

To Shareholders:

Yoshihiro Hayashi
President and Representative Director
INES Corporation
9-2, Ushikubo 3-chome
Tsuzuki-ku, Yokohama-city
Kanagawa Prefecture, Japan

Notice of Convocation of the 52nd 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 52nd 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 “Ordinary General Meeting of Shareholders Reference Documents” provided and exercise your voting rights by 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 Wednesday, June 25, 2014.

[Exercising voting rights via the Internet]

Please access the website (<http://www.evotep.jp/>) designated by the Company for the purpose of exercising voting rights, log in using the “login ID” and “password” provided in the Voting Rights Exercise Form enclosed herein and enter your approval or disapproval of the proposals following the instructions displayed on the screen by 5:20 p.m. on Wednesday, June 25, 2014.

When exercising your voting rights via the Internet, please review the “Procedures for exercising your voting rights via the Internet” on page 13 of this Notice of Convocation.

Particulars

- 1. Date and Time:** 10:00 a.m. on June 26, 2014 (Thursday)
- 2. Place:**
INES Corporation
4th Floor Hall of INES Corporation
9-2, Ushikubo 3-chome, Tsuzuki-ku,
Yokohama-city, 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 52nd fiscal

year (from April 1, 2013, to March 31, 2014)

Item 2: The Report on the Non-Consolidated Financial Statements for the 52nd fiscal year (from April 1, 2013, to March 31, 2014)

Matters to be Resolved:

<Company's Proposals (from Item 1 to 3)>

Item 1: Disposition of Retained Surplus

Item 2: Election of Ten (10) Corporate Directors

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

<Shareholder Proposal (Item 4)>

Item 4: Disposition of Retained Surplus

The summary of the proposals regarding the shareholder proposal (Item 4) is the same as the Ordinary General Meeting of Shareholders Reference Documents described below.

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. 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, this will be taken as indication of intent to approve for the Company's proposals and disapprove for the shareholder proposal.

(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.

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- In accordance with the provisions of laws and Article 17 of the Company's Articles of Incorporation, the following items are posted on the Company's website (<http://www.ines.co.jp>) and are therefore not included in the documents accompanying this Notice of Convocation. Furthermore, the documents accompanying this Notice of Convocation are a part of the target audited by the Corporate Auditors and the Accounting Auditors, when creating the Audit Report.
 - 1) Basic Policies related to the Company's Ownership Control in the Business Report
 - 2) Consolidated Notes to the Consolidated Financial Statements
 - 3) Individual Notes to the Non-Consolidated Financial Statements
 - 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.

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, 2014)

(¥ millions)

Item	Amount	Item	Amount
ASSETS		LIABILITIES	
Current Assets:	20,998	Current Liabilities:	5,958
Cash and deposits	8,053	Accounts payable	1,962
Notes and accounts receivable	10,397	Accrued expenses	844
Marketable securities	551	Income taxes payable	568
Work in process	971	Accrued consumption taxes	38
Raw materials and supplies	56	Advances received	100
Prepaid expenses	221	Provision for bonuses	1,133
Deferred tax assets	692	Provision for directors' bonuses	50
Others	64	Provision for loss on order received	263
Allowance for doubtful accounts	(10)	Others	996
Noncurrent Assets:	38,162	Noncurrent Liabilities:	10,058
Tangible Noncurrent Assets:	29,901	Reserve for directors' retirement benefits	215
Buildings and structures	11,046	Net defined benefit liability	9,469
Tools, furniture and fixture	1,449	Assets retirement obligations	60
Land	17,404	Others	313
Intangible Noncurrent Assets:	2,741	Total Liabilities	16,017
Software	2,703	NET ASSETS	
Others	37	Shareholders' Equity:	43,420
Investments and Other Assets:	5,520	Capital stock	31,457
Investments securities	1,124	Capital surplus	17,548
Long-term prepaid expenses	399	Retained earnings	6,045
Deferred tax assets	3,487	Treasury stock	(11,631)
Others	509	Accumulated Other Comprehensive Income:	(343)
		Valuation differences on available-for-sale securities	285
		Remeasurements of defined benefit plans	(628)
		Subscription Rights to Shares:	37
		Minority Interests:	29
		Total Net Assets	43,144
Total Assets	59,161	Total Liabilities and Net Assets	59,161

Consolidated Statements of Operations
(For the year from April 1, 2013 to March 31, 2014)

(¥ millions)

Item	Amount	
Revenue		35,112
Cost of Services		27,779
Gross Profit		7,332
Selling, general and administrative expenses		5,432
Operating Income		1,900
Non-Operating Income:		87
Interest income	4	
Dividends income	13	
Real estate rent	40	
Dividend on insurance	15	
Others	13	
Non-Operating Expenses:		51
Interest expenses	3	
Rent expenses on real estate	35	
Office transfer expenses	8	
Others	3	
Ordinary Income		1,935
Extraordinary Income:		36
Gain on sales of investment securities	17	
Gain on reversal of subscription rights to shares	18	
Others	1	
Extraordinary Losses:		69
Loss on retirement of noncurrent assets	21	
Loss on retirement of software for sale	45	
Others	1	
Income before Income Taxes		1,903
Income Taxes and Others		836
Adjustment of Corporate Taxes		13
Income before Minority Interest		1,053
Minority Interests		0
Net Income		1,053

Consolidated Statements of Changes in Shareholders' Equity
(For the year from April 1, 2013 to March 31, 2014)

(¥ millions)

	Shareholder's Equity				
	Capital Stock	Capital Surplus	Retained Earnings	Treasury Stock	Total Shareholders' Equity
Balance at April 1, 2013	31,457	17,548	5,504	(11,632)	42,877
Changes During Year					
Cash Dividends from Retained Earnings			(512)		(512)
Net Income			1,053		1,053
Purchase of Treasury Stock				(1)	(1)
Disposal of Treasury Stock		(0)		0	0
Exercise of Subscription Rights to Shares		0		2	2
Net Changes in Items Other than Shareholders' Equity					
Total Changes During Year	-	0	541	0	542
Balance at March 31, 2014	31,457	17,548	6,045	(11,631)	43,420

	Accumulated Other Comprehensive Income			Subscription Rights to Shares	Minority Interests	Total Net Assets
	Valuation Differences on Available-for-sale securities	Remeasurements of Defined Benefit Plans	Total Accumulated Other Comprehensive Income			
Balance at April 1, 2013	323	-	323	56	30	43,287
Changes During Year						
Cash Dividends from Retained Earnings						(512)
Net Income						1,053
Purchase of Treasury Stock						(1)
Disposal of Treasury Stock						0
Exercise of Subscription Rights to Shares				(0)		2
Net Changes in Items Other than Shareholders' Equity	(38)	(628)	(666)	(18)	(0)	(685)
Total Changes During Year	(38)	(628)	(666)	(18)	(0)	(143)
Balance at March 31, 2014	285	(628)	(343)	37	29	43,144

Non-Consolidated Balance Sheets
(As of March 31, 2014)

(¥ millions)

Item	Amount	Item	Amount
ASSETS		LIABILITIES	
Current Assets:	17,736	Current Liabilities:	5,376
Cash and deposits	6,023	Accounts payable	1,899
Notes receivable	8	Accrued payable	495
Accounts receivable	9,745	Accrued expenses	701
Marketable securities	151	Income taxes payable	474
Work in process	879	Accrued consumption taxes	3
Raw materials and supplies	56	Advances received	100
Prepaid expenses	200	Deposits received	311
Deferred tax assets	623	Provision for bonuses	997
Others	58	Provision for directors' bonuses	41
Allowance for doubtful accounts	(10)	Provision for loss on order received	263
Noncurrent Assets:	37,925	Others	89
Tangible Noncurrent Assets:	28,539	Noncurrent Liabilities:	8,365
Buildings	10,538	Provision for retirement benefits	7,951
Structures	49	Provision for directors' retirement benefits	135
Tools, furniture and fixture	1,211	Assets retirement obligations	47
Land	16,739	Others	231
Intangible Noncurrent Assets:	2,674	Total Liabilities	13,742
Telephone rights	22	NET ASSETS	
Software	2,650	Shareholders' Equity:	41,596
Others	1	Capital Stock:	31,457
Investments and Other Assets:	6,711	Capital Surplus:	17,548
Investments securities	904	Capital reserve	7,864
Shares in affiliates	1,278	Other capital surplus	9,684
Investments in capital of subsidiaries and affiliates	13	Retained earnings:	4,221
Long-term prepaid expenses	398	Other retained earnings	4,221
Deferred tax assets	2,910	Retained earnings carried forward	4,221
Guarantee deposited	1,031	Treasury stock:	(11,631)
Long-term loans	15	Valuation, Translation Adjustment and Others:	285
Utility membership	88	Valuation differences on available-for-sale securities	285
Others	70	Subscription Rights to Shares:	37
Total Assets	55,661	Total Net Assets	41,919
		Total Liabilities and Net Assets	55,661

Non-Consolidated Statements of Operations
(For the year from April 1, 2013 to March 31, 2014)

(¥ millions)

Item	Amount	
Revenue		31,383
Cost of Services		24,891
Gross Profit		6,492
Selling, general and administrative expenses		4,936
Operating Income		1,555
Non-Operating Income:		197
Interest income	0	
Dividend income on securities	0	
Dividends income	39	
Real estate rent	133	
Others	24	
Non-Operating Expenses:		146
Interest expenses	1	
Rent expenses on real estate	132	
Others	11	
Ordinary Income		1,607
Extraordinary Income:		36
Gain on sales of investment securities	17	
Gain on reversal of subscription rights to shares	18	
Others	1	
Extraordinary Losses:		63
Loss on retirement of noncurrent assets	16	
Loss on retirement of software for sale	45	
Others	1	
Income before Income Taxes		1,580
Income Taxes and Others		688
Adjustment of Corporate Taxes		14
Net Income		877

Non-Consolidated Statements of Changes in Shareholders' Equity
(For the year from April 1, 2013 to March 31, 2014)

(¥ 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 April 1, 2013	31,457	7,864	9,683	17,548	3,855	3,855
Changes During Year						
Cash Dividends from Retained Earnings					(512)	(512)
Net Income					877	877
Purchase of Treasury Stock						
Disposal of Treasury Stock			(0)	(0)		
Exercise of Subscription Rights to Shares			0	0		
Net Changes in Items Other than Shareholders' Equity						
Total Changes During Year	-	-	0	0	365	365
Balance at March 31, 2014	31,457	7,864	9,684	17,548	4,221	4,221

	Shareholders' Equity		Valuation, Translation Adjustment and Others		Subscription Rights to Shares	Total Net Assets
	Treasury Stock	Total Shareholders' Equity	Valuation Differences on Available	Total Valuation, Translation, Adjustment and Others		
Balance at April 1, 2013	(11,632)	41,229	323	323	56	41,608
Changes During Year						
Cash Dividends from Retained Earnings		(512)				(512)
Net Income		877				877
Purchase of Treasury Stock	(1)	(1)				(1)
Disposal of Treasury Stock	0	0				0
Exercise of Subscription Rights to Shares	2	2			(0)	2
Net Changes in Items Other than Shareholders' Equity			(37)	(37)	(18)	(55)
Total Changes During Year	0	366	(37)	(37)	(18)	310
Balance at March 31, 2014	(11,631)	41,596	285	285	37	41,919

Ordinary General Meeting of Shareholders Reference Documents

<Company's Proposals (from Item 1 to 3)>

Item 1: Disposition of Retained Surplus

Based on comprehensive consideration of various factors, including its performance in the year under review, appropriation of profit, and future business strategies, the Company plans to declare a year-end dividend as follows.

For the year, we plan to pay total annual dividends of ¥16.00 per share. This includes an interim dividend of ¥8.00 per share, paid on December 9, 2013.

Matter related to year-end dividend

(1) Kind of assets distributed: Cash

(2) An amount to be distributed and total amount

¥8.00 per share of common stock

¥256,088,904 total dividend payment

(3) Date on which dividend takes effect:

June 27, 2014

Item 2: Election of Ten (10) Corporate Directors

The term of office for all eight (8) directors of the Company expires at the conclusion of this Ordinary General Meeting of Shareholders. Therefore, we propose to increase the number of directors by two (2) in order to further reinforce the management structure, and that ten (10) directors are elected.

The candidates for the position of director are as follows:

Nominee Number	Name (Date of Birth)	Brief Personal History and Important Concurrent Role	Company Shares Owned
1	Yasuhiko Igarashi (June 13, 1946)	Apr. 1971 Joined Hitachi, Ltd. Jan. 2000 Manager, Social Information Systems Operations Department, Hitachi, Ltd. Apr. 2003 Joined Hitachi Software Engineering Co., Ltd. (now Hitachi Solutions, Ltd.); General Manager, Sales Department, Hitachi Software Engineering Co., Ltd. Jun. 2003 Vice President and Executive Officer, General Manager, Sales Department, Hitachi Software Engineering Co., Ltd. Apr. 2005 Senior Vice President and Executive Officer, Hitachi Software Engineering Co., Ltd. Jun. 2008 President and Representative Director Jun. 2011 Chairman of Board of Directors Jun. 2013 Director and Chairman Emeritus (Current position)	42,900
2	Yoshihiro Hayashi (July 25, 1949)	Apr. 1972 Joined Hitachi, Ltd. Apr. 2001 General Manager, Nationwide Public Systems, Public Systems Operations Department, Hitachi, Ltd. Apr. 2003 Joined Hitachi Software Engineering Co., Ltd. (now Hitachi Solutions, Ltd.); Assistant General Manager, Public Social Systems Operations Department, Hitachi Software Engineering Co., Ltd. Apr. 2007 Joined the Company Jun. 2007 Managing Director	22,500

		Jun. 2008 Director and Managing Executive Officer Jun. 2011 President and Representative Director (Current position)	
3	(New appointee) Etsuroh Mori (November 24 1952)	Apr. 1975 Joined Hitachi, Ltd. Apr. 2005 General Manager, Sales and Planning Department, Corporate Strategy Division, Information & Communication Group, Hitachi, Ltd. Apr. 2006 General Manager, Project Management Division, Hitachi Software Engineering Co., Ltd. (now Hitachi Solutions, Ltd.) Apr. 2007 Corporate Officer, Hitachi Software Engineering Co., Ltd. Oct. 2010 Executive Officer, Hitachi Software Engineering Co., Ltd. Apr. 2011 Vice President and Executive Officer, Hitachi Software Engineering Co., Ltd. Apr. 2012 President, Hitachi East Japan Solutions, Ltd. (now Hitachi Solutions East Japan, Ltd.) Apr. 2015 Vice President (Current position)	20,000
4	Hiroshi Hogaki (November 24, 1952)	Apr. 1977 Joined Tokyo Bank Ltd. (now The Bank of Tokyo-Mitsubishi UFJ, Ltd.) Jan. 2006 Manager, International Business Information Systems Division, Tokyo Bank, Ltd. Nov. 2006 Joined the Company Jun. 2007 Director, General Manager, Banking Institution System Division Jun. 2009 Director and Executive Officer; Group Executive, Finance Systems Group Oct. 2009 Director and Managing Executive Officer (Current position)	9,900
		[Administration] Finance Systems Group, Business Strategy Department, Technology Division, Procurement Department	
5	Mitsuhiro Nakamura (October 9, 1951)	Apr. 1976 Joined The Daiichi Mutual Fire and Marine Insurance Company Apr. 1999 General Manager, Information Systems Division, The Daiichi Mutual Fire and Marine Insurance Company Apr. 2001 Joined the Company Jun. 2007 General Manager, Non-Life Insurance Institution Systems Division Oct. 2008 Executive Officer and General Manager, Public Service Systems Group Jun. 2010 Director, Executive Officer and General Manager, Public Service Systems Group Oct. 2010 Director, Managing Executive Officer (Current position)	10,200
		[Administration] Public Service Systems Group, Regional Office Division, Operation Service Group, Quality Assurance Department	
6	Takato Senba (December 5, 1954)	Apr. 1978 Joined Hitachi, Ltd. Dec. 2002 Manager, Finance & Accounting Division, Information·Communication Group and Accounting Section, Service·New Business Department, Hitachi, Ltd. Jun. 2007 Manager, Finance & Accounting Department, ALAXALA Networks Corporation Jun. 2009 Joined the Company; General Manager, Finance & Accounting Division	9,000

		<p>Oct.2009 Executive Officer and General Manager, Finance & Accounting Division</p> <p>Apr.2011 Managing Executive Officer and General Manager, Finance & Accounting Division</p> <p>Jun. 2011 Director, Managing Executive Officer, and General Manager, Finance & Accounting Division (Current position)</p>	
		[Administration] Finance & Accounting Division, Corporate Administration Division, Human Resource Division, Internal Audit Office	
7	Minoru Toyama (May 1, 1952)	<p>Apr. 1971 Joined Hitachi Software Engineering Co., Ltd. (now Hitachi Solutions, Ltd.)</p> <p>Sep. 2003 Manager, Kyushu Branch, Solution 2nd Sales Division, Sales Operations, Hitachi Software Engineering Co., Ltd.</p> <p>Mar. 2006 Joined the Company</p> <p>Oct. 2008 General Manager, Corporate Sales Division, Public Service Systems Group</p> <p>Apr. 2011 Executive Officer and General Manager, Sales Administration Division</p> <p>Jun. 2013 Director and Executive Officer; General Manager, Sales Administration Division (Current position)</p>	7,500
8	Wataru Ando (March 17, 1956)	<p>Apr. 1979 Joined the Company</p> <p>Oct. 2008 General Manager, Public Service Systems Division, Public Service Systems Group</p> <p>Apr. 2011 General Manager, Public Service Systems Group</p> <p>Oct. 2011 Executive Officer and General Manager, Public Service Systems Group</p> <p>Apr. 2012 Executive Officer and General Manager, Industrial Systems Group</p> <p>Jun. 2013 Director and Executive Officer; General Manager, Industrial Systems Group (Current position)</p>	4,500
9	(New appointee) Koichi Yoshimura (October 25, 1965)	<p>Apr. 1988 Joined the Company</p> <p>Aug. 2010 General Manager, Life Insurance Institution Systems Division, Finance Systems Group</p> <p>Apr. 2012 Deputy General Manager, Finance Systems Group, concurrently General Manager, Life Insurance Institution Systems Division</p> <p>Apr. 2013 Executive Officer and Group Executive, Finance Systems Group (Current position)</p>	4,000
10	(New appointee) Kazuhide Hamada (May 23, 1948)	<p>Apr. 1971 Joined Marubeni Electronics Co., Ltd.</p> <p>Sep. 1973 Joined Otsuka Corporation</p> <p>Mar. 1995 Managing Director and General Manager, Chubu Office, Otsuka Corporation</p> <p>Mar. 1998 Executive Director, Otsuka Corporation</p> <p>Mar. 2008 Managing Director, concurrently Senior Executive Officer, Otsuka Corporation</p> <p>Mar. 2013 Advisor, Otsuka Corporation</p> <p>Mar. 2014 Resigned as Advisor, Otsuka Corporation</p>	—

Notes:

1. None of the above appointees have special vested interests with the Company.
2. Kazuhide Hamada is a candidate for outside director.
 - Kazuhide Hamada is a candidate for becoming an independent executive based on the provisions of the Tokyo Stock Exchange, Inc.
 - Regarding the transaction scale of the Company with Otsuka Corporation, which Kazuhide

Hamada enrolled until March 2014, the net sales were less than 0.01% of the consolidated net sales of the Company, and the purchases less than 0.2% of the consolidated cost of sales of the Company. Therefore, it has been judged that Mr. Hamada's independence is sufficiently ensured.

- Reason for choosing Kazuhide Hamada as a candidate for outside director: Mr. Hamada has spent many years in corporate management of information service, and amassed a vast amount of experience and knowledge throughout his career history. With this in mind, the Company concluded that Mr. Hamada can be relied upon to supervise and conduct checks on the Company's management.
- If the election of Kazuhide Hamada is approved, the Company plans to sign an agreement with him to limit the liability for his actions provided for in Article 423-1 of the Corporate Law, assuming Mr. Hamada performs his duties with good intentions and without serious mistakes, to the amount provided for in Article 427-1 of the Corporate Law.

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 corporate auditor is as follows:

Name (Date of Birth)	Brief Personal History and Important Concurrent Role	Company Shares Owned
Ryo Haga (February 9, 1966)	Apr. 1994 Lecturer of Faculty of Economics, at Yamaguchi University 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 International Graduate School of Social Sciences (now Graduate School of International Social Sciences), Yokohama National University (Current position) Jun. 2010 Registered as attorney (Joined Daiichi Tokyo Bar Association) (Current)	—

Notes:

1. Ryo Haga, the candidate for a substitute corporate auditor, has no special vested interests with the Company.
2. Ryo Haga is a candidate for a substitute outside auditor.
3. Reason for choosing Ryo Haga as a candidate for a substitute outside auditor and deciding that he could execute his assignment appropriately as an outside auditor: Mr. Haga has not been directly involved in company management, but spent many years handling the Financial Instruments and Exchange Act and Corporate Law as a professor in graduate school, and amassed a vast amount of knowledge throughout his career history. With this in mind, the Company concluded that Mr. Haga can be relied upon to audit the Company's financial statements.
4. If Ryo Haga takes a post as a corporate auditor, the Company plans to sign an agreement with him to limit the liability for his actions provided for in Article 423-1 of the Corporate Law, assuming Mr. Haga performs his duties with good intentions and without serious mistakes, to the amount provided for in Article 427-1 of the Corporate Law.

< Shareholder Proposal (Item 4)>

Item 4 is a proposal submitted by two (2) shareholders.

Item 4: Disposition of Retained Surplus

1. Description of the shareholder proposal

The outline of the proposal is stated as it is in the proposal as follows:

(1) Proposal: Disposition of retained surplus

(2) Outline of the Proposal:

1. Matter related to year-end dividend

① Kind of assets distributed: Cash

② An amount to be distributed and total amount

An amount of dividend per share of common stock for the 52nd fiscal year shall be Yen 27. Provided, however, that in the event that net income per share for the fiscal year ended March 31, 2014 is lower than Yen 35, dividend per share shall be an amount obtained deducting Yen 8 from the net income per share for the aforesaid year (any fraction less than Yen 1 disregarded). The total amount for the dividend shall be calculated by multiplying an amount of dividend per share by the total number of shares entitled to dividend as at March 31, 2014.

③ Date on which dividend takes effect:

The day following the day on which the Ordinary General Meeting of Shareholders of the Company will be held in June 2014.

(3) Reason for Proposal:

In accordance with the settlement of accounts in the abbreviated form for the 3rd quarter of the fiscal year ended March 31, 2014, the Company had no debts bearing interest as at December 31, 2013 in the consolidated balance sheets of the 3rd quarter. On the other hand, cash and cash equivalents held were approximately Yen 8,700 million, and securities (current assets) held were approximately Yen 150 million. The total was Yen 8,850 million. This represents approximately 39% of the aggregate market value of the Company (approximately Yen 22,500 million).

In February, 2013, the Company acquired shares of the Company (treasury stock) held by Hitachi Solutions, Ltd. at the aggregate price of approximately Yen 6,200 million, in March, 2013, acquired a building for own use, and increased investment securities by approximately Yen 700 million as at December 31, 2013 compared with March 31, 2013 (The affluent cash and cash equivalents held by the Company shown above represent after these investments). Since the acquisition of the building and investment securities is not necessarily deemed as an investment to facilitate the enhancement of the value of shares of the Company, we, as shareholders of the Company, do not understand such investments.

In addition, as at December 31, 2013, for the fiscal year ended March 31, 2014 forecasted consolidated net assets of the Company was Yen 43,200 million (net income per share was Yen 1,347), forecasted consolidated net income was Yen 1,150 million, earnings on equity (ROE) was approximately 2.7%. On the other hand, the Company publicly announced forecast of an amount of dividend which is annual dividend of Yen 16 per share. Dividend on equity ratio becomes approximately 2.7% so that income level and dividend level are extraordinary low as against huge amount of its equity. Further, the share price of the Company was Yen 702 per share represented PBR 0.52 much lower than PBR 1.35 which is the average of Tokyo Stock Exchange listed companies

As stated above, since the Company has already affluent cash and cash equivalents, there is no deed to increase net worth equity capital through increases in internal reserve so as not to further reduce the current low ROE because a management is apt to invest in investment not facilitating the

enhancement of shareholders value with unnecessary fund held in the current slow stock market.

With respect to cash and deposits, the Company should not retain them without any purpose, but they should be returned to shareholders, which will result in enhancing the value of shareholders and the share price so that an amount to be distributed from retained earnings should be largely increased.

Moreover, even if proposal for disposition of retained earnings hereby presented is carried out, the aggregate amount of dividend is within the net income for the fiscal year ended March 31, 2014 so that the level of the net assets and cash and cash equivalents of the Company as at March 31, 2014 would not be changed very much. Accordingly, this would not change substantially the financial conditions of the Company as at March 31, 2014 so that they still remain good and sound.

2. Opinion of the Board of Directors against a shareholder proposal

The Board of Directors of the Company opposes the shareholders' proposal

Information service industry recently faces great business opportunities such as the introduction of the Social Security and Tax number system ("My Number" system) as well as a technical turnover period shown by cloud computing and big data. Competition in the industry is expected to become fiercer hereinafter and the Company will exert the best effort to further enhance business performance having grasped positively these opportunities.

The Company comprises local municipalities and large financial institutions as its customers and responds to confidence granted by such customers to the Company and maintains the strong financial basis in response to the fast changing market in terms of the Company's management strategy.

In the fierce competition of the business environment, the Company believes that it is inevitable to retain a certain level of internal reserves to accomplish continued sustainable growth on the medium- and long-term basis. In particular, the Company is envisaged to the introduction of the "My Number" system under which all peoples in Japan will be notified assigned numbers in October 2015 and the Company intends to appropriate funds to develop new version of our product "WebRings" which are comprehensive administrative information systems in the Web form being adopted at more than 170 local municipalities and organizations among our customers. In addition, the Company will invest in the enhancement of the Company's data centers, the development of new software packages and the development of solutions and the employment personal resources.

Furthermore, since it is expected that the business environment will change including an amendment of the Worker Dispatching Act and others, the Company has a policy to increase transactions with lump-sum contracts. A lump-sum contracting transaction requires a long period of time to accomplish: from the receipt of order, delivery of products and to collection of sales receivables so that working capital is expected to increase resulting from an increase in the receipt of new orders. Accordingly, it is necessary to secure at least the current level of working capital to carry out the ordinary course of business. The Company does not hold an excessive level of cash and cash equivalents.

With respect to results of operation, carrying out the management policy in response to the business environment surrounding the Company, the Company will exert its best to enhance business results and corporate value in the medium- and long-term.

With respect to disposition of retained earnings, the Company has made it a fundamental principle to distribute a stable dividend reflecting results of operation and at the same time to appropriate funds to necessary investment required for future growth. The Company intensively implemented business structure renovation and increased amount of dividend from Yen 10 per share for the fiscal year ended March 2009 to Yen 16 per share for the fiscal year ended March 2013. With respect to the fiscal year ended March 2014, the Company intends to pay Yen 16 per share as an annual dividend in the light of the

business and management environment as stated above. As a result, the payout ratio is 48.6% on a consolidated basis, which the Company understands that its payout ratio is comparable to the other companies in the same industry.

The acquisition of the building and investment securities which were pointed out by the shareholder who submitted the shareholder proposal, were carried out by the following reasons: (i) the office space of the Company used to be insufficient so that in order to expand the Company's business the Company had needed to have a wider space securing working space for additional system engineers of the Company and employees of business partner companies, and in addition moving to the downtown in Tokyo is expected to facilitate enhancing business relationships with customers and improving services resulting from substantially shortened distance between customers and the Company; and (ii) the Company purchased investment securities for the purpose of maintaining and enforcing business relationships with financial institutions which are the Company's important customers.

As stated above, the Company retains a balance between return of profits to shareholders and investment which supports the Company's future growth, and intends to continuously expand business, which the Company believes would contribute to the shareholders' interests. Accordingly, the Company opposes this proposal asking to distribute substantially 100% of net income of the Company (Yen 32.9 per share) for the fiscal year ended March 31, 2014.

Furthermore, as stated in the press release as of April 25, 2014, since the Company memorizes the fiftieth anniversary following the establishment of the Company in the fiscal year ending March 31, 2015, the Company is scheduled to distribute additionally an interim memorial dividend (Yen 5 per share) for the interim period and an ordinary year-end dividend (Yen 16 per share) for the same fiscal year.

-End-

<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 (<http://www.evotep.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 Wednesday, June 25, 2014.

2. Process of exercise of voting rights via the Internet

- (1) Please log in to the website (<http://www.evotep.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 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)