p><u>Unless otherwise provided by law and ordinances or in the Articles of Incorporation, all matters concerning the Executive Officers shall be governed by the Regulations for Executive Officers prescribed by the Board of Directors.</u></p>                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <p>Chapter 5. Statutory Auditors and Board of Statutory Auditors</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | <p>Chapter 5. Statutory Auditors and Board of Statutory Auditors</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <p>Article <del>28</del> (Number of statutory auditors)<br/>(Omitted)</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | <p>Article <del>27</del> (Number of Statutory Auditors)<br/>(Unchanged)</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <p>Article <del>29</del> (Election)</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <p>Article <del>28</del> (<del>Method of</del> election)</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <p><u>29.1 A statutory auditor of the Company shall be elected at a General Meeting of Shareholders.</u></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <p><u>28.1 A Statutory Auditor shall be elected at a General Meeting of Shareholders.</u></p>                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <p><u>29.2 A resolution for election of a statutory auditor shall be adopted by a majority vote of shareholders present having one-third or more of the voting rights of <u>all shareholders</u>.</u></p>                                                                                                                                                                                                                                                                                                                                                                                              | <p><u>28.2 A resolution for election of a Statutory Auditor shall be adopted by a majority vote of shareholders present having one-third or more of the number of voting rights of <u>the shareholders entitled to exercise their voting rights</u>.</u></p>                                                                                                                                                                                                                                                                    |

| Current Articles of Incorporation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Proposed amendments                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
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| <p>Article <u>30</u> (Term of office)<br/> 30.1 The term of office of statutory auditors shall expire at the close of the Annual General Meeting of Shareholders held in relation to <u>the last settlement period within</u> four (4) years after <u>their assumption of office</u>.</p> <p>30.2 The term of office of a statutory auditor elected to fill a vacancy shall expire at such time as the term of office of his/her predecessor would otherwise expire.</p> <p>Article <u>31</u> (Full-time Statutory Auditors)<br/> <u>The Statutory Auditors shall appoint</u> a full-time auditor(s) <u>from among themselves</u>.</p> <p>Article <u>32</u> (<u>Procedures for convocation</u> of meeting of the Board of Statutory Auditors)<br/> <u>32.1</u> The notice of a meeting of the Board of Statutory Auditors shall be given to each statutory auditor at least three (3) days prior to the day of such meeting, provided that in case of necessity, this period may be further shortened.<br/> <u>32.2</u> A meeting of the Board of Statutory Auditors may be held with the consent of all of the statutory auditors for omission of the procedure for convocation.</p> <p><u>Article 33 (Authorities of Board of Statutory Auditors)</u><br/> <u>The Board of Statutory Auditors shall have the authority to prepare audit reports and consent to the matter for resolution concerning an election of an accounting auditor and other authority provided by law, and may, by its resolutions, provide for auditing policies, method for investigation of company businesses and assets and other matters relating to the execution of duties of statutory auditors; provided, however, that each statutory auditor shall not be prevented from exercising its authority.</u></p> <p>Article <u>34</u> (Omitted)</p> | <p>Article <u>29</u> (Term of office)<br/> 29.1 The term of office of Statutory Auditors shall expire at the close of the Annual General Meeting of Shareholders held in relation to <u>the last business year ending within</u> four (4) years after <u>their election</u>.</p> <p>29.2 The term of office of a Statutory Auditor elected to fill a vacancy <u>of his/her predecessor who retired or resigned prior to the expiration of his term</u> shall expire at such time as the term of office of his/her predecessor otherwise would have expired.</p> <p>Article <u>30</u> (Full-time Statutory Auditors)<br/> <u>The Board of Statutory Auditors shall elect</u> a full-time auditor(s) <u>by its resolution</u>.</p> <p>Article <u>31</u> (<u>Notice</u> of meeting of the Board of Statutory Auditors)<br/> <u>31.1</u> The notice of a meeting of the Board of Statutory Auditors shall be given to each Statutory Auditor at least three (3) days prior to the day of such meeting, provided that in case of necessity, this period may be shortened.<br/> <u>31.2</u> A meeting of the Board of Statutory Auditors may be held by dispensing with the procedure for convocation by unanimous consent of all Statutory Auditors. .</p> <p>(Delete)</p> <p>Article <u>32</u> (Unchanged)</p> |

| Current Articles of Incorporation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Proposed amendments                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><u>Article 35 (Minutes of meeting of Board of Statutory Auditors)</u><br/> <u>The summary of proceedings at a meeting of the Board of Statutory Auditors and the results thereof shall be specified or recorded in the minutes of the meeting. The statutory auditors who were present at the meeting shall affix their hands and seals, or digital signatures thereto.</u></p> <p>Article <u>36</u> (Regulations for Board of Statutory Auditors)<br/> <u>Unless otherwise provided by law and ordinances or in these Articles of Incorporation</u>, all matters concerning the Board of Statutory Auditors shall be governed by the Regulations for the Board of Statutory Auditors prescribed by the Board of Statutory Auditors.</p> <p>Article <u>37</u> (Remuneration <u>and retirement allowance</u>)<br/> The remunerations <u>and retirement allowances</u> for statutory auditors shall be determined <u>at a General Meeting of Shareholders</u>.</p> <p>Article <u>38</u> (Exemption of liability for statutory auditors)<br/> The Company may, pursuant to the provision of <u>Article 280, Paragraph 1 of the Commercial Code of Japan</u>, by a resolution of the Board of Directors, exempt a statutory auditor (including a former statutory auditor) from liabilities to the extent permitted by law or ordinances.</p> <p>(New)</p> | <p>(Delete)</p> <p>Article <u>33</u> (Regulations for the Board of Statutory Auditors)<br/> <u>In addition to law and ordinances or these Articles of Incorporation</u>, all matters concerning the Board of Statutory Auditors shall be governed by the Regulations for the Board of Statutory Auditors prescribed by the Board of Statutory Auditors.</p> <p>Article <u>34</u> (Remuneration <u>etc.</u>)<br/> The remuneration <u>etc.</u> for Statutory Auditors shall be determined <u>by resolutions of a General Meeting of Shareholders</u>.</p> <p>Article <u>35</u> (Exemption of liability for Statutory Auditors)<br/> <u>35.1</u> The Company may, pursuant to a resolution of the Board of Directors and the provision of <u>Article 426, Paragraph 1 of the Company Law of Japan</u>, exempt a Statutory Auditor (including a former Statutory Auditor) from liabilities <u>for damages arising out of a failure to perform his/her duties</u> to the extent permitted by law or ordinances.</p> <p><u>35.2</u> The Company may, pursuant to the provision of <u>Article 427, Paragraph 1 of the Corporate Law of Japan</u>, enter into an agreement with an <u>outside Statutory Auditor under which liability of such statutory auditor for damages resulting from a failure to perform his/her duties may be limited, provided that the maximum amount of liability under such agreement shall be the larger of the amount not less than three (3) million yen which has been determined in advance or the amount provided by law or ordinances.</u></p> |

| Current Articles of Incorporation                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Proposed amendments                                                                                                                                                                                                                                                |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Chapter 6 Accounting                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Chapter 6 Accounting                                                                                                                                                                                                                                               |
| Article <u>39 (Fiscal year and closing date)</u>                                                                                                                                                                                                                                                                                                                                                                                                                                            | Article <u>36 (Business year)</u>                                                                                                                                                                                                                                  |
| 39.1 The <u>fiscal year</u> of the Company shall be for the <u>one-year term</u> commencing on April 1 of each year and ending on March 31 of the following year.                                                                                                                                                                                                                                                                                                                           | The <u>business year</u> of the Company shall be <u>one (1) year</u> period commencing on April 1 of each year and ending on March 31 of the following year.                                                                                                       |
| 39.2 <u>The date of settlement of the Company shall be March 31 of each year.</u>                                                                                                                                                                                                                                                                                                                                                                                                           | (Delete)                                                                                                                                                                                                                                                           |
| Article <u>40 (Dividends)</u>                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Article <u>37 (Record date for distribution of surplus)</u>                                                                                                                                                                                                        |
| <u>Dividends shall be paid to the shareholders or registered pledgees who are listed or recorded in the last register of shareholders as of the date of settlement of each year, and the holders of fractional shares who are listed or recorded in the last original register of fractional shares as of the same date.</u>                                                                                                                                                                | <u>The record date for year-end dividend distribution of the Company shall be March 31 of each year.</u>                                                                                                                                                           |
| Article <u>41 (Interim dividends)</u>                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Article <u>38 (Interim dividends)</u>                                                                                                                                                                                                                              |
| The Company may, by a resolution of the Board of Directors, <u>make a money distribution set forth in Article 293-5 of the Commercial Code of Japan (hereinafter referred to as "Interim Dividend") to the shareholders or registered pledgees who are listed or recorded in the last register of shareholders as of September 30 of each year, and the holders of fractional shares who are listed or recorded in the last original register of fractional shares as of the same date.</u> | The Company may, by a resolution of the Board of Directors, <u>pay interim dividends by fixing September 30 of each year as the record date.</u>                                                                                                                   |
| Article <u>42 (Prescription period for dividends)</u>                                                                                                                                                                                                                                                                                                                                                                                                                                       | Article <u>39 (Prescription period for dividends)</u>                                                                                                                                                                                                              |
| The Company shall be relieved of its obligation to pay <u>dividends or interim dividends</u> which remain unreceived after the lapse of three (3) full years from the date on which the payment thereof was commenced.                                                                                                                                                                                                                                                                      | <u>In case the assets distributed are in form of cash dividend, the Company shall be relieved of its obligation to pay such dividends</u> which remain unclaimed after the lapse of three (3) full years from the date on which the payment thereof was commenced. |
| <u>Supplementary Provisions</u>                                                                                                                                                                                                                                                                                                                                                                                                                                                             | (Delete)                                                                                                                                                                                                                                                           |
| 1. <u>Notwithstanding the provisions of Article 30, the term of office of the Directors holding office before the close of the Annual General Meeting of Shareholders for the fiscal year ended on March 31, 2003 shall be three (3) years as before.</u>                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                    |

**Proposal 3:** Election of one (1) Director

It is proposed that one (1) additional Director be elected to increase the number of Directors in order to strengthen the management and expand the scale of operation of the Company.

The candidate is as follows.

| Name<br>( Date of birth )         | Background, representatives of other corporations, etc.,<br>position and duties at the Company                                                                                                                                                                                                                                                                                                                            | Number of shares of<br>the Company held<br>by the candidate |
|-----------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------|
| Kazuo Matsui<br>( April 2, 1952 ) | April 1976    Joined the Daiei, Inc.<br>February 1995    General Manager, Related Business<br>Department, Merchandise Division<br>February 1996    General Manager, DS Company<br>Administration Department<br>July 2000        Director, everyD.com, Inc.<br>April 2003        Managing Director, Daiichi Seed Co.,Ltd.<br>February 2006    Joined Fields as General Manager, Office<br>of the President ( current post) | -                                                           |

Note: The candidate has no special interest in the Company.

**Proposal 4:** Payment of final retirement allowance to officers associated with the abolition of the officer's retirement allowance system

As part of the review of the remuneration structure for officers, the Company has passed the resolution at the meeting of the Board of Directors held on May 26, 2006 to abolish upon the close of this Annual General Meeting of Shareholders the current retirement allowance system under which retirement allowances are payable upon retirement and are not necessarily linked to officers' performance. Accordingly, it is proposed that the final reasonable retirement allowances be paid corresponding to the periods for which the current officers would have held their respective offices by the close of this Annual General Meeting of Shareholders. It is hoped that the shareholders leave the specific amounts, the time and method of payment, etc. of the final retirement allowances for determination by the Board of Directors for Directors, and by the Board of Statutory Auditors for Statutory Auditors under the established standards.

The backgrounds of the Directors and Statutory Auditors who are eligible for the payment of the final retirement allowances are as follows.

| Name               | Background             |                                                                                       |
|--------------------|------------------------|---------------------------------------------------------------------------------------|
| Hidetoshi Yamamoto | June 1988              | President/CEO, Fields (current post)                                                  |
| Hirobumi Inokuma   | June 2004<br>June 2005 | Senior Managing Director, Fields<br>Executive Vice President, Field<br>(current post) |
| Masayuki Egawa     | June 2005              | Senior Managing Director, Fields<br>(current post)                                    |
| Kiyoharu Akiyama   | June 2005              | Managing Director, Fields<br>(current post)                                           |
| Hiroyuki Yamanaka  | April 2000             | Director, Fields (current post)                                                       |
| Toru Suenaga       | June 2002              | Director, Fields (current post)                                                       |
| Shigesato Itoi     | June 2001              | Director, Fields (current post)                                                       |
| Shigeru Matsushita | June 2003              | Statutory Auditor, Fields<br>(current post)                                           |
| Tadao Koike        | June 2002              | Statutory Auditor, Fields<br>(current post)                                           |
| Yoshika Furuta     | June 2003              | Statutory Auditor, Fields<br>(current post)                                           |