



PRESS RELEASE

May 19, 2010

AXELL CORPORATION
14-1, Sotokanda 4-chome, Chiyoda-ku, Tokyo, Japan
Yuzuru Sasaki
President & Representative Director
(Securities Code: 6730, First Section of Tokyo Stock Exchange)
Inquiries:
Nobuhiro Sendai
Director & General Manager of Management Department
TEL: +81-3-5298-1670

Notice of Partial Amendment to Articles of Incorporation

Please be informed that AXELL CORPORATION (“the Company”) has passed a resolution at the Board of Directors’ meeting held on May 19, 2010 to submit “Proposal: Partial Amendment to Articles of Incorporation” as described below for approval at the 15th Ordinary General Meeting of Shareholders to be convened on June 20, 2010.

1. Reason for Proposal

We propose that a new provision be established to enable the recruitment of resourceful individuals as Outside Directors and enable the conclusion of a liability limitation agreement between the Company and Outside Directors so that they can thoroughly fulfill the roles they are expected to play. Approval of all Corporate Auditors has been obtained for the establishment of this new provision.

2. Description of Amendment

The description of the amendment is as follows.

(The amended sections are underlined.)

Existing Articles of Incorporation	Proposed Amendments
(New provision)	<p><u>Article 27. (Exemption of liability of Outside Directors)</u></p> <p><u>The Company may conclude an agreement with its outside directors to limit the liability for damages in cases where the criteria set forth in laws and regulations with respect to the liability for damages referred to in Article 423, Paragraph 1 of the Companies Act are met. However, the amount of liability for damages under the said agreement shall be capped at the sum of the amounts set forth in each item of Article 425, Paragraph 1 of the said Act.</u></p> <p><u>Subsequent Articles shall be renumbered accordingly.</u></p>

(Note) No amendments are made to clauses not shown above.

3. Schedule

- (1) Convocation date of General Meeting of Shareholders for approval of partial amendment to Articles of Incorporation (Sunday) June 20, 2010
- (2) Effective date of partial amendment to Articles of Incorporation (Sunday) June 20, 2010