

May 19, 2006
Ryosan Co., Ltd.
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Stock Listing: First Section, Tokyo Stock Exchange
Stock Code: 8140
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Ryosan to Partially Amend the Articles of Incorporation

The Ryosan Co., Ltd. Board of Directors approved a resolution today to submit a proposal to amend parts of the Articles of Incorporation at the 50th Annual General Meeting of Shareholders scheduled on June 23, 2006. Details are as follows.

1. Summary of amendments

(1) Shareholders will be asked to approve the following amendments to the Articles of Incorporation according to the enforcement of the Company Law (Law No. 86, 2005) on May 1, 2006.

(a) Article 9 (“Rights for Shareholders of Odd-lot Stock”) will be amended to impose reasonable limits on the rights of shareholders owning odd-lot stock.

(b) Article 25 (“Efficient Procedures for the Decision-making of the Board of Directors”) will be amended to enable the Board of Directors to make decisions both in writing and by using electronic methods.

(c) Article 28-2 (“Liability Exemption for Directors”) and Article 36-2 (“Liability Exemption for Corporate Auditors”) will be stipulated to enable outside directors and auditors to perform their roles to the fullest extent possible. Already, the members of the Auditing Committee have unanimously approved Article 28-2.

(d) The term of directors as stipulated in Article 22 (“Appointment Terms”) will be reduced to one year. Moreover, Article 38 (“Decision-making Body for the Allocation of Retained Earnings”) will be amended. These two revisions aim to allow the more flexible allocation of retained earnings and related matters by resolutions of the Board of Directors.

(e) Article 18 (“Online Disclosure of Reference Materials for Annual General Meetings of Shareholders and Announcement of Forecasts”) will be amended to establish a framework under which the company partially discloses items in the reference material prepared for Annual General Meetings of Shareholders on the Internet.

(f) Articles and clauses quoted from the old Commercial Code in the Articles of Incorporation will be revised to match the corresponding items in the Company Law.

(g) Terms used in the old Commercial Code will be changed to those in the new Company Law.

(2) Article 5 (“Public Announcement Methods”) will change the public announcement method to electronic announcements for the purposes of offering greater convenience to readers and reducing related costs and stipulate measures the company will take if it cannot make electronic announcements due to unavoidable circumstances.

(3) Article 16 (“Persons Delegated With the Authority to Convene a Meeting and Chairperson of Meetings”) shall stipulate that the chairman shall be the person delegated with the authority to convene the Annual General Meeting of Shareholders and act as the chairperson of this meeting.

(4) Changes to the numbering of articles and other items will be made to the Articles of Incorporation according to the above amendments.

2. Schedule

Date of the Annual General Meeting of Shareholders to approve the above changes to the Articles of Incorporation: Friday, June 23, 2006

Effective date of amendments to the Articles of Incorporation: Friday, June 23, 2006