

To Shareholders:

Yasuhiko Igarashi
President and Representative Director
INES Corporation
9-2, Ushikubo 3-chome
Tsuzuki-ku, Yokohama
Kanagawa Prefecture, Japan

Notice of Convocation of the 47th Ordinary General Meeting of Shareholders

You are hereby invited to the 47th 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 written notice. Please indicate on the Voting Rights Exercise Form enclosed herewith your approval or disapproval of the items on the agenda, after examining reading the "Ordinary General Meeting of Shareholders Reference Documents" attached hereto, and return this document to the Company by Tuesday, June 23, 2009.

Particulars

- 1. Date and Time:** 10 a.m. on June 24, 2009 (Wednesday)
- 2. Place:**
INES Corporation
4th Floor Hall, Head Office of INES Corporation
9-2, Ushikubo 3-chome, Tsuzuki-ku,
Yokohama, Kanagawa Prefecture, Japan
- 3. Agenda:**
Matters to be Reported:
 - Item 1:** The 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 47th fiscal year (from April 1, 2008, to March 31, 2009)
 - Item 2:** Report on the Non-Consolidated Financial Statements for the 47th fiscal year (from April 1, 2008, to March 31, 2009)

Matters to be Resolved:

- Item 1:** Appropriation of Retained Earnings
- Item 2:** Partial Amendments to the Articles of Incorporation
- Item 3:** Election of Seven (7) Corporate Directors in Accordance with Expiration of Term of Office for All Corporate Directors
- Item 4:** Election of One (1) Corporate Auditor
- Item 5:** Revision of Compensation for Corporate Directors and Corporate Auditors
- Item 6:** Grant of Retirement Allowance for Retiring Directors and Cancellation of Provision for Retirement Bonuses for Corporate Directors and Corporate Auditors in Accordance with the Elimination of the Executive Retirement Bonus System
- Item 7:** Renewal of Basic Policy Regarding Countermeasures for Large-Scale Purchases of Company Stock (Takeover Defense Measures)

4. Matters to be Resolved Relating to Convocation

- (1) Exercise of Voting Rights by Proxy
In accordance with Article 22 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. Moreover, 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 at the reception desk of the Ordinary General Meeting of Shareholders.
- (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 or the shareholder has abstained from voting, this will be taken as indication of intent to approve the items on the agenda presented by the Company.
- (3) Method of Notification in the Event of 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 the event that the Ordinary General Meeting of Shareholders Reference Documents, the Business Report, the Consolidated Financial Statements and the Non-Consolidated Financial Statements need to be revised, the amendments will be publicized by posting on the Company's website (<http://www.ines.co.jp>).

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.

Consolidated Balance Sheets
(As of March 31, 2009)

(¥millions)

Item	Amount	Item	Amount
ASSETS		LIABILITIES	
Current Assets:	30,970	Current Liabilities:	5,894
Cash and time deposits	10,650	Trade accounts payable	1,535
Notes and accounts receivable	8,709	Short-term bank loans	99
Marketable securities	150	Accrued expenses	1,793
Work in process	1,050	Income taxes payable	133
Inventory goods	72	Consumption tax payable	121
Prepaid expenses	355	Advances received	209
Deferred tax assets	956	Accrued bonus to employees	1,167
Funds deposited	9,000	Accrued bonus to directors	41
Others	54	Others	792
Allowance for doubtful accounts	(30)	Non-Current Liabilities:	8,593
Fixed Assets:	29,476	Reserve for retirement benefits for employees	8,050
Tangible Fixed Assets:	21,634	Reserve for retirement benefits for directors	296
Buildings and structures	9,346	Others	246
Tools, furniture and fixture	1,186	Total Liabilities	14,487
Land	11,101	NET ASSETS	
Intangible Fixed Assets:	1,564	Shareholders' Equity:	45,960
Software	1,520	Capital stock	31,457
Others	44	Capital surplus	17,548
Investments and Other Assets:	6,277	Retained earnings	2,389
Investments in securities	695	Treasury stock	(5,434)
Long-term prepaid expenses	683	Valuation, Translation Adjustment and Others	(122)
Deferred tax assets	3,258	Valuation differences on other securities	(122)
Long-term bank deposits	600	Stock Acquisition Rights	46
Others	1,044	Minority Interests	74
Allowance for doubtful accounts	(3)	Total Net Assets	45,959
Total Assets	60,446	Total Liabilities and Net Assets	60,446

Consolidated Statements of Operations
(For the Year Ended March 31, 2009)

(¥millions)

Item	Amount	
Revenue		37,946
Cost of services		31,666
Gross Profit		6,279
Selling, general and administrative expenses		4,504
Operating Income		1,775
Non-Operating Income:		166
Interest income	69	
Dividend income on stock	12	
Rent income	37	
Dividend income on insurance	24	
Others	22	
Non-Operating Expenses:		70
Interest expenses	8	
Rent expenses	52	
Others	9	
Ordinary Income		1,871
Extraordinary Gains:		23
Gain on sales of investments in security	2	
Gain of sales of securities of affiliates	14	
Others	7	
Extraordinary Losses:		111
Loss on disposal of fixed assets	9	
Loss on write-down of investments in securities	3	
Office removal cost	86	
Others	12	
Income before Income Taxes and Minority Interests		1,783
Income, Residential and Corporate Taxes		171
Adjustment of Corporate Taxes		88
Minority Interests		(6)
Net Income		1,529

Consolidated Statements of Changes in shareholders' Equity
(For the Year Ended March 31, 2009)

(¥millions)

	Shareholders' Equity				
	Capital Stock	Capital Surplus	Retained Earnings	Treasury Stock	Total Shareholders' Equity
Balance at March 31, 2008	31,457	23,143	(2,868)	(6,039)	45,693
Changes During Year					
Transfer to Retained Earnings from Capital surplus		(3,854)	3,854		
Cash Dividends from Retained Earnings			(126)		(126)
Net Income			1,529		1,529
Purchase of Treasury Stock				(1,135)	(1,135)
Disposal of Treasury Stock		(0)		1	0
Retirement of Treasury Stock		(1,739)		1,739	-
Net Changes in Items Other than Shareholders' Equity					
Total Changes During Year	-	(5,594)	5,257	604	267
Balance at March 31, 2009	31,457	17,548	2,389	(5,434)	45,960

	Valuation, Translation Adjustment and Others		Stock Acquisition Rights	Minority Interests	Total Net Assets
	Valuation Differences on Other Securities	Total Valuation, Translation, Adjustment and Others			
Balance at March 31, 2008	24	24	27	81	45,826
Changes During Year					
Transfer to Retained Earnings from Capital surplus					-
Cash Dividends from Retained Earnings					(126)
Net Income					1,529
Purchase of Treasury Stock					(1,135)
Disposal of Treasury Stock					0
Retirement of Treasury Stock					-
Net Changes in Items Other than Shareholders' Equity	(147)	(147)	19	(7)	(135)
Total Changes During Year	(147)	(147)	19	(7)	132
Balance at March 31, 2009	(122)	(122)	46	74	45,959

Non-Consolidated Balance Sheets
(As of March 31, 2009)

(¥millions)

Item	Amount	Item	Amount
ASSETS		LIABILITIES	
Current Assets:	28,308	Current Liabilities:	5,252
Cash and time deposits	8,851	Trade accounts payable	1,554
Notes and accounts receivable	8,025	Accrued payable	372
Marketable securities	150	Accrued expenses	1,628
Work in process	975	Income taxes payable	63
Inventory goods	72	Consumption tax payable	83
Prepaid expenses	325	Advances received	209
Deferred tax assets	875	Deposits received	211
Funds deposited	9,000	Accrued bonus to employees	1,023
Others	60	Accrued bonus to directors	34
Allowance for doubtful accounts	(28)	Others	69
Fixed Assets:	29,703		
Tangible Fixed Assets:	20,257	Non-Current Liabilities:	7,990
Buildings	8,683	Reserve for retirement benefits for employees	7,586
Structures	59	Reserve for retirement benefits for directors	176
Tools, furniture and fixture	1,078	Others	228
Land	10,436		
Intangible Fixed Assets:	1,532	Total Liabilities	13,242
Telephone rights	22		
Usage right of leased facility for telephone and telegraph	5	NET ASSETS	
Software	1,502	Shareholders' Equity:	44,845
Others	2	Capital stock	31,457
Investments and Other Assets:	7,913	Capital Surplus	17,548
Investments in securities	688	Capital reserve	7,864
Shares in affiliates	1,327	Others capital surplus	9,683
Long-term loans	30	Retained earnings	1,273
Long-term prepaid expenses	683	Other retained earnings	1,273
Guarantee deposited	1,096	Retained earnings carried forward	1,273
Deferred tax assets	3,023	Treasury stock	(5,434)
Utility Membership	99	Valuation, translation adjustment and others	(122)
Long-term bank deposits	500	Valuation differences on other securities	(122)
Claim in bankruptcy and reorganization	3	Stock Acquisition Rights	46
Others	464		
Allowance for doubtful accounts	(3)	Total Net Assets	44,769
Total Assets	58,011	Total Liabilities and Net Assets	58,011

Non-Consolidated Statements of Operations
(For the Year Ended March 31, 2009)

(¥millions)

Item	Amount	
Revenue		33,617
Cost of services		28,374
Gross Profit		5,242
Selling, general and administrative expenses		3,795
Operating Income		1,446
Non-Operating Income:		340
Interest income	65	
Dividend income on securities	0	
Dividend income on stock	73	
Rent income	161	
Others	40	
Non-Operating Expenses:		151
Interest expenses	1	
Rent expenses	141	
Others	8	
Ordinary Income		1,636
Extraordinary Gains:		8
Gain on sales of investments in security	2	
Others	6	
Extraordinary Losses:		135
Loss on disposal of fixed assets	6	
Loss on write-down of investments in security	3	
Loss on write-down of securities of affiliates	27	
Office removal cost	86	
Others	10	
Income before Income Taxes		1,509
Income, Residential and Corporate Taxes		30
Adjustment of Corporate Taxes		79
Net Income		1,400

Non-Consolidated Statements of Changes in shareholders' Equity
(For the Year Ended March 31, 2009)

(¥millions)

	Shareholders' Equity					
	Capital Stock	Capital Surplus			Retained Earnings	
		Capital Reserve	Other Capital Surplus	Total Capital Surplus	Other Retained Earnings	Total Retained Earnings
				Retained Earnings Carried Forward		
Balance at March 31, 2008	31,457	7,864	15,278	23,143	(3,854)	(3,854)
Changes During Year						
Transfer to Retained Earnings from Capital surplus			(3,854)	(3,854)	3,854	3,854
Cash Dividends from Retained Earnings					(126)	(126)
Net Income					1,400	1,400
Purchase of Treasury Stock						
Disposal of Treasury Stock			(0)	(0)		
Retirement of Treasury Stock			(1,739)	(1,739)		
Net Changes in Items Other than Shareholders' Equity						
Total Changes During Year	-	-	(5,594)	(5,594)	5,128	5,128
Balance at March 31, 2009	31,457	7,864	9,683	17,548	1,273	1,273

	Shareholders' Equity		Valuation, Translation Adjustment and Others		Stock Acquisition Rights	Total Net Assets
	Treasury Stock	Total Shareholders' Equity	Valuation Differences on Other Securities	Total Valuation, Translation, Adjustment and Others		
Balance at March 31, 2008	(6,039)	44,706	23	23	27	44,757
Changes During Year						
Transfer to Retained Earnings from Capital surplus		-				-
Cash Dividends from Retained Earnings		(126)				(126)
Net Income		1,400				1,400
Purchase of Treasury Stock	(1,135)	(1,135)				(1,135)
Disposal of Treasury Stock	1	0				0
Retirement of Treasury Stock	1,739	-				-
Net Changes in Items Other than Shareholders' Equity			(146)	(146)	19	(127)
Total Changes During Year	604	138	(146)	(146)	19	11
Balance at March 31, 2009	(5,434)	44,845	(122)	(122)	46	44,769

Ordinary General Meeting of Shareholders Reference Documents

Item 1: Appropriation of Retained Earnings

We regret that sluggish performance prevented us from paying dividends in the previous fiscal year; however, we are pleased to inform our shareholders that recovery in this year's performance has provided us with enough profit to make a dividend possible, and we resumed dividend payment from the interim period. With consideration for this year's earnings, appropriation of profit and various management policies going forward, the full year dividend was determined as follows.

The interim dividend, paid on December 8, 2009, was ¥3 per share. The annual amount of the dividend for the full year is ¥10 per share.

Full year dividend matters

(1) Type of dividend

Cash dividend

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

¥7 per share of common stock

¥285,191,473 total dividend payment

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

June 25, 2009

Item 2: Partial Amendments to the Articles of Incorporation

1. Reasons for Amendments

(1) In accordance with Japan's Law to Partially Amend the Law Concerning the Transfer of Bonds, etc. to Rationalize the Settlement of Transactions of Stock, etc. (2004 Law No. 88, "Settlement Rationalization Law" hereinafter), which went into effect on January 5, 2009, also known as the dematerialization of shares, INES will conduct the required modifications related to stock certificates, beneficial shareholders and beneficial shareholders registry and necessary insertions, deletion or amendment to provisions and stipulations in the Company's Articles of Incorporation. Furthermore, regarding the registry of lost stock certificates, a required provision will be added to the supplementary provisions because companies are required to maintain this registry for one year. In accordance with these changes, we will pull back or push forward the numbering of articles.

Further, concerning Article 7 of the Articles of Incorporation (Issuance of Stock Certificates), a resolution will be deemed to have been passed on January 5, 2009, that eliminates the provision of the Articles of Incorporation for issuing stock certificates pursuant to Paragraph 1, Article 6, of the Settlement Rationalization Law and beginning on the enactment date of this law.

(2) At the Ordinary General Meeting of Shareholders, if the shareholders vote to approve to the motion proposed in the Item 7, the renewal of the basic policy regarding countermeasures for large-scale purchases of company stock (takeover

defense), in the event of a large-scale purchase of company shares, regarding counsel from an independent committee on the deliberation of the measure to convene a general meeting of shareholders and enforce an allotment of share options without contribution, the Board of Directors will respect that counsel to the full extent, and excluding the possibility that is eminently difficult in practice, convene a general meeting of shareholders in the shortest amount of time possible in the event that approval is needed to enforce an allotment of share options without contribution. This necessary provision will be added to Article 20, paragraph 2 of the current Articles of Incorporation.

As a result, the current Paragraph 2, Article 20, will be changed to Paragraph 3, Article 20, in the Articles of Incorporation.

2. Description of the changes

Changes to the Articles of Incorporation are shown in the table below.

(Revised sections are underlined)

Current Articles	Proposed Amendments
Article 1 } to } (Provision omitted) Article 6 } <u>(Issuance of Shares)</u> <u>Article 7 The Company will issue certificates</u> <u>for its stock.</u>	Article 1 } to } (No changes) Article 6 } (Delete)
Article 8 } to } (Provision omitted) Article 9 } <u>(Non-Issue of Fractional Stock Certificates)</u> <u>Article 10 Notwithstanding the stipulations of</u> <u>Article 7, the Company does not issue stock</u> <u>certificates pertaining to fractional shares.</u> <u>However, this does not extend to items</u> <u>stipulated in the Regulations for Handling of</u> <u>Stock.</u>	Article 7 } to } (No changes) Article 8 } (Delete)

Current Articles	Proposed Amendments
<p>(Rights Pertaining to Fractional Shares)</p> <p>Article <u>11</u> A shareholder of the Company who holds fractional shares (<u>hereinafter including beneficial shareholders</u>) may not exercise any rights pertaining to fractional shares other than the following rights.</p> <ol style="list-style-type: none"> (1) The rights provided for in each item of Paragraph 2, Article 189, of Japan's Companies Act (2) The right to receive a dividend from retained earnings. (3) The right to request that the Company purchase his/her shares with shareholder's right to sell, as stipulated in Paragraph 1, Article 166, of Japan's Companies Act. (4) The right to receive an allotment of offered shares and offered share options in proportion to the number of shares held. 	<p>(Rights Pertaining to Fractional Shares)</p> <p>Article <u>9</u> A shareholder of the Company who holds fractional shares may not exercise any rights pertaining to fractional shares other than the following rights.</p> <ol style="list-style-type: none"> (1) The rights provided for in each item of Paragraph 2, Article 189, of Japan's Companies Act (2) The right to receive a dividend from retained earnings. (3) The right to request that the Company purchase his/her shares with shareholder's right to sell, as stipulated in Paragraph 1, Article 166, of Japan's Companies Act. (4) The right to receive an allotment of offered shares and offered share options in proportion to the number of shares held.
<p>(Additional Purchase of Fractional Shares)</p>	<p>(Additional Purchase of Fractional Shares)</p>
<p>Article <u>12</u> (Clause omitted)</p>	<p>Article <u>10</u> (No changes)</p>
<p>(Administrator of Shareholder Registry)</p> <p>Article <u>13</u> The Company will name an administrator of shareholder registry.</p> <ol style="list-style-type: none"> 2. The administrator of shareholder registry and locations for providing associated services will be determined by a resolution of the board of directors and an official announcement made. 3. Preparation and storage of the Company's shareholder registry (<u>hereinafter including the beneficial shareholder registry</u>), stock acquisition right registry <u>and lost stock certificate registry</u>, in addition to administration of the shareholder registry, stock acquisition right registry <u>and lost stock certificate registry</u>, will be performed by the administrator of shareholder registry and not by the Company. 	<p>(Administrator of Shareholder Registry)</p> <p>Article <u>11</u> The Company will name an administrator of shareholder registry.</p> <ol style="list-style-type: none"> 2. The administrator of shareholder registry and locations for providing associated services will be determined by a resolution of the board of directors and an official announcement made. 3. Preparation and storage of the Company's shareholder registry <u>and</u> stock acquisition right registry and lost stock certificate registry, in addition to administration of the shareholder registry <u>and</u> stock acquisition right registry will be performed by the administrator of shareholder registry and not by the Company.

Current Articles	Proposed Amendments
<p>(Regulations for Handling of Stock)</p> <p>Article <u>14</u> (Clause omitted)</p> <p>(Record Date)</p> <p>Article <u>15</u> Shareholders who may exercise voting rights at an Ordinary General Shareholders' Meeting are those shareholders who are <u>recorded or</u> registered in the shareholder registry at the end of March 31 each year.</p> <p>2. Unless stipulated otherwise in these Articles of Incorporation, as necessary and public notice given in advance, shareholders or shareholder pledgees who are <u>recorded or</u> registered in the shareholder registry as of the final given date are those shareholders or shareholder pledgees who are able to exercise voting rights.</p> <p>Article <u>16</u> } To } (Clauses omitted) Article <u>19</u> }</p> <p>(General Shareholders Meeting Resolutions)</p> <p>Article <u>20</u> In addition to determining matters pertaining to laws and ordinances, and in particular the Company's Articles of Incorporation by vote at the General Shareholders Meeting, basic policies related to takeover defense measures can also be determined by vote.</p> <p>(Addition)</p>	<p>(Regulations for Handling of Stock)</p> <p>Article <u>12</u> (No changes)</p> <p>(Record Date)</p> <p>Article <u>13</u> Shareholders who may exercise voting rights at an Ordinary General Shareholders' Meeting are those shareholders who are recorded in the shareholder registry at the end of March 31 each year.</p> <p>2. Unless stipulated otherwise in these Articles of Incorporation, as necessary and public notice given in advance, shareholders or shareholder pledgees who are recorded in the shareholder registry as of the final given date are those shareholders or shareholder pledgees who are able to exercise voting rights.</p> <p>Article <u>14</u> } To } (No changes) Article <u>17</u> }</p> <p>(General Shareholders Meeting Resolutions)</p> <p>Article <u>18</u> In addition to determining matters pertaining to laws and ordinances, and in particular the Company's Articles of Incorporation by vote at the General Shareholders Meeting, basic policies related to takeover defense measures can also be determined by vote.</p> <p><u>2. Regarding matters related to the allotment of share options without contribution, resolutions may be made by General Shareholders Meeting or a delegate of the General Shareholders Meeting in addition to the resolutions made by Board of Directors.</u></p>

Current Articles	Proposed Amendments
<p><u>2</u> The takeover defense measures in the <u>preceding</u> paragraph refer to new issues or the issue of share options whose principal objective is not for fund procurement, a business partnership or other business objectives but as one of disincentive measures to be introduced prior to takeover that could harm the Company's corporate value and the common interests of shareholders. Furthermore, "introduce" refers to the decision to issue new shares or share options as a takeover defense measure must be determined based on concrete details of the takeover.</p> <p>Article <u>21</u> } to } (Clause omitted) Article <u>48</u> }</p> <p>(Full-Year Dividend)</p> <p>Article <u>49</u> In accordance with a resolution of the General Shareholders Meeting, shareholders or shareholder pledgees who are <u>recorded or</u> registered in the shareholder registry as of March 31 each year will be paid a cash dividend from retained earnings by the Company.</p> <p>(Interim Dividend)</p> <p>Article <u>50</u> In accordance with a resolution of the General Shareholders Meeting, shareholders or shareholder pledgees who are <u>recorded or</u> registered in the shareholder registry as of September 30 each year are able to receive a cash dividend from retained earnings by the Company as stipulated in Paragraph 5, Article 454, of the Companies Act.</p>	<p><u>3</u> The takeover defense measures in <u>paragraph 1</u> refer to new issues or the issue of share options whose principal objective is not for fund procurement, a business partnership or other business objectives but as one of disincentive measures to be introduced prior to takeover that could harm the Company's corporate value and the common interests of shareholders. Furthermore, "introduce" refers to the decision to issue new shares or share options as a takeover defense measure must be determined based on concrete details of the takeover.</p> <p>Article <u>19</u> } to } (No changes) Article <u>46</u> }</p> <p>(Full-Year Dividend)</p> <p>Article <u>47</u> In accordance with a resolution of the General Shareholders Meeting, shareholders or shareholder pledgees who are recorded in the shareholder registry as of March 31 each year will be paid a cash dividend from retained earnings by the Company.</p> <p>(Interim Dividend)</p> <p>Article <u>48</u> In accordance with a resolution of the General Shareholders Meeting, shareholders or shareholder pledgees who are recorded in the shareholder registry as of September 30 each year are able to receive a cash dividend from retained earnings by the Company as stipulated in Paragraph 5, Article 454, of the Companies Act.</p>

Current Articles	Proposed Amendments
(Exclusion of Dividends)	(Exclusion of Dividends)
Article <u>51</u> (Clause omitted)	Article <u>49</u> (Clause omitted)
(Supplementary Provisions)	(Supplementary Provisions)
1. (Clause omitted)	1. (No changes)
(Addition)	<u>2. The preparation, storage and other administration of the company's lost stock certificate registry will be performed by an administrator of shareholder registry and not by the Company.</u>
(Addition)	<u>3. All articles of the supplementary provisions, including this one, will be deleted on January 6, 2010.</u>

Item 3: Election of Seven (7) Corporate Directors in Accordance with Expiration of Term of Office for All Corporate Directors

The term of office for all seven Directors of the Company expires at the conclusion of this Ordinary General Meeting of Shareholders. We propose the election of seven (7) directors.

The candidates for the position of director are as follows:

	Name (Date of Birth)	Brief Personal History and Representative Positions in Other Companies	Number of Shares of the Company Owned
1	Yasuhiko Igarashi (June 13, 1946)	Apr. 1970 Joined Yoshizawa Business Machines K.K. Apr. 1971 Joined Hitachi, Ltd. Jan. 2000 Manager, Information Systems Operations Department, at Hitachi Aug. 2001 General Manager, Public Systems Sales Control Department, at Hitachi Apr. 2003 Joined Hitachi Software Engineering Co., Ltd. General Manager, Sales Department Jun. 2003 Vice President and Executive Officer, General Manager, Sales Department, at Hitachi Software Engineering Apr. 2005 Vice President and Executive Officer at Hitachi Software Engineering Apr. 2008 Corporate adviser of the Company Jun. 2008 President and Representative Director (Current position)	23,400
2	Yoshihiro Hayashi (July 25, 1949)	Apr. 1972 Joined Hitachi, Ltd. Apr. 2001 Nationwide Public Systems General Manger, Public Systems Operations Department, at Hitachi Apr. 2003 Joined Hitachi Software Engineering Co., Ltd. Assistant General Manager, Public Social Systems Operations Department, at Hitachi Software Engineering Apr. 2006 Assistant General Manager, Public Social Systems Operations Department, concurrently General Manager, First Public Systems Department, at Hitachi Software Engineering Apr. 2007 Joined the Company General Manager, Regional Office Division Jun. 2008 Director and Managing Executive Officer Apr. 2009 Director and Managing Executive Officer, Regional Office Division (Current position)	5,200
3	Shoji Hanazato (March 2, 1950)	Nov. 1970 Joined the Company Apr. 1992 President, Tohoku Branch Mar. 1999 Fourth Systems Division Manager, Application Development Division Aug. 2001 Manager for Development, Life Insurance Systems Division Apr. 2003 Assistant General Manager, Life Insurance Systems Division	11,700

		<p>Jun. 2003 General Manager, Banking Institution Systems Division</p> <p>Jun. 2005 Director and General Manager, Banking Institution Systems Division</p> <p>Jun. 2007 Managing Director</p> <p>Jun. 2008 Director and Managing Executive Officer (Current position)</p>	
4	Kenzo Tagami (March 28, 1950)	<p>Apr. 1974 Joined Nichiro Gyogyou Kaisha, Ltd. (Currently Maruha Nichiro Foods, Inc.)</p> <p>Nov. 1990 Joined the Hokkaido Takushoku Bank, Ltd.</p> <p>Mar. 1998 Joined the Company</p> <p>Apr. 1999 Manager, General Affairs Department</p> <p>Jul. 2001 General Affairs Manager, General Affairs Department</p> <p>Apr. 2004 General Manager, Administration Department</p> <p>Jun. 2005 Director and General Manager, Administration Department</p> <p>Jun. 2008 Director and Executive Officer, General Manager, Administration Department</p> <p>Oct. 2008 Director and Managing Executive Officer</p> <p>Apr. 2009 Director and Managing Executive Officer, General Manager, Administration Division (Current position)</p> <p>May 2009 Representative Director, Consumer Open Center Ltd. (Current position)</p>	6,400
5	Katsuyoshi Hanazaki (February 10, 1950)	<p>Nov. 1976 Joined the Company</p> <p>Nov. 1995 General Manager, Section 1, Sales Administration Division</p> <p>Nov. 2000 General Manager, Information System Division</p> <p>Jun. 2001 Managing Director, Information System Division</p> <p>Jun. 2003 Managing Director, Engineering Development Division</p> <p>Apr. 2004 Managing Director, Regional Office Division</p> <p>May 2005 Representative Director, Consumer Open Center Ltd.</p> <p>Apr. 2009 Director and Managing Executive Officer, General Manager, Sales Administration Division (Current position)</p>	4,300

6	Hiroshi Hogaki (November 24, 1952)	Apr. 1977 Joined Tokyo Bank Ltd. (now The Bank of Tokyo-Mitsubishi UFJ, Ltd.) May 2004 Manager, Global Information Planning, Tokyo Bank Ltd. Jan. 2006 Manager, International Business Information Systems, Tokyo Bank, Ltd. Nov. 2006 Joined the Company Deputy General Manager, Banking Institution System Division Jun. 2007 Director, General Manager, Banking Institution System Division Jun. 2008 Executive Officer, Banking Institution System Division Oct. 2008 Executive Officer, Group Executive, Finance Systems Group (Current position)	4,900
7	Shinji Moroshima (February 20, 1948)	Apr. 1971 Joined Hitachi, Ltd. Apr. 2001 General Manager, System Solution Group, Finance System Group, Hitachi Ltd. Apr. 2003 COO, Information and Telecommunication Systems, Hitachi Ltd. Jun. 2003 Director and COO, Information and Telecommunication Systems, Hitachi Ltd. Apr. 2004 Managing Executive Officer, Hitachi Software Engineering Co., Ltd. Jun. 2005 Became a Company Director Apr. 2007 Managing Director, Hitachi Software Engineering Co., Ltd. (Current position) Jun. 2008 Chairman & Representative Director, Yomiuri Computer Co., Ltd. (Current position)	0

Notes:

1. Director candidate Kenzo Tagami is the Representative Director of Consumer Open Center Ltd., with which the Company has equipment lease agreements and conducts other related business. Director candidate Shinji Moroshima is the Chairman and Representative Director of Yomiuri Computer Co., Ltd., with which the Company has no business relationship. The Company has no special financial relationships with any of the other candidates for director.
2. Shinji Moroshima is a candidate for outside director.
3. The Company's reasons for selection of Shinji Moroshima as a candidate for outside director and confidence in his abilities to fulfill his duties as an outside director are based on his long years engaged in business management and the experience and expertise gained as a management specialist. We believe that these skills equip Mr. Moroshima to perform management supervisory and checking functions for the Company.
4. Regarding responsibilities as defined under Paragraph 1, Article 423, of Japan's Companies Act, Shinji Moroshima and the Company have signed a liability limitation agreement that restricts the degree of responsibility to be borne by Mr. Moroshima under Paragraph 1, Article 427, of this act, provided his duties are executed with good intent and without gross negligence. We will proceed with this agreement with Mr. Moroshima, if his appointment is approved.

Item 4: Election of One (1) Corporate Auditor

The term of office for one (1) of the four (4) corporate auditors of the Company expires at the conclusion of this Ordinary General Meeting of Shareholders. We propose the election of one (1) corporate auditor.

The candidate for the position of corporate auditor is as follows:

Name (Date of Birth)	Brief Personal History and Representative Positions in Other Companies	Number of Shares of the Company Owned
Daiken Tsunoda (January 29, 1967)	Oct. 1991 Passed the bar examination Apr. 1994 Registered with the Tokyo Bar Association, joined Mori Sogo law office (now Mori Hamada & Matsumoto law office) Jan. 2001 Became Partner at Mori Sogo Mar. 2003 Participated, became partner in Nakamura Tsunoda law office (now Nakamura, Tsunoda & Matsumoto law office) Jun. 2005 Auditor at INES Corporation (Current position)	0

Notes:

1. Daiken Tsunoda is a candidate for outside corporate auditor.
2. Mr. Tsunoda is a member of the Independent Committee for takeover defense countermeasures. Mr. Tsunoda has no other special-interest relationships with the Company.
3. The Company's reasons for selection of Mr. Tsunoda as a candidate for outside corporate auditor and confidence in his abilities to fulfill his duties as an outside corporate auditor are based on his extensive experience in corporate law and the experience and expertise gained as an attorney. We believe that these skills equip Mr. Tsunoda to perform auditory functions for the Company.
4. At present, Mr. Tsunoda is an outside corporate auditor at the Company, a role he has performed for four years as of the conclusion of this General Meeting of Shareholders.
5. Regarding responsibilities as defined under Paragraph 1, Article 423, of Japan's Companies Act, Mr. Tsunoda and the Company have signed a liability limitation agreement that restricts the degree of responsibility to be borne by Mr. Tsunoda under Paragraph 1, Article 427, of this act, provided his duties are executed with good intent and without gross negligence. We will proceed with this agreement with Mr. Tsunoda, if his appointment is approved.

Item 5: Revision of Compensation for Corporate Directors and Corporate Auditors

Current annual compensation for corporate directors, approved at the 44th Ordinary General Meeting of Shareholders held on June 23, 2006, is an amount up to ¥180 million, and current monthly compensation for corporate auditors, approved at the 32nd Ordinary General Meeting of Shareholders held on June 29, 1994, is an amount up to ¥3.5 million. At a recent Board of Directors meeting held on May 25, 2009, a proposal as a condition to the approval of the resolution of the original proposal, at the conclusion of this Ordinary General Meeting of Shareholders, along with the vote on the elimination of the executive retirement bonus system, to add the amount remaining after the elimination of the appropriate system to the existing directors' compensation allowance. In line with this, the total annual compensation for corporate directors will be up to ¥300 million, and the compensation for corporate auditors will switch from a monthly to an annual basis and a total amount of up to ¥72 million per year.

The above compensation for corporate directors will take into account the Company's earnings and the corporate director's contribution to earnings in the given fiscal year and is inclusive of salary and bonus, however, it does not include share option compensation for corporate directors, nor does it include salary or bonus in the event a corporate director takes on an additional post as an executive officer or other type of employee.

In the event that the proposed Item 3 (Expiration of Term of Office for All Corporate Directors, Election of Seven (7) Corporate Directors) and Item 4 (Election of One (1) Corporate Auditor) resolutions are approved, the total number of corporate directors will remain the same at seven members (of whom one is an outside director), and the total number of corporate auditors will remain the same at four members (of whom three are outside auditors).

Item 6: Grant of Retirement Allowance for Retiring Directors and Cancellation of Provision for Retirement Bonuses for Corporate Directors and Corporate Auditors in Accordance with the Elimination of the Executive Retirement Bonus System

At the conclusion of this Ordinary General Meeting of Shareholders, Masataka Koyama and Takeshi Nozawa will resign as corporate directors of the Company, and along with Daiji Hayashi, Shinichi Endo, Yuji Ariyoshi, Shoichiro Inoue, Fumiyuki Shibuya and Hiroshi Hogaki, who resigned their positions as corporate directors of the Company at the conclusion of the previous Ordinary General Meeting of Shareholders, will be rewarded by the current members of the Board of Directors for their meritorious deeds, and in accordance with the established criteria will be granted retirement bonuses. However, retiring outside corporate directors will not be granted retirement bonuses.

Furthermore, the total amount of bonuses paid to retiring corporate directors is ¥159,800,000. The specific amount, timing and method of payment to each party is entrusted to the Board of Directors.

The following is a career summary of retired directors who will receive retirement bonuses.

Name	Career Summary	
Masataka Koyama	Jun. 2003 Jun. 2005 Jun. 2008 Mar. 2009	Director Managing Director Director (Managing Executive Officer) Director (Current position)
Takeshi Nozawa	Jun. 2007 Jun. 2008 Mar. 2009	Director Director (Managing Executive Officer) Director (Current position)
Daiji Hayashi	Jun. 2004 Jun. 2003 Jun. 2005 Jun. 2008	Managing Director Senior Managing Director President & Representative Director Resigned as President & Representative Director
Shinichi Endo	Jun. 2003 Jun. 2008	Director Resigned as Director
Yuji Ariyoshi	Jun. 2005 Jun. 2008	Director Resigned as Director
Shinichiro Inoue	Jun. 2005 Jun. 2008	Director Resigned as Director
Fumiyuki Shibuya	Jun. 2007 Jun. 2008	Director Resigned as Director
Hiroshi Hogaki	Jun. 2007 Jun. 2008	Director Resigned as Director

Related to management reform, at a Board of Directors meeting held on May 25, 2009, as a condition to the approval of the resolution proposed in the Item 5 (Revision of Compensation for Corporate Directors and Corporate Auditors), at the conclusion of this Ordinary General Meeting of Shareholders we will abolish the executive retirement bonus system. In line with this, as a condition to the approval of this resolution at this Ordinary General Meeting of Shareholders, corporate directors Yasuhiko Igarashi, Yoshihiro Hayashi, Shoji Hanazato and Kenzo Tagami and standing corporate auditors Masao Tadokoro and Tomochika Hayashi will be rewarded for their meritorious deeds in accordance with the established criteria by being granted retirement bonuses of a suitable amount equivalent to and within the scope of their terms of office at the conclusion of this Ordinary General Meeting of Shareholders. A truncated payment will be made, with the total amount for bonuses to retiring corporate directors limited to ¥74,100,000, and the total amount for bonuses to retiring standing corporate officers limited to ¥12,000,000. The bonuses will be awarded to corporate directors at the time of their resignation of both directors and executive officers, as well as standing corporate auditors, at the time of their resignation, with the specific individual amounts and payment method for directors entrusted to the Board of Directors, and the specific individual amounts and payment method for standing corporate auditors entrusted to the Auditors.

Following is a career summary of corporate directors and standing corporate auditors who will receive truncated retirement bonus payments.

Name	Career Summary	
Yasuhiko Igarashi	Jun. 2008	President & Representative Director (Current position)
Yoshihiro Hayashi	Jun. 2007 Jun. 2008	Managing Director Director (Managing Executive Officer) (Current position)
Shinji Hanazato	Jun. 2005 Jun. 2007 Jun. 2008	Director Managing Director Director (Managing Executive Officer) (Current position)
Kenzo Tagami	Jun. 2005 Oct. 2008	Director Director (Managing Executive Officer) (Current position)
Masao Tadokoro	Jun. 2007	Auditor (Standing) (Current position)
Tomochika Hayashi	Jun. 2007	Auditor (Standing) (Current position)

Item 7: Renewal of Basic Policy Regarding Countermeasures to Large-Scale Purchases of Company Stock (Takeover Defense Measures)

The Basic Policy Regarding Countermeasures to Large-Scale Purchases of Company Stock (Takeover Defense Measures) (hereinafter, the “Former Basic Policy”) was approved at the 44th Ordinary General Meeting of Shareholders, convened on June 23, 2006. At a meeting of the Company’s Board of Directors held on the same day, Countermeasures to Large-Scale Purchases of Company Stock (hereinafter, the “Former Plan”) were introduced as specific countermeasures. However, the effective period of each expires at the close of this Ordinary General Meeting of Shareholders.

Owing in part to legal revisions that have been implemented since the Former Plan was introduced, the Company has considered further the continuation of the Countermeasures to Large-Scale Purchases of Company Stock.

As a result, in accordance with Article 20 of the current Articles of Incorporation, conditional upon approval of the second item for resolution (Partial Amendments to the Articles of Incorporation), the Company requests approval at this Ordinary General Meeting of Shareholders of the proposal to renew the content of the Basic Policy Regarding Countermeasures to Large-Scale Purchases of Company Stock (hereinafter, the “Basic Policy”), which is based on Article 20 of the current Articles of Incorporation, with the required changes to the Former Basic Policy indicated below, as an initiative to prevent inappropriate persons from controlling the Company’s decisions on financial matters and business policies (Item 3 (b), Article 118, of the Companies Act Enforcement Regulations) for the purpose of securing and improving the Company’s corporate value and the common interests of shareholders (hereinafter “Corporate Value and the Common Interests of Shareholders”).

1. Basic Policy regarding Persons Who Control the Company's Decisions on Financial Matters and Business Policies

The Company's core strategy is to be an integrated provider of solution services, ranging from the design and development of information systems to the operation and maintenance of these systems after they have gone on line. We endeavor to secure and improve Corporate Value and the Common Interests of Shareholders by pursuing and realizing characteristics and strengths that are unique to the Company.

Japan's capital markets, meanwhile, against the backdrop of new developments in the legal system and changes in corporate structures and cultures, elicit actions that could culminate in a sudden and forced large-scale purchase of a company's shares without a process for sufficient consultation with and agreement by the management team of the target company.

The Company remains aware that a large-scale purchase of the Company's shares could contribute to the Company's corporate value and the common interests of its shareholders, and does not negate this possibility out of hand. We believe that a decision to accept or reject a proposed large-scale share purchase that would result in a change of rights to control a stock company ultimately should be based on the overall intent of all shareholders.

However, in the event of a large-scale purchase of shares which purpose is an unambiguous infringement on Corporate Value and the Common Interests of Shareholders and that effectively compels shareholders to sell their shares, the Board of Directors of the target company would be unable to contribute to Corporate Value and the Common Interests of Shareholders absent sufficient time and information to make an alternative proposal and negotiate with the acquirer for more advantageous conditions than the acquirer has offered the target company.

In particular, the Company provides information systems that constitute the core infrastructure for public services that support societal activity through its work with regional government bodies and financial institutions. Consequently, we must build long-term, trust-based relationships and business relations with our clients and have in place the development and engineering, personnel, facilities, control, security and financial structures to provide stable services over the long term, and in this manner the Company moves forward to secure and improve Corporate Value and the Common Interests of Shareholders. Absent sufficient understanding of these circumstances and the will to secure and improve these activities over the long term, an acquirer of the Company's shares could damage the Company's Corporate Value and the Common Interests of Shareholders.

The source of the characteristics and strengths that underlie the Company's corporate value is various Company software such as WebRings, a Web-based integrated software system to assist government entities, and various software assets comprising packages and tools that are packaged as solution software for specific industries and types of business. The accumulated expertise and experience involved is an intangible asset.

Accordingly, in the event of an acquisition proposal by an outside acquirer, it would be no simple task for shareholders to appropriately value the Company's intangible management assets and the source of these managerial assets based on management plans to realize future impacts, and other components of the Company's corporate value, as well as the effects of an acquisition on the Company's Corporate Value and the Common Interests of Shareholders, appropriately and within a short period of time.

Taking such circumstances into consideration, absent an existing threat, the Company believes it essential to set in place a system to deter a large-scale purchase that would harm the Company's corporate value and the common interest of shareholders, and secure the necessary information and time to allow shareholders to decide whether to respond positively or negatively to a large-scale purchase and enable the Company's Board of Directors to present an alternative proposal and to negotiate with an acquirer on behalf of the shareholders.

2. Special Initiatives to Contribute to the Realization of the Basic Policy

(1) Initiatives to Enhance Corporate Value

In fiscal 2008, the Company formulated a medium-term business plan encompassing the three years from fiscal 2009 through fiscal 2011. The basic policies of our medium-term plan are to solidify our foundation for sustained growth and thus become a corporation that satisfies all its stakeholders and to deploy the Company's strengths to enter new businesses and cultivate new customers. Realizing that the goals of the plan will require structural business reforms that were initiated in fiscal 2008. Specifically, we will introduce the following measures.

In the system operation business, a key INES strength, we will open a Managed Center in fiscal 2009. At the same time, we will set up Internet Exchange (IX) points for bundled networks in order to upgrade customer services and establish competitive data centers to enhance operational efficiency and quality. In the system development business, we will introduce development tools aimed at raising productivity and quality. Next, we will focus on nurturing core partner companies, and deploy offshore resources. We will also upgrade the Quality Assurance Department to lower the incidence of failing projects.

To boost orders and revenue, we will target strategic M&A activities that help maximize synergies with INES Group companies. We will strengthen our salespeople and foster a team of sales specialists. We will establish a new business foundation by actively entering new businesses. At the same time, we will advance our BCP business using our strengths in the operation of multiple data centers. In addition, we will promote alliances under our "N-times strategy" covering packaged software. In addition, to foster personnel who can handle our businesses effectively, we will focus on utilizing female and foreign workers to address Japan's low-birthrate society and expand our offshore operations. In addition, we will expedite recruitment of controllers.

By faithfully implementing the specific plans mentioned above, we believe that we can deliver further increases in the Company's Corporate Value and the Common Interests of Shareholders.

(2) Initiatives to Enhance Corporate Governance

The Company has established the following basic policies on corporate governance to achieve sustained increases in corporate value and contributions to the common interests of shareholders.

- (a) In addition to protecting the rights and interests of, and guaranteeing equality of all stakeholders, we seek to build smooth relationships with all shareholders and other stakeholders, to maintain sound Company operations.
- (b) We will promote the transparency of corporate activities by targeting the appropriate and timely disclosure of information about the Company's financial position, performance and ownership, as well as important items including corporate governance.
- (c) We will strengthen the management supervisory functions of the Board of Directors and the Board of Corporate Auditors, in order to ensure accountability to shareholders.

To clarify the management team's responsibility to shareholders, the tenure of directors has been reduced to one year, and one of the seven existing directors is an outside director. Also, three of the four existing auditors are outside auditors. Based on this executive organization and in accordance with the above-stated basic policy on corporate governance, regular Board of Directors meetings are held each month. These meetings are attended by all directors, including the outside director, as well as all auditors, including outside auditors. The outside director and auditors take an active part in the discussions, and express their opinions.

The Board of Directors appoints executive officers to execute the business of the Company. A management meeting comprising executive officers is convened regularly each month to discuss important matters related to the execution of business, to

deliberate and consider in a practical matter the Company's management plans, organizational structure, financial condition and business conditions, and to contribute to quick management decision-making. Auditors also attend the management meeting to ensure sufficient supervision of business execution.

An Internal Audit Office, which the president instructs directly, is in place at the Company to ensure the appropriateness of operations. An appropriate environment is provided in which the Company's accounting auditor can appropriately conduct accounting audits throughout the fiscal year and without ending at fiscal year-end. The auditors liaise sufficiently with the Internal Audit Office and the accounting auditor, and to ensure the appropriate auditing of business execution, the Board of Auditors meets on a regular monthly basis to hear the status of business execution directly from the departments that execute that business.

To ensure that directors execute their duties in accordance with laws, regulations and the Articles of Incorporation, and to ensure that the Company's operations are appropriate, at a meeting on May 25, 2006, the Board of Directors resolved the Basic Policy on the Creation of a Structure for Internal Control Systems. This basic policy is in accordance with the structure prescribed by the Companies Act, and covers all matters considered necessary from the standpoint of internal control. This policy is verified at the end of each business year and revised as necessary to reinforce corporate governance.

3. Initiatives to Prevent Persons Deemed Inappropriate According to the Basic Policy from Controlling the Company's Decisions on Financial Matters and Business Policies

(1) Overview of the Basic Policy

For the purpose of securing and improving Corporate Value and the Common Interests of Shareholders, the Company's Board of Directors has resolved to implement specific countermeasures (hereinafter, the "Plan") as provided in the Outline of the Plan in section (2) below. The content of the plan includes, through timely disclosure to financial instruments exchange, disclosure of the Company's business report and other legally stipulated disclosure documents and publication on the Company's website, advance warning of procedures that are to be followed by acquirers of the Company's shares and discriminatory conditions for exercising and conditions for acquiring allotments of share options without contribution, through the Countermeasures to Large-Scale Purchases of Company Stock (measures to prevent takeover in times when there is no existing threat).

(2) Outline of the Plan

(a) Overview of the Plan

In accordance with the procedures for implementing acquisition provided in section (c) below, the Company shall secure from the acquiring party or the party making a proposal (hereinafter, the "Acquirer") as provided in section (b) below, and information and time to consider the acquisition. Furthermore, in the event of any of the events described below in section (e) (i), the Company shall not accept said Acquirer's right to exercise under the conditions for exercise (discriminatory conditions for exercise) and the Company shall acquire, as provided share options with the content provided below (hereinafter, "Share Options") as described in sections (e) and (v) below, from parties other than said Acquirer in exchange for transfer of the Company's shares.

(b) Applicable Acquisitions

Acquisitions subject to the plan shall be those purchases that are indicated in or similar to items i. and ii. below.

- i. An acquisition that would result in the holding ratio of share certificates, etc. (Note 3) of a holder (Note 2) amounting to 20% or more of the share certificates, etc., issued by the Company (Note 1).

- ii. A tender offer (Note 5) that would result in the owning ratio of share certificates, etc., (Note 6) and the owning ratio of share certificates, etc., of a person having a special relationship (Note 7) with the acquirer totaling at least 20% of the share certificates, etc., issued by the Company.

(c) Procedures an Acquirer Is Required to Take

In order for the Acquirer to conduct an acquisition, unless accepted separately by the Company's Board of Directors, prior to implementing said acquisition the acquirer shall submit to the Company details about the Acquirer, the purpose of the acquisition, its method and content, basis for calculating the price of the acquisition, funding behind the acquisition, policies for managing the Group following the acquisition, and other necessary information to be provided specifically by the Company's Board of Directors upon the renewal of the Plan (hereinafter, "Required Information"), as well as a manual containing procedures describing procedures in accordance those provided for in the Plan (hereinafter, "Acquisition Manual").

Upon receipt of the above-stated Acquisition Manual, the Company's Board of Directors shall promptly submit the manual to the Independent Committee (for details, refer to (f) below, hereinafter the same). In the event that the Independent Committee judges said Acquisition Manual to be insufficient in consideration of the above-stated Required Information, the acquirer shall, in accordance with the request of the Independent Committee, provide additional information within the response period provided by the Independent Committee.

From the standpoint of securing and improving the Company's corporate value and the common interests of the shareholders, the Independent Committee shall set an appropriate response period (however, in principle a period not to exceed 60 days) to provide the necessary time to compare and consider the content of the Acquisition Manual and the Required Information against management plans by the Company's Board of Directors, for the Company's Board of Directors to make their own evaluation of corporate value and to provide an alternative proposal to shareholders. In addition, this period shall secure time for the Company's Board of Directors to gather information and appraise Company value (including consideration by outside specialists, as needed) in order to make an alternative proposal to the shareholders. The acquirer may also be required to provide opinions and evidentiary material on the content of the acquisition, and to provide information and materials for alternative proposals and other information that the Independent Committee considers necessary.

(d) Consideration of the Terms of the Acquisition, Negotiation with the Acquirer and Presentation of Alternative Plans

In the event that the Independent Committee accepts as sufficient the information provided as mentioned above in section (c), the Independent Committee shall establish a maximum consideration period of 60 days (hereinafter, "Consideration Period"). (However, in the event that this period is insufficient to make a recommendation as described below in sections (e),(i) and (ii), the Consideration Period may be extended, as necessary, for a period of up to 60 days.)

During the Consideration Period, the Independent Committee shall evaluate and consider acquisition the Acquirer, from the standpoint of securing and improving Corporate Value and the Common Interests of Shareholders, based on the information and materials submitted by the Acquirer and the Company's Board of Directors.

If necessary, to improve the content of the acquisition the Independent Committee may consult or negotiate with said Acquirer either directly or indirectly through the Company's Board of Directors. The Independent Committee may also present to shareholders alternative proposals by the Company's Board of Directors.

In addition, during the Independent Committee's Consideration Period the Acquirer may, either individually or through the Company's Board of Directors, provide materials and other information for consideration and request consultation or negotiation. In such a case, the Independent Committee must respond promptly.

The Independent Committee may, at the Company's expense, request counsel from independent third-party specialists (financial advisors, attorneys, certified public accountants, etc.).

- (e) Conducting the Allotment of Share Options without Contribution
 - (i) Positive Recommendation by the Independent Committee

The Independent Committee shall make a recommendation to the Company's Board of Directors in favor of introducing the allotment of share options without contribution if it judges applicable any of the items provided below.
 - (A) In the event that the Acquirer does not provide the information provided for in section (c) above or does not comply with procedures for securing the Consideration Period or other procedures of in the Plan.
 - (B) If the implementation of an allotment of share options without contribution is considered appropriate upon evaluation and consideration of the information and materials provided by the Acquirer and the Company's Board of Directors, in which either of sections 1) or 6) mentioned below apply to an acquisition by the Acquirer.
 - 1) An acquisition that involves actions that include or resemble those stated below, making the acquisition an unambiguous infringement of the Company's Corporate Value and the Common Interests of Shareholders
 - a) The action of purchasing share certificates, etc., and demanding that the Company pay a large amount in return for its purchase of those share certificates, etc.
 - b) Actions that involve temporary control of the Company's management, acquiring important company assets at a low price and other management actions that involve sacrifices to the Company in the interest of the Acquirer
 - c) Activities that involve collateral to debts of the Acquirer or its group companies, etc., or the reimbursement of underlying assets
 - d) Taking temporary control of the management of the Company and disposing at a high price of assets that have not been related to the Company's operations for some period of time and through this disposal of this interest setting a temporarily high dividend, causing the price of the Company's shares to make a sudden and temporary rise, and taking advantage of this rise to sell its shares at a high price
 - 2) A forced, two-stage acquisition (defined as the process of acquiring shares from all shareholders without inducement initially, and at the second stage setting purchase conditions that are unfavorable to shareholders or making an unclear share acquisition such as through a tender offer) or other acquisition that effectively compels shareholders to sell share certificates, etc.
 - 3) An acquisition that does not rationally provide the Company with sufficient time to present an alternative proposal
 - 4) An acquisition that does not rationally provide the Company's shareholders with sufficient Required information and other information content to enable the shareholders to make a rational decision

- 5) An acquisition with conditions (amount and type of consideration, period for the acquisition, legality of the acquisition, probability of the acquisition being conducted, philosophy of post-acquisition treatment of the Company's employees, business partners, customers and other entities having special-interest relationships with the Company) that take into insufficient consideration the intrinsic value of the Company
- 6) An acquisition that, because the content of its post-acquisition management policies or operating plans are insufficient or inappropriate, could cause significant damage to the Company's source of corporate value, e.g. the ongoing, trust-based relationships between the Company and its customers, transactional relationships, or its ability to provide stable, long-term services.

However, if after the Independent Committee makes said recommendation the Acquirer rescinds the acquisition or if the acquisition is revoked for some other reason, or if assumptions behind the decision for the above-stated recommendation change because of an effective change in relationship, in the event that the Independent Committee decides that acquisitions by an Acquirer described in sections (A) and (B) above do not apply, the Independent Committee may recommend that that the Company's Board of Directors either stop the allotment of share options without contribution or make a separate decision that includes the post-allotment acquisition of share options without contribution.

Even if it determines that the conditions mentioned above in either (A) or (B) apply, if the Independent Committee judges that a resolution by the General Meeting of Shareholders to determine enactment allotment of share options without contribution is appropriate, the Independent Committee may recommend to the Company's Board of Directors the convocation of a General Meeting of Shareholders and the creation of a supplementary proposal to the implementation of an allotment of share options without contribution.

(ii) Negative Recommendation by the Independent Committee

The Independent Committee shall make a recommendation to the Company's Board of Directors against the allotment of share options without contribution if the Independent Committee determines that either of the conditions stated above in (i) (A) and (B) do not apply.

However, if an effective change in relationship alters the assumptions behind such recommendation, and if the Independent Committee determines that decides that acquisitions by an Acquirer described in sections (i) (A) and (B) above do apply, the Independent Committee may make a separate decision that includes a recommendation to the Company's Board of Directors to introduce the allotment of share options without contribution.

(iii) Disclosure of Information to Shareholders

If the Independent Committee determines that any of the items mentioned above are appropriate, either the Company's Board of Directors or the Independent Committee shall disclose such information to investors promptly after the facts emerge.

- 1) The fact that an acquirer has emerged
- 2) The fact that an Acquirer has submitted an Acquisition Manual and an overview of its content
- 3) The fact that Required Information has been provided and an overview of its content
- 4) The fact that the Consideration Period has begun

- 5) The fact that a resolution has been passed to extend the Consideration Period and an overview of the reasons
- 6) The fact of a recommendation by the Independent Committee and an overview of its content (if making a separate recommendation after the initial recommendation because of an effective change in relationship, an overview of the content of that reality)

(iv) Compliance by the Company's Board of Directors with the Independent Committee's Recommendation

The Company's Board of Directors shall comply, as fully as possible, with the recommendation of the Independent Committee, as described in (i) and (ii) above, and as prescribed in the Companies Act promptly resolve to implement or not to implement an allotment of share options without contribution.

However, in event that the Independent Committee recommends calling a General Meeting of Shareholders and making a supplementary resolution related to the allotment of share options without contribution, unless it is practically problematic to convene a General Meeting of Shareholders, the Board of Directors shall convene a General Meeting of Shareholders as quickly as is practically possible. To this end, the Board of Directors shall promptly call a General Meeting of Shareholders and provide a supplementary proposal related to conducting an allotment of share options without contribution.

At said General Meeting of Shareholders, if a resolution is passed in favor of conducting an allotment of share options without contribution, in accordance with this decision by the General Meeting of Shareholders the Company's Board of Directors shall commence with the necessary procedures for conducting an allotment of share options without contribution. (In the event that a resolution is passed by the Board of Directors authorizing the decision by the General Meeting of Shareholders for the allotment of share options without contribution, the Board of Directors shall resolve to conduct an allotment of share options without contribution). However, if at said General Meeting of Shareholders, if a resolution is passed in opposition to conducting an allotment of share options without contribution, the Company's Board of Directors shall pass a resolution not to conduct an allotment of share options without contribution.

The Acquirer may not conduct an acquisition in the interval during which the Company's Board of Directors resolves either to conduct or not to conduct an allotment of share options without contribution, or if the above-mentioned General Meeting of Shareholders is convened the interval during which the proposal on the allotment of share options without contribution is accepted or rejected.

If the Company's Board of Directors resolves to conduct or not to conduct an allotment of share options without contribution, if a resolution is passed to convene a General Meeting of Shareholders as indicated above, the General Meeting of Shareholders resolves to conduct or not to conduct an allotment of share options without contribution, the Company's Board of Directors shall promptly disclose an overview of said resolution and matters that the Company's Board of Directors considers appropriate.

(v) Summary of the Allotment of Share Options without Contribution

A summary of the allotment of share options without contribution is as follows.

1) Number of Share options

The Company's Board of Directors shall resolve on the allotment of share options without contribution a number provided specifically that shall not exceed two times the final number of the total number of shares issued

(excluding, however, the number of the Company's shares that is held by the Company) on a separately provided allotment date (hereinafter, "Allotment Date") in accordance with a resolution by the Company's Board of Directors on the allotment of share options without contribution (hereinafter, "Gratis Allotment Resolution")

- 2) Shareholders Eligible for Allotment
Share options without contribution shall be allotted to XXX, in a ratio provided specifically by the Company's Board of Directors not to exceed two share options per share, to shareholders excluding the Company itself registered in the Company's shareholder registry as of the Allotment Date.
- 3) Effective Date of the Allotment of share options without contribution
The Company's Board of Directors shall specifically determine the date for the allotment of share options without contribution at a later time
- 4) Number of Shares per Share Option
One of the Company's shares shall be provided per share option, notwithstanding adjustment elsewhere (Note 8) (as prescribed by the Act on Book-Entry Transfer of Company Bonds, Shares, etc., with transfer shares as provided by Paragraph 1, Article 128, of the same law)
- 5) Value of Property to Be Contributed to Exercise Share Options
As monies subject to contribution at the time of exercising share options, the value of property to be contributed per each of the Company's shares shall be a value provided specifically by the Company's Board of Directors in a resolution on the allotment of share options without contribution in a range that is no less than one yen and no more than one-half the current value of the each of the Company's shares.
- 6) Exercise Period for Share options
The period shall be provided specifically by the Company's Board of Directors in a resolution on the allotment of share options without contribution that beings on the first date that is provided specifically an in a period ranging from one month to two months.
- 7) Conditions for Exercising Share options
In principle, parties prescribed in (a) through (f) below (hereinafter, collectively referred to as "Ineligible Parties") may not exercise share options.
 - a) A specified large-scale holder^(Note 9)
 - b) The joint holder^(Note 10) stated in a)
 - c) A specified large-scale acquirer^(Note 11)
 - d) A person having a special relationship with the party stated in c)
 - e) A party that has assigned share options in transfer to a party prescribed above under (a) or (d) without the approval of the Company's Board of Directors
 - f) A related party^(Note 12) to a party prescribed by a) or e)
- 8) Restrictions on the Transfer of Share options
The acquisition through transfer of share options requires approval from the Company's Board of Directors.
- 9) Grounds for Receipt of Share options
 - a) The Company may acquire all share options without contribution on any day preceding the first day of the exercise period for share options.
 - b) That may acquired unexercised share options from parties other Ineligible Parties, and deliver one share per each share option (unless adjusted elsewhere) on the specifically stated date by the Company's Board of Directors

c) Conditions under which the Company may separately acquire share options shall be provided by the Company's Board of Directors in a specific resolution on the allotment of share options without contribution.

10) Other

Other matters pertaining to share options shall be as provided specifically by the Company's Board of Directors in a resolution on the allotment of share options without contribution.

(f) Regarding the Independent Committee

In order to prevent the Company's Board of Directors from judging arbitrarily on the implementation or non-implementation of the Plan based on allotment of share options without contribution, an Independent Committee is in place, comprising members who are independent of the management team that executes the Company's business. The Independent Committee shall comprise three or more committee members appointed from a pool that includes an outside director of the Company, an outside auditor of the Company or an outside expert (an experienced corporate manager, a person originating from a government entity, an attorney, a certified public accountant, an experienced academic, etc.) and announced publicly.

In principle, resolutions by the Independent Committee shall be made when all committee members are present and by majority decision. However, in the event of an accident or on other unavoidable grounds, resolutions may be passed by a committee majority at a meeting in which a majority of committee members are present.

Additional matters related to the Independent Committee shall be as provided specifically by the Company's Board of Directors.

(g) Abolition of the Plan

In the event that the Company's Board of Directors passes a resolution to abolish the Plan, the Plan shall be abolished at that time.

(h) Other

Details of the Plan other than those provided above in sections (a) through (g), resolutions that decide upon the renewal of the Plan are as provided specifically by the Company's Board of Directors.

(3) Effective Period of the Basic Policy

The effective period of the basic policy shall be three years or less following this Ordinary General Meeting of Shareholders, concluding at the close of an ordinary General Meeting of Shareholders at the conclusion of a business year. This period notwithstanding, the Basic Policy may be revised or abolished by resolution of the Company's General Meeting of Shareholders. In such an event, the Plan shall also be promptly changed or abolished in accordance with changes in the Basic Policy.

(Reference)

The content of the Basic Policy is as stated above in section 3. above. Judgments and reasons related to judgments affecting shareholders and other investors or related to the Basic Policy, are as indicated below. The Company requests that shareholders approve this proposal after taking these points under consideration.

Impact on Shareholders and Other Investors

(1) Impact on Shareholders and Other Investors of Renewing the Basic Policy and the Plan during the Renewal Period

No allotment of share options without contribution itself will take place during the period for the renewal of the Basic Policy and the renewal of the Plan. Therefore, there will be no direct or specific impact on shareholders and other investors during the renewal period.

(2) Impact on Shareholders and Other Investors during the Period of Allotment of Share Options without Contribution

If the Plan is renewed, in the event that the allotment of share options without contribution is conducted according to the Plan's procedures, on an Allotment Date provided specifically and by resolution on the allotment of share options without contribution provided separately by the Company's Board of Directors, in an allotment provided separately through the resolution on the allotment of share options without contribution by the Company's Board of Directors, share options shall be provided without contribution to shareholders, at a rate of up to two share options for each of the Company's shares held.

If shareholders pay the prescribed monies corresponding to the exercise price within the period for exercising share options and act in accordance with other procedures for exercising share options, this will have the effect of diluting the overall value of the Company's shares. However, the Company may, by decision of its Board of Directors, acquire share options from shareholders other than Ineligible Parties and in exchange deliver a transfer of the Company's shares. If the Company follows these procedures, the overall value of the Company's shares held will not be diluted for shareholders other than Ineligible Parties because those shareholders will receive the Company's shares in consideration for acquiring the Company's shares without exercising share options or paying monies corresponding to the exercise price.

If, after a resolution on the allotment of share options without contribution is passed, the allotment is cancelled or share options are acquired without contribution, the value of each of the Company's shares will not be diluted, so shareholders or investors who conducted transactions in anticipation of a per-share dilution in the value of the Company's shares may be significantly affected (including damage) by changes in the price of the Company's shares

Judgments by the Company's Board of Directors regarding the Above-Mentioned Initiatives and the Reasons for Those Judgments

(1) Special Initiatives that Contribute to the Realization of the Basic Policy Indicated in 1. Above (Those Initiatives Indicated in 2. Above)

Each of the measures mentioned in section 2., above with regard to initiatives to enhance corporate value and each of the individual measures that are initiatives to enhance corporate governance are specific measures to enhance ongoing and sustainable increases in the Company's Corporate Value and the Common Interests of Shareholders and contribute to the introduction of the basic policy mentioned in section 1. above.

Consequently, in accordance with the basic policy mentioned above in section 1 each measure is in accordance with the common interests of the shareholders and is not for the purpose of sustaining the positions of the Company's directors.

(2) Initiatives to Prevent Control of the Company's Decisions on Financial Matters and Business Policies (Those Initiatives Indicated in 3. Above) by Inappropriate Persons, as Indicated in 1. Above

(a) Basic Policy in Line with Above-Stated "1. Basic Policy"

In the event of an acquisition of the Company's share certificates, etc., the Basic Policy establishes a framework to secure the Company's corporate value and the common interests by securing the information and time needed for the shareholders to determine whether said acquisition should be continued, for the Company's Board of Directors to make an alternative proposal to shareholders and to consult or negotiate with the Acquirer on behalf of the shareholders.

(b) These Initiatives Are Not Intended to Harm the Common Interests of the Shareholders or to Sustain the Positions of the Company's Directors

For the following reasons, in light of the basic policy mentioned above in section 1., the Company believes that the Basis Policy does not harm the common interests of

the Company's shareholders and is not for the purpose of sustaining the positions of the Company's directors.

1) Sufficient Requirements for Guidance on Takeover Defense Measures

Basic Policy satisfies the three principles in the Policy regarding Takeover Defense Measures to Secure or Increase Corporate Value and the Common Interests of Shareholders" announced on May 27, 2005, by the Ministry of Economy Trade and Industry and the Justice Ministry (the principle of securing and increasing Corporate Value and the Common Interests of Shareholders, the principle of prior disclosure and the intent of shareholders, the principle of necessity and appropriateness).

2) Reflecting the Intent of Shareholders

The Basic Policy will be established upon approval at the above-mentioned Ordinary General Meeting of Shareholders.

As stated above in Section 3. (3) "Effective Period of the Basic Policy," the effective period of the Basic Policy shall be approximately three years, with a number of sunset conditions in place. Also, even before the end of its effective period the Basic Policy may be changed or abolished by resolution of the Company's General Meeting of Shareholders. Even during the effective period of the Basic Policy, the Plan may be abolished by resolution of a Board of Directors comprising directors appointed by the Company's General Meeting of Shareholders. Accordingly, the intent of shareholders is sufficiently reflected in the Basic Policy and corresponding renewal of the Plan.

3) Emphasis on the Decisions of Highly Independent Outsiders and the Disclosure of Information

As mentioned above in section 3. (2) (f) Regarding the Independent Committee, under the Basic Policy the effective judgment on the implementation of the allotment of share options without contribution is made by the Independent Committee, which comprises only members who are independent from the management team that executes the Company's business. In this sense, the Independent Committee conducts stringent supervision to ensure that the Company's Board of Directors does not arbitrarily make an allotment of share options without contribution. At the same time, an overview of this judgment must be disclosed to shareholders. Accordingly, the operational structure of the plan is designed to secure the Company's Corporate Value and the Common Interests of Shareholders.

In the event that the Basic Policy is approved by this Ordinary General Meeting of Shareholders and the renewal of the Plan is resolved by the Company's Board of Directors, the intended appointees as members of the Independent Committee are outside auditors of the Company, Messrs. Tomochika Hayashi and Daiken Tsunoda, and Mr. Tadahikio Fukuhara, an outside expert. For abbreviated backgrounds on these candidates, please refer to the document titled "Abbreviated Backgrounds of People Slated for Selection as Independent Committee Members."

4) Establishment of Rational and Objective Requirements

As is mentioned above in section 3. (2) e) (i) "Positive Recommendation by the Independent Committee," the system is designed to prevent the Company's Board of Directors from arbitrarily setting in motion the allotment of share options without contribution, unless rational and detailed objective requirements are satisfied.

5) Getting Opinions from Outside Specialists

As is mentioned above in section 3. (2) (d) "Consideration of the Terms of the Acquisition, Negotiation with the Acquirer and Presentation of Alternative Plans," if an Acquirer emerges the Independent Committee may at the Company's expense, request counsel from independent third-party specialists (financial advisors, attorneys, certified public accountants, etc.). This system helps to reinforce the impartiality and objectivity of judgment on the part of the Independent Committee.

6) The One-Year Tenure of the Company's Directors

As the tenure of position of the Company's directors is one year, by appointing the Company's directors each year, the intent of shareholders is reflected in the Basic Policy and the Plan even during the effective period of the Plan.

Abbreviated Backgrounds of People Slated for Selection as Independent Committee Members

Name: Tomochika Hayashi

Background: Apr. 1972 Joined Daiwa Securities Co., Ltd.
Apr. 1999 General Manager, Corporate Fundraising Division, at Daiwa Securities SB Capital Markets Co., Ltd.
Jun. 2000 Executive Officer at NIF SMBC Ventures Co., Ltd.
Apr. 2006 Director at SMBC Ventures Co., Ltd.
Jun. 2007 Corporate Auditor at INES Corporation (Current position)

Name: Daiken Tsunoda

Background: Apr. 1994 Registered with the Tokyo Bar Association, joined Mori Sogo law office (now Mori Hamada & Matsumoto law office)
Jan. 2001 Partner at Mori Sogo
Mar. 2003 Partner at Nakamura and Tsunoda law office (now Nakamura, Tsunoda & Matsumoto law office) (Current position)
Jun. 2005 Auditor at INES Corporation (Current position)

Name: Tadahiko Fukuhara

Background: Apr. 1995 Professor of Law, Faculty of Law, at Chuo University (Current position)
Apr. 2004 Professor of Law, Chuo Law School, at Chuo University (Current position)
Apr. 2004 Registered as attorney (member of the Tokyo Bar Association)
Apr. 2006 Visiting Professor at Open University of Japan (Current position)
Apr. 2007 Joined Maritax Law Office (Current position)
Nov. 2007 Head of Legal Research, Chuo Law School, at Chuo University (Current position)
May 2008 Director at Chuo University (Current position)

- Notes: 1. Messrs. Hayashi and Tsunoda are outside auditors.
2. Mr. Fukuhara is independent from the members of management who execute business. He has no transactional, capital or personal relationship with the Company, nor does he have any special-interest relationships.

- Notes:
1. "Share certificates, etc.," as defined in Paragraph 1, Article 27-23, of the Financial Products and Exchange Act. Unless otherwise provided for in this proposal, this definition is applied throughout this document
 2. Including a person described as a holder under Paragraph 3, Article 27-23, of the Financial Products and Exchange Act (including persons that the Company's Board of Directors judges as falling within this category). This definition is applied throughout this proposal.
 3. "Holding ratio of share certificates, etc." as defined in Paragraph 4, Article 27-23, of the Financial Products and Exchange Act. This definition is applied throughout this proposal.
 4. "Share certificates, etc.," as defined in Paragraph 1, Article 27-2, of the Financial Products and Exchange Act.
 5. "Tender offer," as defined in Paragraph 6, Article 27-2, of the Financial Products and Exchange Act. This definition is applied throughout this proposal.
 6. "Owning ratio of share certificates, etc.," as defined in Paragraph 8, Article 27-2, of the Financial Products and Exchange Act. This definition is applied throughout this proposal.
 7. "Person having a special relationship," as defined in Paragraph 7, Article 27-2, of the Financial Products and Exchange Act (including persons that the Company's Board of Directors judges as falling within this category). Provided, however, that persons provided for in Paragraph 2, Article 3, of the Cabinet Office Ordinances concerning Disclosure of a Tender Offer by an Acquirer other than the Issuing Company are excluded from the persons described in Item 1, Paragraph 7 of the Financial Products and Exchange Act. This definition is applied throughout this proposal.
 8. Even if the Company were in the future to become a "Corporation with Class Shares" (Item 13, Article 2, of the Companies Act), i) shares in the Company issued as the result of exercising share options and ii) shares acquired in trade through the exchange of share options would all be considered a single class of stock (common stock) of the same category as shares outstanding at the commencement of this Ordinary General Meeting of Shareholders.
 9. A "specified large-scale holder" is a party that holds share certificates, etc., issued by the Company that the Company's Board of Directors determines account for a holding ratio of share certificates, etc., of 20% or more.
 10. Defined in Paragraph 5, Article 27-23, of the Financial Products and Exchange Act, including parties regarded the Company's Board of Directors as joint holders pursuant to Paragraph 6 of said Article.
 11. A "specified large-scale acquirer" is a party that has given public notice of intent to acquire, etc. (Defined in Paragraph 1, Article 27-2, of the Financial Products and Exchange Act. This definition applies through Note 11.) through tender offer share certificates, etc., issued by the Company (Defined in Paragraph 1, Article 27-2, of the Financial Products and Exchange Act. This definition applies throughout Note 11.), whose owning ratio of share certificates, etc., when added to those held by parties with whom he has a special relationship are, subsequent to the acquisition, etc. (including the equivalent definition indicated in Paragraph 1, Article 7, of the Financial Products and Exchange Act Enforcement Order) determined by the Company's Board of Directors to total an owning ratio of share certificates, etc., of 20% or more.
 12. Defining a party as a "related party" indicates a party that is determined by the Company's Board of Directors to be effectively under the control of or to jointly be in control, or, a party that is determined by the Company's Board of Directors to be acting in accordance with another party. "Control" is defined as the "case in which financial or business policy decisions are controlled by another company, etc." (defined in Paragraph 3, Article 3, of the Companies Act Enforcement Regulations).