

June 9, 2005

## To Our Shareholders

671 Nijohanjiki-cho, Bukkoji-agaru, Karasuma-dori,  
Shimogyo-ku, Kyoto-shi, Kyoto  
**WATABE WEDDING CORPORATION**  
President & Representative Director: Takao Watabe

### NOTICE OF THE 41<sup>ST</sup> ANNUAL MEETING OF SHAREHOLDERS

Dear Shareholders,

You are cordially invited to attend the 41<sup>st</sup> Annual Meeting of Shareholders.

**If you are unable to attend the meeting, you may vote by mail. In order to exercise your rights by mail, please review the attached reference materials, indicate your approval or disapproval of the proposals on the enclosed Exercise of Voting Rights form, then sign and return it so it will arrive by Tuesday, June 28, 2005.**

#### Notice of Meeting

- 1. Date:** Wednesday, June 29, 2005 at 10:00 a.m.
- 2. Place:** Zuiho Room, Kyoto Century Hotel  
680 Higashishiokojicho, Shiokoji-sagaru, Higashinotoin-dori, Simogyo-ku, Kyoto-shi

#### 3. Objectives of meeting

##### Reporting

1. Presentation of the Business Report, Balance Sheet and Income Statement on a consolidated/unconsolidated basis for the 41<sup>st</sup> business period (from April 1, 2004 to March 31, 2005)
2. Audit Reports on Consolidated Financial Documents from the independent auditor and the Board of Corporate Auditors for the 41<sup>st</sup> Business Period

##### Agenda:

**Proposal 1:** Appropriation of Retained Earnings for the 41<sup>st</sup> Business Period

**Proposal 2:** Partial Changes to the Articles of Incorporation  
For the gist of the proposal, please refer to the "Reference Material for the Exercise of Voting Rights" (Pages 2)

**Proposal 3:** Election of One Director

**Proposal 4:** Election of 3 Corporate Auditors

**Proposal 5:** Presentation of Retirement Benefits to Retiring Director and Corporate Auditor and Discontinuation Provision Associated with the Removal of the Retirement Benefit System for Directors and Corporate Auditors

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**If you plan to attend the meeting, please submit the enclosed Exercise of Voting Rights form to the receptionist at the meeting.**

# Reference Material for the Exercise of Voting Rights

## 1. Number of voting rights of all shareholders: 97,933

## 2. Proposals and References

### Proposal 1: Appropriation of Retained Earnings for the 41<sup>st</sup> Business Period

The Company's policy is to distribute the fruits in comprehensive consideration of its performance trend and dividend payout, recognizing dividend payments to shareholders as an important management issue. Based on this policy, it is proposed that the dividend be 13 yen per share (2-yen increase per share) in light of the performance level of this period.

Accordingly the annual dividend will be 24 yen per share including the interim dividend of 11 yen per share that has been already paid.

### Proposal 2: Partial Changes to the Articles of Incorporation

#### (1) Reasons for change

The Company decided to remove the Retirement Benefit System for Directors and Corporate Auditors at the close of this annual meeting of shareholders in the meeting of the Board of Directors held on May 12, 2005. Accordingly the statement of the retirement benefit in the current Articles of Incorporation is removed.

#### (2) Contents of change

The contents of changes are as follows.

(Changes are underlined.)

Present	New articles (Draft)
<p>Chapter 4: Directors and the Board of Directors (Compensations <u>and Retirement Benefits</u>) Article 21: Compensations <u>and retirement benefits</u> of Directors shall be stipulated through the resolution of general meetings of shareholders.</p>	<p>Chapter 4: Directors and the Board of Directors (Compensations) Article 21: Compensations of Directors shall be stipulated through the resolution of general meetings of shareholders.</p>
<p>Chapter 5: Corporate Auditors and the Board of Corporate Auditors (Compensations <u>and Retirement Benefits</u>) Article 27: Compensations <u>and retirement benefits</u> of Corporate Auditors shall be stipulated through the resolution of general meetings of shareholders.</p>	<p>Chapter 5: Corporate Auditors and the Board of Corporate Auditors (Compensations) Article 27: Compensations of Corporate Auditors shall be stipulated through the resolution of general meetings of shareholders.</p>

### Proposal 3: Election of One Director

Mr. Toshio Fujimoto, Director will resign from his post at the close of this annual meeting of shareholders. Accordingly it is proposed that one Director be elected to fill the position. Please note that the term of office for the fill-in will expire at the expiration of the term of office for the current Directors in accordance with the Company's Articles of Incorporation.

The Director candidate is as follows.

Name (Date of Birth)	Primary Position and Profile (Current Title at Other Company)	# of shares of the Company Held by the Candidate
* Hiroshi Kawaguchi (December 17, 1955)	June 2002-present <u>WATABE WEDDING CORPORATION</u> Corporate Auditor	24,400
	June 2000 General Manager, Financial Department, Administration Division	
	June 1995 General Manager, Accounting Department, Administration Division	
	June 1984 Manager, Honolulu Branch	
	May 1979 Joined Watabe Wedding Corporation	

Notes:

1. This candidate has no special interest in the Company.
2. The asterisk (\*) indicates a newly appointed candidate.

#### Proposal 4: Election for 3 Corporate Auditors

The term of office of two Corporate Auditors, Mr. Hiroshi Kawaguchi and Mr. Masashi Kudo will expire at the close of this annual meeting of shareholders, and Mr. Kawaguchi will resign from his post. In order to further improve the audit system, it is proposed to add one individual to the current system, which consists of 3 Corporate Auditors. Accordingly the Company proposes that 3 Corporate Auditors be elected.

Please note that the Board of Corporate Auditors has agreed to this proposal.

The candidates for Corporate Auditors are as follows;

Candidate #	Name (Date of Birth)	Primary Position and Profile (Current Title at Other Company)	# of shares of the Company Held by the Candidate
*1	Toshio Fujimoto (August 16, 1942)	June 2004-present <u>WATABE WEDDING CORPORATION</u> Director, Director of Executive Office	3,200
		June 2002 Deputy Division Director, Administration Division & Director	
		March 2001 Deputy Division Director, Administration Division & Executive Officer	
		June 2000 General Manager, Human Resources and General Affairs Department & Executive Officer	
		November 1999 Joined Watabe Wedding Corporation	
2	Masashi Kudo (May 1, 1934)	June 2002-present <u>WATABE WEDDING CORPORATION</u> Corporate Auditor Joined Watabe Wedding Corporation	-
		June 1991-present FUJIX Ltd .Corporate Auditor	
		June 1989-present Registered as ATTORNEY AT LAW	
		April 1973 Appointed to JUDGE	
*3	Hisashi Iwasaki (July 30, 1942)	June 2003-present Kyoto Guaranty Service Co., Ltd. Chairman & Representative Director	-
		October 1999 BANK OF KYOTO Managing Director	
		June 1996 BANK OF KYOTO General Manager, Administration Division & Director	
		June 1994 BANK OF KYOTO General Manager, Sanjo Branch & Director	
		April 1961 Joined Bank of Kyoto, Ltd.	

Notes:

1. These candidates have no special interest in the Company.
2. Mr. Masashi Kudo and Mr. Hisashi Iwasaki satisfy the requirements for outside auditors, stipulated in Section 1, Article 18 of the "Law for Special Exceptions to the Commercial Code Concerning Audit of Joint-Stock Companies."
3. The asterisk (\*) indicates newly appointed candidates.

**Proposal 5:** Presentation of Retirement Benefits to Retiring Director and Corporate Auditor and Discontinuation Provision Associated with the Removal of the Retirement Benefit System for Directors and Corporate Auditors

Mr. Toshio Fujimoto, Director and Mr. Hiroshi Kawaguchi, Corporate Auditor will resign their post at the close of this annual meeting of shareholders. In recognition of their service to the Company, the Company wishes to present them retirement benefits within an appropriate range in accordance with its certain regulations (bylaws). It is proposed that specific amounts as well as the time and manner of the presentation for each of these retiring Director and Corporate Auditors be left to the discretion of the Board of Directors and consultation among Corporate Auditors, respectively.

The profile of the retiring Director and Corporate Auditor is given below.

Name	Profile
Toshio Fujimoto	June 2002-present Director of the Company
Hiroshi Kawaguchi	June 2002-present Full-Time Corporate Auditor of the Company (current position)

As part of the management reform promotion, the Company decided in the meeting of the Board of Directors held on May 12, 2005 to remove the Retirement Benefit System for Directors and Corporate Auditors at the close of this annual meeting of shareholders because it strongly suggests deferred payment of compensations and is not linked to business results. With this removal, it is proposed that discontinuation provision of retirement benefits be carried out for the relevant Directors in office within an appropriate range in accordance with the Company's certain regulations (bylaws). The benefits will be presented when they resign. The duration for the calculation of the provision will end at the close of this annual meeting of shareholders. It is proposed that specific amounts and manner of the provision be left to the discretion of the Board of Directors.

The profile of the Directors for the discontinuation provision of retirement benefits is given below.

Name	Profile
Takao Watabe	October 1978-present President & Representative Director of the Company October 1977 Senior Managing Director & Representative Director of the Company October 1964 Senior Managing Director of the Company
Yoshio Watabe	June 1991-present Senior Managing Director of the Company December 1977 Managing Director of the Company
Tadao Nishimura	June 2004-present Senior Managing Director of the Company June 1991 Managing Director of the Company June 1988 Director of the Company
Masahiko Shimazaki	June 2004-present Managing Director of the Company June 2002 Director of the Company
Chiaki Tsukamae	June 2002-present Director of the Company
Yasuo Watabe	October 1999-present Director of the Company June 1991 Senior Managing Director of the Company October 1973 Managing Director of the Company
Katsumi Ueda	June 2004-present Director of the Company