

Translation: This document is a reference translation of the Japanese original for the convenience of shareholders/investors. In the event of any discrepancies between the translation and the Japanese original, the latter shall prevail.

April 27, 2015

To our shareholders,

Company name: INES Corporation
Representative: Etsuroh Mori
President and Representative Director
Listing: First Section, Tokyo Stock Exchange (Code: 9742)
Contact: Akihiro Kobayashi, General Manager
PR and IR Department, Corporate Planning Division
Tel: +81 3-6261-3400

**Announcement regarding reductions in capital stock and capital reserve amounts and treasury stock acquisition policy
(Implementation of capital policies aimed at improving ROE)**

At the Company's Board of Directors meeting held today, a resolution was passed regarding a reduction in capital stock and capital reserve amounts. This resolution included treasury stock acquisition policy. Details are provided below. The Company plans on discussing this reduction in capital stock and capital reserve amounts at the 53rd Ordinary General Meeting of Shareholders to be held in June 2015.

I. Reduction in capital stock and capital reserve amounts

1. Objective of reduction in capital stock and capital reserve amounts

Capital stock and capital reserve will be reduced by approximately 20.0 billion yen and transferred to other capital surplus in an attempt to significantly increase the distributable amount and enhance the flexibility and maneuverability of medium- to long-term capital policies going forward. (This resolution is treated as a transfer between line items under the net assets category and will not affect profits/losses or the amount of net assets.)

2. Outline of reduction in capital stock and capital reserve amounts

(1) Capital stock and capital reserve amounts to be reduced

Capital stock of 31,457,891,250 yen, reduced by 16,457,891,250 yen, to 15,000,000,000 yen

Capital reserves of 7,864,472,813 yen, reduced by 4,114,472,813 yen, to 3,750,000,000 yen

(2) Method of reducing capital stock and capital reserve amounts

In accordance with Article 447(1) and Article 448(1) of the Companies Act, having reduced capital stock and capital reserve amounts as indicated above, the entire reduction amount will be transferred to other capital surplus.

3. Schedule for reduction in capital stock and capital reserve amounts

(1) Board of Directors meeting resolution date	Monday, April 27, 2015
(2) Final date for creditors to state objections	Friday, June 19, 2015 (TBC)
(3) General Meeting of Shareholders resolution	Friday, June 26, 2015 (TBC)
(4) Effective date	Friday, June 26, 2015 (TBC)

4. Future outlook

This resolution is treated as a transfer between line items under the net assets category and will not affect profits/losses or the amount of net assets. However, if the following treasury stock acquisitions are implemented (see section II. below), the Company anticipates a net asset compression effect (capital efficiency improvement) amounting to as much as 10.0 billion yen going forward.

Please note that the aforementioned is subject to approval of the reduction in capital stock and capital reserve amounts resolution at the Ordinary General Meeting of Shareholders scheduled on June 26, 2015.

II. Policy regarding future treasury stock acquisitions

1. Objectives and aims of this policy formulation

To improve capital efficiency and corporate value as well as enhance shareholder return, the resolution at today's Board of Director meeting proposes a policy of ongoing future treasury stock acquisition over an approximately two-year period with the increased distributable amount through "I. Reduction in capital stock and capital reserve amounts" as the source. Moreover, specific individual purchases will be conducted upon determination at a Board of Directors meeting to be held immediately after the Ordinary General Meeting of Shareholders scheduled on June 26, 2015.

The Company aims to increase return on equity (ROE) to 5% or more by the fiscal year ending March 31, 2018 through the combination of improved performance and this resolution.

2. Overview of policy regarding treasury stock acquisition

Total acquisition	10.0 billion yen (TBC)
Acquisition period	Approximately two-year period after effectuation of reduction in capital stock and capital reserve amounts
Purchase method	In principle, market purchases

Others	<p>1) This resolution assumes approval of the reduction in capital stock and capital reserve amounts resolution at the Ordinary General Meeting of Shareholders scheduled for June 26, 2015.</p> <p>2) Individual acquisition of treasury stock will be determined by Board of Director meeting resolution, as described in the Company's Articles of Incorporation in accordance with Article 165 (2) of the Companies Act, and each resolution will be disclosed.</p> <p>3) The Company intends to cancel the acquired treasury stock in principle.</p>
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3. Acquisition amount procurement method

Intend to procure funds for acquisition through internal cash flows and/or external borrowing.