

Articles of Incorporation

(As of July 6, 2007)

Chapter 1 General Provisions

(Corporate Name)

Article 1 The corporate name of this exchange shall be 株式会社大阪証券取引所 (Kabushiki Kaisha Osaka ShokenTorihikijo) in Japanese and Osaka Securities Exchange Co., Ltd. in English (hereinafter referred to as “OSE”).

(Purpose)

Article 2 The purpose of OSE shall be to conduct business prescribed in each Item below:

- (1) Providing financial instruments markets;
- (2) Financial instruments obligation assumption business;
- (3) Other business incidental to the business prescribed in each of the preceding Items.

2. The exchange financial instruments markets provided by OSE (hereinafter referred to as the “OSE markets”) shall be operated on the principle of maintaining fair and efficient execution of transactions in securities or market transactions of derivatives (hereinafter referred to as “transactions in securities, etc.”) for the public interest and protection of investors.

(Location of Head Office)

Article 3 The head office of OSE shall be located in the City of Osaka.

(Method of Public Notice)

Article 4 The method of public notice by OSE shall be electronic public notice; provided, however, that in the case public notice cannot be given via electronic public notice due to an accident or unavoidable reason, such notice shall be given in the Nihon Keizai Shimbun.

(Organizational Entities)

Article 4-2 OSE shall put in place the following organizational entities in addition to the general meeting of shareholders and directors:

- (1) Board of Directors;
- (2) Company Auditor;
- (3) Board of Company Auditors;
- (4) Accounting Auditor.

Chapter 2 Exchange Financial Instruments Markets*(Matters concerning Exchange Financial Instruments Markets)*

Article 5 Transactions in securities, etc. shall be conducted on the OSE markets.

(Enactment of Rules)

Article 6 In addition to these Articles of Incorporation, OSE shall enact the Business Regulations, the Brokerage Agreement Standards and other rules and regulations to maintain fair and efficient execution of transactions in securities, etc. on the OSE markets for the protection of investors.

Article 7 Deleted

(Transaction Participant's Duty to Abide by Laws and Regulations)

Article 8 Transaction Participants shall abide by the Laws and Regulations (meaning the Financial Instruments and Exchange Law (Law No. 25 of 1948) and related laws and regulations; the same shall apply in Article 9, Article 10 and Article 29-3), dispositions given by government agencies based on the Laws and Regulations, the OSE's Articles of Incorporation, Business Regulations, Brokerage Agreement Standards and other rules and regulations (hereinafter referred to as the "Rules") and fair and equitable principles of transactions.

(Disciplinary Actions against Transaction Participant)

Article 9 In case a Transaction Participant has breached the Laws and Regulations, the disposition given by government agencies based on the Laws and Regulations or the OSE's Rules, or has behaved contrary to the fair and equitable principles of transactions, OSE may impose on such Transaction Participant a fine, or order a suspension from or limitation of transactions in securities, etc. on the OSE markets or of entrustment of brokerage for clearing of securities, etc., or revoke its Trading Qualification in accordance with the Business Regulations prescribed separately by OSE.

(Obligations to Submit Documents)

Article 10 When OSE inspects the Transaction Participant's observance of the Laws and Regulations, of dispositions given by government authorities based on the Laws and Regulations, of the OSE's Rules or disciplinary actions taken by OSE thereunder, or of fair and equitable principles of transactions, or in other cases where OSE deems it necessary in the light of the objectives of OSE and the operation of the OSE markets, OSE may demand such

Transaction Participant to submit a report or document relevant to their business or property, or have the staff of OSE to inspect the actual state of their business or property, or their books, documents or other materials.

Chapter 3 Shares

(Total Number of Shares Authorized to be Issued)

Article 11 The total number of shares authorized to be issued by OSE shall be nine hundred and thirty thousand (930,000) shares.

Article 12 Deleted

(Shareholder Register Administrator)

Article 13 OSE shall appoint a shareholder register administrator.

2. The shareholder register administrator and an office(s) thereof shall be appointed by a resolution of the Board of Directors.
3. Preparation and maintenance of the shareholder register (including beneficial shareholders register; the same shall apply hereinafter), the share option registry and the lost-share-certificate register pertaining to OSE and other administrative works relating to these registers shall be entrusted to the shareholder register administrator, and OSE shall not handle these.

(Share Handling Regulations)

Article 14 Handling related to OSE shares and fees therefor shall be prescribed in laws and regulations, in these Articles of Incorporation as well as share handling regulations stipulated by the Board of Directors.

(Acquisition of Own Shares)

Article 15 As prescribed in Article 165, Paragraph 2 of the Companies Act, OSE may acquire its own shares by a resolution of the Board of Directors.

Chapter 4 General Meeting of Shareholders

(Convocation)

Article 16 The general meeting of shareholders shall be classified into the annual general meeting of shareholders and extraordinary general meetings of shareholders. The annual general meeting of shareholders shall be convened each year within three (3) months from the day after the final day of the business year, and an extraordinary general meeting of shareholders shall be convened as occasion demands.

2. Unless otherwise prescribed in laws and regulations, a general meeting of shareholders shall be convened by the President & CEO through a resolution of the Board of Directors; provided, however, that in case of an accident to the President & CEO, the general meeting of shareholders shall be convened by other directors in accordance with the order determined by the Board of Directors in advance.

(Record Date for Annual General Meeting of Shareholders)

Article 16-2 The record date for the voting rights at the OSE's annual general meeting of shareholders shall be March 31 every year.

(Internet Disclosure and Deemed Provision of Reference Document for General Meeting of Shareholders)

Article 16-3 Upon the convening of the general meeting of shareholders, OSE may be deemed to have provided the shareholders (including beneficial shareholders; the same shall apply hereinafter) with the necessary information with respect to the matters to be stated or indicated in the reference documents for the general meeting of shareholders, business reports, financial statements and consolidated financial statements, by disclosing such information via the internet in accordance with the ordinance of the Ministry of Justice.

(Chairman)

Article 17 The chairman of the general meeting of shareholders shall be the President & CEO; provided, however, that in case of an accident to the President & CEO, other directors shall preside as chairman over the general meeting of shareholders in accordance with the order determined by the Board of Directors in advance.

(Method of Resolution)

Article 18 Unless otherwise prescribed elsewhere in laws and regulations or in these Articles of Incorporation, a resolution at the general meeting of shareholders shall be made by a majority of the voting rights held by the shareholders present at the general meeting of shareholders.

2. The resolution at the general meeting of shareholders prescribed in Article 309, Paragraph 2 of the Companies Act shall be made by a majority of two thirds (2/3) or more of the voting

rights held by the shareholders present at the general meeting of shareholders, where the shareholders holding one third (1/3) or more of the voting rights of the shareholders entitled to exercise their voting rights are present.

(Proxy Exercise of Voting Rights)

Article 19 A shareholder may exercise their voting rights by proxy. In this case, such shareholder or proxy shall submit the document that certifies the authority of representation to OSE.

Article 20 Deleted

Chapter 5 Directors and the Board of Directors

(Number of Directors)

Article 21 The number of directors of OSE shall not exceed thirteen (13).

(Method of Election)

Article 22 Directors shall be elected at a general meeting of shareholders.

2. At the general meeting of shareholders, a few of directors shall be elected from among knowledgeable and experienced persons other than directors and employees of Transaction Participants and those engaged in business directly connected to financial instruments business.
3. The resolution on the election prescribed in the preceding 2 Paragraphs shall be made by a majority of the voting rights held by the shareholders present at the general meeting of shareholders, where the shareholders holding one third (1/3) or more of the voting rights of the shareholders entitled to exercise their voting rights are present.
4. The resolution on the election of the directors shall not be made by cumulative voting.
5. The directors prescribed in Paragraph 2 may not engage in business directly related to financial instruments business during the term of office.

(Term of Office)

Article 23 The term of office of directors shall be from the date of appointment to the close of the last annual general meeting of shareholders ending within two (2) years from the date of appointment; provided, however, that in case of a vacancy in the office of a director, the

term of office of the director elected for filling such vacancy shall be the remaining term of office of the predecessor.

(Representative Directors)

Article 24 The representative directors shall be elected by a resolution of the Board of Directors.

2. Each representative director of OSE shall represent OSE and perform their business in accordance with the resolution of the Board of Directors.

(Directors)

Article 25 One (1) Chairman and Director, one (1) President & CEO, one (1) Executive Vice President and Director, and a number of senior executive directors and executive directors may be elected from among directors by a resolution of the Board of Directors.

2. Directors who engage in daily business of OSE shall not engage in financial instruments business during the term of office.
3. Directors prescribed in the preceding Paragraph shall not engage in other business during the term of office without the approval of the Board of Directors.

(Convocation)

Article 26 Unless otherwise prescribed separately in laws and regulations, meetings of the Board of Directors shall be convened by the President & CEO; provided, however, that in case of an accident to the President & CEO, meetings of the Board of Directors shall be convened by other directors in accordance with the order determined by the Board of Directors in advance.

2. Notice of convocation referred to in the preceding Paragraph shall be given to each director and company auditor at least three (3) days prior to the date of the meeting; provided, however, that in case of an emergency, such period may be shortened.
3. In case all the directors and company auditors give their consent, a meeting of the Board of Directors may be held without taking the procedures for convocation of the meeting.

(Method of Resolution)

Article 27 A resolution of the Board of Directors shall be made by a majority of the directors present at the meeting of the Board of Directors, where the majority of the directors are present.

2. A resolution on matters relating to the basic policy of the operation of OSE shall be made by a majority of two thirds (2/3) of the directors present at the meeting of the Board of Directors.

(Omission of Resolution)

Article 27-2 When the requirements of Article 370 of the Companies Act are satisfied, OSE shall deem that a resolution of the Board of Directors has been made.

(Regulations of Board of Directors)

Article 27-3 Matters relating to the Board of Directors shall be governed by laws and regulations and these Articles of Incorporation as well as the regulations of the Board of Directors stipulated by the Board of Directors.

Article 28 Deleted

(Remuneration, etc.)

Article 29 The directors' remuneration, bonuses and other financial benefits which are received from OSE in consideration of their performance of duties (hereinafter referred to as "remuneration, etc.") shall be determined by a resolution at the general meeting of shareholders.

(Exemption from Liability of Directors)

Article 29-2 Pursuant to Article 426, Paragraph 1 of the Companies Act, by a resolution of the Board of Directors, OSE may exempt directors (including previous directors) from liability for damages due to failures to perform their duties to the extent legally allowed.

2. Pursuant to Article 427, Paragraph 1 of the Companies Act, OSE may conclude an agreement with the outside directors to limit their liability for damages arising from failures to perform their duties; provided, however, that the maximum amount of the liability indemnity based on the said agreement shall be either a predetermined amount not less than one million (1,000,000) Yen, or an amount prescribed by laws and regulations, whichever is the higher amount.

(Self-Regulation Committee)

Article 29-3 OSE shall establish a Self-Regulation Committee in accordance with the Laws and Regulations.

2. The Self-Regulation Committee shall make decisions on matters relating to the self-regulatory operations of OSE.
3. The Self-Regulation Committee shall be composed of three (3) or more Self-Regulation Committee members elected from the OSE's directors, of which the majority is the outside directors.

Chapter 6 Company Auditors and Board of Company Auditors

(Number of Company Auditors)

Article 30 The number of company auditors of OSE shall be three (3).

(Method of Election)

Article 31 Company auditors shall be elected at the general meeting of shareholders.

2. The resolution on the election referred to in the preceding Paragraph shall be made by a majority of the voting rights held by shareholders present at the general meeting of shareholders, where the shareholders holding one third (1/3) or more of the voting rights of the shareholders entitled to exercise their voting rights are present.

(Effective Term of Elected Alternate Company Auditor)

Article 31-2 The effective term of the alternate company auditor elected in case of vacancy in company auditors which results a shortfall in the number of company auditors prescribed in laws and regulations or in these Articles of Incorporation shall be until the start of the last annual general meeting of shareholders ending within four (4) years from the date of appointment; provided, however, that such period may be shortened by a resolution at the general meeting of shareholders.

(Term of Office)

Article 32 The term of office of company auditors shall be from the date of appointment to the close of the last annual general meeting of shareholders ending within four (4) years from the date of appointment; provided, however, that the term of office of the company auditor elected for filling the vacancy shall be the remaining term of office of the predecessor.

2. When an alternate company auditor assumes office of company auditor elected to fill a vacancy resulting a shortfall in the number of company auditors prescribed in laws and regulations or in these Articles of Incorporation, the term of the said company auditor's

position shall be the remaining term of the previous company auditor.

(Full-Time Company Auditor)

Article 33 A full-time company auditor shall be elected by a resolution of the Board of Company Auditors.

2. A full-time company auditor shall not engage in financial instruments business during the term of office.
3. A full-time company auditor shall not engage in other business during the term of office without the approval of the Board of Company Auditors.

(Convocation)

Article 34 Meetings of the Board of Company Auditors shall be convened by company auditors.

2. Notice of convocation referred to in the preceding Paragraph shall be given to each company auditor at least three (3) days prior to the date of the meeting of the Board of Company Auditors; provided, however, that in case of an emergency, such period may be shortened.
3. In case all the company auditors give their consent, a meeting of the Board of Company Auditors may be held without taking the procedures for convocation of the meeting.

(Regulations of Board of Company Auditors)

Article 35 Matters relating to the Board of Company Auditors shall be governed by laws and regulations and these Articles of Incorporation as well as the regulations of the Board of Company Auditors stipulated by the Board of Company Auditors.

Article 36 Deleted

(Remuneration, etc.)

Article 37 The remuneration, etc. of company auditors shall be determined by a resolution at the general meeting of shareholders.

(Exemption from Liability of Company Auditors)

Article 37-2 Pursuant to Article 426, Paragraph 1 of the Companies Act, by a resolution of the Board of Directors, OSE may exempt company auditors (including previous company auditors) from liability for damages due to failures to perform their duties to the extent legally allowed.

2. Pursuant to Article 427, Paragraph 1 of the Companies Act, OSE may conclude an agreement with the outside company auditors to limit their liability for damages arising from failures to perform their duties; provided, however, that the maximum amount of the liability indemnity based on the said agreement shall be either a predetermined amount not less than one million (1,000,000) Yen, or an amount prescribed by laws and regulations, whichever is the higher amount.

Chapter 7 Advisory Committee

(Advisory Committee)

Article 37-3 OSE may establish an advisory committee.

2. The advisory committee may advise or give opinion to the Board of Directors concerning important matters related to the OSE operations, in response to consultation by the Board of Directors.
3. Matters relating to the advisory committee shall be governed by the rules on the advisory committee stipulated by the Board of Directors.

Chapter 8 Accounts

(Business Year)

Article 38 The business year of OSE shall be from April 1 to March 31 of the following year.

(Budget)

Article 39 A resolution on the budget for the business year shall be made by a majority of two thirds (2/3) or more of the Directors present at the meeting of the Board of Directors prior to the beginning of the said business year prescribed in the preceding Article.

(Dividends of Surplus)

Article 40 By a resolution at general meeting of shareholders, year-end dividends may be distributed to shareholders or registered stock pledges listed or recorded in the final shareholder register as of March 31 every year.

2. In addition to the preceding Paragraph, OSE may, by a resolution of the Board of Directors, distribute interim dividends to shareholders or registered stock pledges listed or recorded in the final shareholder register as of September 30 every year.

3. In case year-end dividends or interim dividends prescribed in the preceding 2 Paragraphs remain unreceived within three (3) years from the date of commencement of payment thereof, OSE shall be released from the obligation to pay such dividends.

Chapter 9 Miscellaneous Provisions

(Interpretation of Articles of Incorporation and Other Rules)

Article 41 In case there is any doubt about the interpretation of the provisions of the Articles of Incorporation, Business Regulations, Brokerage Standards Agreement or any other rules and regulations of OSE established by a resolution of the Board of Directors, the interpretation thereof shall be determined by two-thirds (2/3) or more of the voting rights of the Directors present at the meeting of the Board of Directors.