

Disclaimer: This is the translation of the original notice of convocation in Japanese. In case of any discrepancy between the translation and the original Japanese, the Japanese version shall prevail.

Securities code: 9742
June 1, 2018

To Shareholders:

Etsuroh Mori
President and Representative Director
INES Corporation
26, Sanbancho
Chiyoda-ku, Tokyo, Japan

Notice of Convocation of the 56th Ordinary General Meeting of Shareholders

I would like to thank all of you for your continued support of our company.

You are hereby invited to the 56th Ordinary General Meeting of Shareholders of INES Corporation (the Company), which will be held as stated below.

If attending in person, please present the enclosed Voting Rights Exercise Form at the meeting reception desk.

If you are unable to attend the meeting in person, you can exercise your voting rights by either of the two methods stated below. Please review the "Ordinary General Meeting of Shareholders Reference Documents" provided and exercise your voting rights by the dates stated below.

[Exercising voting rights by mail]

Please indicate your approval or disapproval of each of the proposals on the enclosed Voting Rights Exercise Form and return it by mail so that it arrives by 5:20 pm. on Thursday, June 21, 2018.

[Exercising voting rights via the Internet]

Please refer to the "Procedures for exercising your voting rights via the Internet" described on page 16 of this Notice of Convocation and enter your approval or disapproval of the proposals by 5:20 p.m. on Thursday, June 21, 2018.

Particulars

1. Date and Time: 10:00 a.m. on June 22, 2018 (Friday)

2. Place: Head office of INES Corporation
26, Sanbancho, Chiyoda-ku, Tokyo, Japan

3. Agenda:

Matters to be Reported:

Item 1: Report on the Business Report, Consolidated Financial Statements and the Audit Results on the Consolidated Financial Statements by the Accounting Auditors and the Board of Corporate Auditors for the 56th fiscal year (from April 1, 2017 to March 31, 2018)

Item 2: Report on the Non-Consolidated Financial Statements for the 56th fiscal year (from April 1, 2017 to March 31, 2018)

Matters to be Resolved:

Item 1: Appropriation of Retained Earnings

Item 2: Election of Six (6) Corporate Directors

Item 3: Election of One (1) Substitute Corporate Auditor

4. Matters Determined Relating to Convocation

(1) Exercise of Voting Rights by Proxy

In accordance with Article 20 of the Company's Articles of Incorporation, when exercising voting rights by proxy, the proxy is limited to one (1) shareholder of the Company who has voting rights. In this case, the proxy must present, in addition to the Voting Rights Exercise Form, a mandate form or other documents to prove power of attorney.

(2) Handling of the Voting Rights Exercise Form Submitted by Shareholders

Regarding the aforementioned Ordinary General Meeting of Shareholders, if a shareholder presents a Voting Rights Exercise Form on which approval or disapproval of all the items on the agenda has not been indicated, this will be taken as an indication of the intent to approve the Company's proposals.

(3) Method of Notification in the Event of the Inconsistent Exercise of Voting Rights

In the event that shareholders exercise voting rights inconsistently, the parties must inform the Company in writing at least three days prior to the convening of the Ordinary General Meeting of Shareholders of the cause or reasons for the inconsistency.

- In accordance with the provisions of certain laws and regulations as well as Article 17 of the Company's Articles of Incorporation, the following items are posted on the Company's website and are therefore not included in the documents accompanying this Notice of Convocation.

[Business Report]

Structure and status of implementation relating to the proper conduct of operations

[Consolidated Financial Statements]

Notes to the Consolidated Financial Statements

[Financial Statements]

Notes to Non-Consolidated Financial Statements

- In the event that the Ordinary General Meeting of Shareholders Reference Documents, Business Report, Consolidated Financial Statements and Non-Consolidated Financial Statements need to be revised, the amendments will be publicized by posting on the Company's website on the Internet.

The Company's Website: <http://www.ines.co.jp/>

Consolidated Balance Sheet
(As of March 31, 2018)

(¥ millions)

Item	Amount	Item	Amount
ASSETS		LIABILITIES	
Current Assets:	(23,669)	Current Liabilities:	(6,453)
Cash and deposits	11,261	Accounts payable	2,647
Notes and accounts receivable	9,782	Accrued expenses	951
Work in process	1,374	Income taxes payable	153
Raw materials and supplies	120	Accrued consumption taxes	77
Prepaid expenses	240	Advances received	166
Deferred tax assets	684	Provision for bonuses	1,118
Others	213	Provision for directors' bonuses	49
Allowance for doubtful accounts	△ 9	Provision for loss on order received	495
		Others	794
Non-current Assets:	(31,917)	Non-current Liabilities:	(10,558)
Tangible Non-current Assets:	(22,260)	Provision for directors' retirement benefits	172
Buildings and structures	8,368	Net defined benefit liability	10,227
Tools, furniture and fixture	1,182	Assets retirement obligations	107
Land	12,709	Others	52
Intangible Non-current Assets:	(3,111)	Total Liabilities	17,012
Software	3,070	NET ASSETS	
Others	40	Shareholders' Equity:	(39,410)
Investments and Other Assets:	(6,545)	Capital stock	15,000
Investment securities	1,542	Capital surplus	20,348
Long-term prepaid expenses	321	Retained earnings	6,937
Deferred tax assets	3,559	Treasury stock	△ 2,875
Long-term deposits	300	Accumulated Other Comprehensive Income:	(△ 835)
Others	822	Valuation difference on available-for-sale securities	199
		Remeasurements of defined benefit plans, net of tax	△ 1,034
Allowance for doubtful accounts	△ 0	Total Net Assets	38,574
Total Assets	55,587	Total Liabilities and Net Assets	55,587

Consolidated Statement of Operations
(For the year from April 1, 2017 to March 31, 2018)

(¥ millions)

Item	Amount	
Revenue		36,119
Cost of Sales		28,667
Gross Profit		7,452
Selling, General and Administrative Expenses		5,844
Operating Income		1,608
Non-Operating Income:		108
Interest income	3	
Dividends income	9	
Real estate rent	62	
Dividend income on insurance	18	
Others	15	
Non-Operating Expenses:		59
Interest expenses	1	
Rent expenses on real estate	54	
Others	3	
Ordinary Income		1,657
Extraordinary Income:		64
Gain on sales of non-current assets	14	
Gain on sales of investment securities	49	
Extraordinary Losses:		45
Loss on retirement of non-current assets	43	
Others	2	
Income before Income Taxes		1,675
Income Taxes and Others		301
Adjustment of Corporate Taxes		316
Net Income		1,057
Net Income attributable to Owners of Parent		1,057

Consolidated Statement of Changes in Shareholders' Equity
(For the year from April 1, 2017 to March 31, 2018)

(¥ millions)

	Shareholder's equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance as of April 1, 2017	15,000	20,348	6,402	△ 2,873	38,876
Changes during year					
Cash dividends from retained earnings			△ 522		△ 522
Net income attributable to owners of parent			1,057		1,057
Purchase of treasury stock				△ 1	△ 1
Net changes of items other than shareholders' equity					
Total changes during year	-	-	535	△ 1	533
Balance as of March 31, 2018	15,000	20,348	6,937	△ 2,875	39,410

	Accumulated other comprehensive income			Total net assets
	Valuation difference on available-for-sale securities	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance as of April 1, 2017	170	△ 1,060	△ 889	37,986
Changes during year				
Cash dividends from retained earnings				△ 522
Net income attributable to owners of parent				1,057
Purchase of treasury stock				△ 1
Net changes of items other than shareholders' equity	29	25	54	54
Total changes during year	29	25	54	588
Balance as of March 31, 2018	199	△ 1,034	△ 835	38,574

Non-Consolidated Balance Sheets
(As of March 31, 2018)

(¥ millions)

Item	Amount	Item	Amount
ASSETS		LIABILITIES	
Current Assets:	(20,063)	Current Liabilities:	(5,929)
Cash and deposits	8,194	Accounts payable	2,705
Accounts receivable	9,184	Accrued payable	159
Work in process	1,349	Accrued expenses	813
Raw materials and supplies	120	Income taxes payable	80
Prepaid expenses	176	Advances received	165
Deferred tax assets	608	Deposits received	434
Others	438	Provision for bonuses	980
Allowance for doubtful accounts	△ 9	Provision for directors' bonuses	28
		Provision for loss on order received	495
		Others	67
Non-current Assets:	(31,788)		
Tangible Non-current Assets:	(22,039)	Non-current Liabilities:	(8,330)
Buildings	8,288	Provision for retirement benefits	8,128
Structures	30	Provision for directors' retirement benefits	95
Tools, furniture and fixture	1,010	Assets retirement obligations	71
Land	12,709	Others	34
		Total Liabilities	14,260
Intangible Non-current Assets:	(3,062)	NET ASSETS	
Telephone rights	22	Shareholders' Equity:	(37,386)
Software	3,036	Capital Stock:	(15,000)
Others	4	Capital Surplus:	(20,348)
Investments and Other Assets:	(6,686)	Capital reserve	3,750
Investments securities	1,123	Other capital surplus	16,598
Shares in affiliates	1,288	Retained earnings:	(4,914)
Investments in capital of subsidiaries and affiliates	13	Other retained earnings	4,914
Long-term prepaid expenses	322	Retained earnings carried forward	4,914
Deferred tax assets	2,878	Treasury stock:	(△ 2,875)
Long-term deposits	300	Valuation, Translation Adjustment and Others:	(204)
Guarantee deposited	597	Valuation difference on available-for-sale securities	204
Long-term loans	10	Total Net Assets	37,591
Utility membership	103		
Others	48		
Total Assets	51,851	Total Liabilities and Net Assets	51,851

Non-Consolidated Statements of Operations
(For the year from April 1, 2017 to March 31, 2018)

(¥ millions)

Item	Amount	
Revenue		32,422
Cost of Sales		26,071
Gross Profit		6,351
Selling, General and Administrative Expenses		5,490
Operating Income		860
Non-Operating Income:		342
Interest income	170	
Real estate rent	138	
Dividend income on insurance	18	
Others	14	
Non-Operating Expenses:		137
Rent expenses on real estate	132	
Others	4	
Ordinary Income		1,065
Extraordinary Income:		64
Gain on sales of non-current assets	14	
Gain on sales of investment securities	49	
Extraordinary Losses:		43
Loss on retirement of non-current assets	42	
Others	1	
Income before Income Taxes		1,086
Income Taxes and Others		51
Adjustment of Corporate Taxes		300
Net Income		734

Non-Consolidated Statements of Changes in Shareholders' Equity
(For the year from April 1, 2017 to March 31, 2018)

(¥ millions)

	Shareholders' equity					
	Capital stock	Capital surplus			Retained earnings	
		Capital reserve	Other capital surplus	Total capital surplus	Other retained earnings	Total retained earnings
Balance as of April 1, 2017	15,000	3,750	16,598	20,348	4,701	4,701
Changes during year						
Cash dividends from retained earnings					△ 522	△ 522
Net income					734	734
Purchase of treasury stock						
Net changes of items other than shareholders' equity						
Total changes during year	-	-	-	-	212	212
Balance as of March 31, 2018	15,000	3,750	16,598	20,348	4,914	4,914

	Shareholders' equity		Valuation, translation adjustment and others		Total net assets
	Treasury stock	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation, translation, adjustment and others	
Balance as of April 1, 2017	△ 2,873	37,175	170	170	37,346
Changes during year					
Cash dividends from retained earnings		△ 522			△ 522
Net income		734			734
Purchase of treasury stock	△ 1	△ 1			△ 1
Net changes of items other than shareholders' equity			34	34	34
Total changes during year	△ 1	210	34	34	245
Balance as of March 31, 2018	△ 2,875	37,386	204	204	37,591

Ordinary General Meeting of Shareholders Reference Documents

Item 1: Appropriation of Retained Earnings

Positioning profit returns to shareholders as one of the most important policies of management, INES Corporation deems continuously implementing stable dividends as its basic policy and pays dividends after having comprehensively considered various factors, including its performance and the business environment.

With regard to the year-end dividend for the current fiscal year, the Company plans to declare the following fiscal year-end dividend on the basis of the above-mentioned basic policy, taking our future business development, etc., into consideration.

Fiscal year-end dividend matters

(1) Type of dividend

Cash dividends

(2) Financial assets to be distributed as dividends and total dividend amount

¥10.00 per share of common stock

¥261,045,340 total dividend payment

(3) Effective date of appropriation of retained earnings as cash dividends

June 25, 2018

For the fiscal year, since we paid an interim dividend of ¥10.00 per share on December 5, 2017, the total annual dividend for the period under review amounted to ¥20.00 per share, increased by 2 yen compared with the previous period.

Item 2: Election of Six (6) Corporate Directors

The term of office of all (5) directors of the Company expires at the conclusion of this Ordinary General Meeting of Shareholders, and one (1) director resigned as of April 2018. Therefore, we propose that six (6) directors be elected.

The candidates for director positions are as follows:

Nominee Number 1	Brief Personal History, Position and Duty in the Company
<p data-bbox="212 443 443 479" style="border: 1px solid black; padding: 2px;">Reappointment</p> <p data-bbox="188 533 419 589">Etsuroh Mori (November 24, 1952)</p> <p data-bbox="188 645 475 701">Company Shares Owned 28,700</p>	<p data-bbox="518 416 890 443">Apr. 1975 Joined Hitachi, Ltd.</p> <p data-bbox="518 443 1316 499">Apr. 2006 General Manager, Project Management Division, Hitachi Software Engineering Co., Ltd. (now Hitachi Solutions, Ltd.)</p> <p data-bbox="518 499 1289 526">Apr. 2007 Corporate Officer, Hitachi Software Engineering Co., Ltd.</p> <p data-bbox="518 526 1353 582">Apr. 2011 Managing Executive Officer, Hitachi Software Engineering Co., Ltd.</p> <p data-bbox="518 582 1300 638">Apr. 2012 President, Hitachi East Japan Solutions, Ltd. (now Hitachi Solutions East Japan, Ltd.)</p> <p data-bbox="518 638 997 665">Apr. 2014 Vice President, the Company</p> <p data-bbox="518 665 1345 721">Jun. 2014 President and Representative Director, the Company (Current position)</p> <p data-bbox="518 721 1362 777">Jan. 2017 President and Representative Director, INES Research Institute, Inc. (Current position)</p>
	<p data-bbox="518 777 842 804">Important Concurrent Roles</p> <p data-bbox="518 804 1252 831">President and Representative Director, INES Research Institute, Inc.</p>
	<p data-bbox="518 835 1037 862">Reason for nominating Mr. Mori as a Director</p> <p data-bbox="518 862 1362 1093">Candidate Mr. Mori has engaged in corporate management over the years and also taken initiative in the management and business of the Company and its Group as the Company's president and representative director since 2014 while performing stable management and achieving satisfactory results. As it can be expected that he will be able to bring about improvements in business performance and corporate value by drawing on a wealth of experience and perspectives for future management, the Company is requesting he be reappointed as a director.</p>

Nominee Number 2	Brief Personal History, Position and Duty in the Company
<div style="border: 1px solid black; padding: 2px; width: fit-content; margin-bottom: 10px;">Reappointment</div> <p>Susumu Tsukahara (April 8, 1961)</p> <p>Company Shares Owned 9,300</p>	<p>Apr. 1985 Joined The Mitsubishi Bank, Ltd. (current MUFG Bank, Ltd.)</p> <p>Jun. 2005 Assistant Head of General Planning Office, The Mitsubishi Bank, Ltd.</p> <p>May 2008 Manager, Financial Accounting Office, Corporate Planning Division, The Mitsubishi Bank, Ltd.</p> <p>Apr. 2013 Concurrent Manager, Financial Accounting Office, Corporate Planning Division and Manager, IFRS Preparation Office, Planning Department, The Mitsubishi Bank, Ltd.</p> <p>Nov. 2014 Executive Officer and General Manager, Financial Division, the Company</p> <p>Jun. 2015 Director, Managing Executive Officer and General Manager, Financial Division, the Company (Current position)</p>
	<p>Important Concurrent Roles: N/A</p>
	<p>Reason for nominating Mr. Tsukahara as a Director</p> <p>Candidate Mr. Tsukahara has engaged in finance-related business and corporate management over the years and also contributed to the management of the Company and its Group as the Company's managing executive officer and director since 2015 while working on the establishment of a sustainable and stable earnings structure with a focus on financial and capitalization strategies. As it can be expected that he will be able to bring about improvements in business performance and corporate value by drawing on a wealth of experience and perspectives for future management, the Company is requesting he be reappointed as a director.</p>

Nominee Number 3	Brief Personal History, Position and Duty in the Company
<div style="border: 1px solid black; padding: 2px; width: fit-content; margin-bottom: 10px;">Reappointment</div> <p>Koichi Yoshimura (October 25, 1965)</p> <p>Company Shares Owned 6,700</p>	<p>Apr. 1988 Joined the Company</p> <p>Aug. 2010 General Manager, Life Insurance Institution Systems Division, Finance Systems Group, the Company</p> <p>Apr. 2013 Executive Officer and Group Executive, Finance Systems Group, the Company</p> <p>Jun. 2014 Director and Executive Officer, General Manager, Financial Systems Group, the Company</p> <p>Apr. 2016 Director, Executive Officer and General Manager, IT Solutions Division, the Company</p> <p>Apr. 2018 Director, Executive Officer and General Manager, Public Service Systems Solution Division, the Company (Current position)</p>
	<p>Important Concurrent Roles: N/A</p>
	<p>Reason for nominating Mr. Yoshimura as a Director</p> <p>Having been responsible for the Company's general industry, financial and public businesses, Candidate Mr. Yoshimura has become familiar with the Company's business as a whole and since 2016, made significant contributions to the expansion and promotion of business mainly in the field of general industry. As it can be expected that he will be able to bring about improvements in business performance and corporate value by drawing on a wealth of experience and perspectives for future management, the Company is requesting he be reappointed as a director.</p>

Nominee Number 4	Brief Personal History, Position and Duty in the Company
<div data-bbox="209 259 443 297" style="border: 1px solid black; padding: 2px;">New appointee</div> <p data-bbox="188 353 395 409">Michihisa Okubo (January 15, 1957)</p> <p data-bbox="188 439 475 495">Company Shares Owned 400</p>	<p data-bbox="517 237 890 259">Apr. 1979 Joined Hitachi, Ltd.</p> <p data-bbox="517 264 1369 342">Apr. 2004 General Manager, Medical Information Department, Government & Public Corporation Information Systems Division, Information and Communication Group, Hitachi, Ltd.</p> <p data-bbox="517 347 1337 403">Oct. 2010 General Manager, Solutions Department, Information System Division, IT Strategy Division, Hitachi, Ltd.</p> <p data-bbox="517 407 1310 463">Apr. 2013 General Manager, Information System Division, IT General Headquarters, Hitachi, Ltd.</p> <p data-bbox="517 468 1315 501">Apr. 2016 Deputy General Manager, IT Strategy Division, Hitachi, Ltd.</p> <p data-bbox="517 506 1342 539">Apr. 2016 Executive Officer and General Manager, Technology Division, the Company</p> <p data-bbox="517 544 1342 577">Apr. 2017 Concurrent Managing Executive Officer and General Manager, Technology Division, the Company</p> <p data-bbox="517 582 1342 616">Apr. 2018 Concurrent Managing Executive Officer and General Manager, Technology Division and General Manager, Business Administration Division, the Company (Current position)</p>
	<p data-bbox="517 629 895 651">Important Concurrent Roles: N/A</p>
	<p data-bbox="517 667 1062 689">Reason for nominating Mr. Okubo as a Director</p> <p data-bbox="517 701 1358 920">Having engaged extensively in the business operations of an IT service company as a responsible person over the years, Candidate Mr. Okubo has a wealth of experience in operations and specialized expertise concerning IT management, IT strategies, etc. As it can be expected that he will be able to bring about improvements in business performance and corporate value in the management of the Company and its Group by drawing on his extensive knowledge acquired over the course of his career, the Company is requesting he be newly appointed as a director.</p>

Nominee Number 5	Brief Personal History and Position and Duty in the Company
<div data-bbox="204 286 360 344" style="border: 1px solid black; padding: 2px;">New appointee</div> <div data-bbox="204 371 399 488" style="border: 1px solid black; padding: 2px;">Candidate for Outside Corporate Director</div> <div data-bbox="204 510 399 568" style="border: 1px solid black; padding: 2px;">Independent Director</div> <p data-bbox="188 600 373 658">Kyota Omori (March 14, 1948)</p> <p data-bbox="188 680 475 734">Company Shares Owned 0</p>	<p data-bbox="517 264 1362 295">Apr. 1972 Joined The Mitsubishi Bank, Ltd. (current MUFG Bank, Ltd.)</p> <p data-bbox="517 295 1362 344">May 2003 Managing Director, The Bank of Tokyo-Mitsubishi, Ltd. (current MUFG Bank, Ltd.)</p> <p data-bbox="517 344 1362 394">May 2004 Managing Director and Americas General Manager (in New York), The Bank of Tokyo-Mitsubishi, Ltd.</p> <p data-bbox="517 394 1362 443">Oct. 2007 Executive Operating Officer, The Bank of Tokyo-Mitsubishi UFJ, Ltd. (current MUFG Bank, Ltd.)</p> <p data-bbox="517 443 1362 492">Jun. 2008 Vice President and Director, Mitsubishi UFJ Financial Group, Inc.</p> <p data-bbox="517 492 1362 542">Dec. 2010 President and Representative Director, Mitsubishi Research Institute, Inc.</p> <p data-bbox="517 542 1362 591">Jul. 2011 Chairman and Director, Mitsubishi Research Institute DCS Co., Ltd.</p> <p data-bbox="517 591 1362 640">Jun. 2015 Outside Director, NCS&A Co., Ltd. (Current position)</p> <p data-bbox="517 640 1362 689">Dec. 2016 Chairman and Representative Director, Mitsubishi Research Institute, Inc.</p> <p data-bbox="517 689 1362 739">Dec. 2017 Chairman and Director, Mitsubishi Research Institute, Inc. (Current position)</p> <p data-bbox="517 739 1362 788">Dec. 2017 Director, Mitsubishi Research Institute DCS Co., Ltd. (Current position)</p>
	<p data-bbox="517 817 842 848">Important Concurrent Roles</p> <p data-bbox="517 848 1136 880">Chairman and Director, Mitsubishi Research Institute, Inc.</p> <p data-bbox="517 880 1082 911">Director, Mitsubishi Research Institute DCS Co., Ltd.</p> <p data-bbox="517 911 890 943">Outside Director, NCS&A Co., Ltd.</p>
	<p data-bbox="517 929 1279 960">Reason for nominating Mr. Omori as an outside corporate director</p> <p data-bbox="517 960 1362 1124">Candidate Mr. Omori has engaged in corporate management in the banking and IT service industries over the years. As we are certain that he will be able to take advantage of his professional management experience and perspectives acquired over the course of his career in management of the Company and its Group, the Company is requesting he be newly appointed as an outside corporate director.</p>
	<p data-bbox="517 1142 906 1173">Matters Relating to Independence</p> <p data-bbox="517 1173 1362 1337">The trade volume between Mitsubishi Research Institute DCS Co., Ltd. for which he serves as a director and the Company in fiscal year 2017 accounted for less than 0.1% of the Company's consolidated sales in terms of sales amount and less than 0.2% of the Company's consolidated cost of sales in terms of amount of purchase. Therefore, the Company is certain that his independence is fully ensured.</p>

Nominee Number 6	Brief Personal History and Position and Duty in the Company
<div data-bbox="204 264 360 320" style="border: 1px solid black; padding: 2px;">New appointee</div> <div data-bbox="204 349 399 461" style="border: 1px solid black; padding: 2px;">Candidate for Outside Corporate Director</div> <div data-bbox="204 490 399 544" style="border: 1px solid black; padding: 2px;">Independent Director</div>	<p>Apr. 1995 Professor, Faculty of Law, Chuo University</p> <p>Apr. 2014 Professor, Chuo Law School (Current position) Registered as a lawyer (a member of the Tokyo Bar Association) (Current)</p> <p>Apr. 2006 Affiliate Professor, The Open University of Japan</p> <p>Nov. 2007 Dean, Legal Affairs Research Course (Law School), Chuo Law School</p> <p>Apr. 2009 Chairman, Central Council on Defense Facilities, Ministry of Defense</p> <p>Jul. 2009 Trustee, The Investment Trusts Association, Japan (Current position)</p> <p>Aug. 2010 Chairman and Trustee, Payment Service Association (current Japan Payment Service Association) (Current position) President, Principal and Trustee, Chuo University</p> <p>Nov. 2011 Standing Director, The Japan Association of Private Universities</p> <p>Jun. 2012 And Colleges Board Chairperson, Tohto University Base Ball League (Current position)</p> <p>Apr. 2017 Outside Director, The Kyoei Fire and Marine Insurance Co., Ltd.</p> <p>Jun. 2017 (Current position)</p>
<p>Tadahiko Fukuhara (February 22, 1954)</p> <p>Company Shares Owned 0</p>	<p>Important Concurrent Roles Professor, Chuo Law School Chairman and Trustee, Japan Payment Service Association Trustee, The Investment Trusts Association Outside Director, The Kyoei Fire and Marine Insurance Co., Ltd.</p>
	<p>Reason for nominating Mr. Fukuhara as an outside corporate director</p> <p>Although Candidate Mr. Fukuhara has no experience of being directly involved in company management in the past, he has a specialized knowledge of laws and regulations as a whole as a qualified attorney and as a professor of law as well as a wealth of experience in the management of universities, associations, etc. Therefore, the Company is certain that he will be able to take advantage of his extensive range of specialized knowledge and perspectives acquired over the course of his career in management of the Company and its Group and we are requesting he be newly appointed as an outside corporate director.</p>
	<p>Matters Relating to Independence</p> <p>There are no business and donation relationships between Chuo Law School, the Investment Trusts Association, Japan Payment Service Association, or The Kyoei Fire and Marie Insurance Co., Ltd. and the Company. Therefore, the Company is certain that his independence is fully ensured.</p>

Notes:

- None of the above appointees have special vested interests in the Company.
- Both Mr. Kyota Omori and Mr. Tadahiko Fukuhara, candidates for directors are candidates for outside directors. Both are candidates for independent director based on the provisions of the Tokyo Stock Exchange, Inc.
- If the appointments of Mr. Kyota Omori and Mr. Tadahiko Fukuhara as directors are approved, the two persons and the Company are to enter into an agreement limiting the liability for damages provided for in Article 423 (1) of the Companies Act. In this regard, the total maximum liability under such an agreement shall be the minimum amount required by laws and regulations.

Item 3: Election of One (1) Substitute Corporate Auditor

To ensure that the number of corporate auditors does not fall below the number stipulated in laws and regulations, we propose the election of one (1) substitute corporate auditor. Approval for this proposal has been obtained in advance from the Board of Corporate Auditors. The candidate for the position of substitute outside corporate auditor is as follows:

<div style="border: 1px solid black; padding: 5px; width: fit-content; margin-bottom: 10px;">Candidate for Substitute Outside Corporate Auditor</div> <p>Ryo Haga (February 9, 1966)</p> <p>Company Shares Owned 0</p>	Brief Personal History	
	Aug. 1996	Assistant Professor of Faculty of Economics, at Yamaguchi University
	Apr. 2003	Professor of Faculty of Law, at Okayama University
	Apr. 2004	Professor of School of Law, at Okayama University
Apr. 2007	Professor at Graduate School of Humanities and Social Sciences, Okayama University	
Apr. 2010	Professor at Graduate School of International Social Sciences (now Graduate School of International Social Sciences), Yokohama National University (Current position)	
June 2010	Registered as an attorney (Joined Daiichi Tokyo Bar Association) (Current)	
Apr. 2015	Director, Law School, Graduate School of International Social Sciences, Yokohama National University (Current position)	
Important Concurrent Roles		
Professor, Graduate School of International Social Sciences, Yokohama National University		
Dean, Law School, Graduate School of International Social Sciences, Yokohama National University		
Reason for nominating Mr. Haga as a substitute outside corporate auditor		
Although Candidate Mr. Haga has not been directly involved in company management, he is well-versed in the Financial Instruments and Exchange Act and Companies Act as a qualified attorney and a graduate school professor. With this in mind, the Company is certain that he can be relied upon to reflect his knowledge and expertise acquired over the course of his career in the audit system of the Company.		

Notes:

1. Mr. Ryo Haga, the candidate for the position of substitute corporate auditor, has no special vested interests with the Company.
2. If he is appointed as a corporate auditor, he and the Company are to enter into an agreement limiting the liability for damages provided for in Article 423 (1) of the Companies Act. The total maximum liability under such an agreement shall be the minimum amount required by laws and regulations.

<Procedures for exercising your voting rights via the Internet>

When exercising your voting rights via the Internet, please refer to the procedures below. Please note that if attending in person, you do not need to follow the procedures for exercising your voting rights by mail (using the Voting Rights Exercise Form) or via the Internet.

Details

1. Website for exercising voting rights

(1) You can only exercise your voting rights via the Internet by accessing and using the Company's designated website (<https://evote.tr.mufg.jp/>) from a personal computer, smartphone, or a cellular phone.

(The site will not be available from 2:00 a.m. to 5:00 a.m. due to daily maintenance)

(2) Note that depending on your Internet environment, for example if you are running firewalls and other anti-virus measures when accessing the Internet, you may not be able to access the site.

(3) Please exercise your voting rights via the Internet by 5:20 p.m. on Thursday, June 21, 2018.

2. Process of exercise of voting rights via the Internet

(1) Please log in to the website (<https://evote.tr.mufg.jp/>) using the "login ID" and the "temporary password" provided in the Voting Rights Exercise Form and follow the instructions displayed on the screen.

(2) To prevent unauthorized access by persons other than the Company's shareholders or the alteration of votes, you are asked to change the "temporary password" to a new one on the website for exercising voting rights.

3. Handling when voting is exercised multiple times

(1) Please note that if you exercise your voting rights both by mail and via the Internet, only the content of the vote made via the Internet shall be deemed valid.

(2) If you exercise your voting rights multiple times via the Internet, the last time that you exercise your voting rights shall be deemed valid. Furthermore, if you exercise your voting rights in duplicate by accessing the voting website from a personal computer, a smart phone and a cellular phone, the last time that you exercise your voting rights shall be deemed valid.

4. Expenses incurred when accessing the website for exercising voting rights

Expenses incurred when using the website for exercising voting rights such as the Internet provider's connection fee and the telephone fee shall be borne by the shareholder.

Inquiries regarding the exercise of voting rights via the Internet

Mitsubishi UFJ Trust and Banking Corporation, Corporate Agency Division (Help Desk)

- Telephone 0120-173-027 (toll-free; Hours: 9:00-21:00)