

To Shareholders:

Etsuroh Mori  
President and Representative Director  
INES Corporation  
9-2, Ushikubo 3-chome  
Tsuzuki-ku, Yokohama City  
Kanagawa Prefecture, Japan

### **Notice of Convocation of the 54th Ordinary General Meeting of Shareholders**

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

Our thoughts are also with everyone who has been affected by the Kumamoto Earthquake. We sincerely hope for a rapid and early recovery.

You are hereby invited to the 54th Ordinary General Meeting of Shareholders of INES Corporation (the Company), which will be held as stated below.

If attending in person, please present the enclosed Voting Rights Exercise Form at the meeting reception desk. If you are unable to attend the meeting in person, you can exercise your voting rights by either of the two methods stated below. Please review the "Ordinary General Meeting of Shareholders Reference Documents" provided and exercise your voting rights by the dates stated below.

#### **[Exercising voting rights by mail]**

Please indicate your approval or disapproval of each of the proposals on the enclosed Voting Rights Exercise Form and return it by mail so that it arrives by Monday, June 27, 2016.

#### **[Exercising voting rights via the Internet]**

Please access the website (<http://www.evotest.jp/>) designated by the Company for the purpose of exercising voting rights, log in using the "login ID" and "provisional 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 Monday, June 27, 2016.

When exercising your voting rights via the Internet, please review the "Procedures for exercising your voting rights via the Internet" on page 15 of this Notice of Convocation.

### **Particulars**

- 1. Date and Time:** **10:00** a.m. on June 28, 2016 (Tuesday)  
(The reception desk will open at 9:00 a.m.)
- 2. Place:** INES Corporation  
4th Floor Hall of INES Corporation  
9-2, Ushikubo 3-chome, Tsuzuki-ku,  
Yokohama City, Kanagawa Prefecture, Japan  
(Please refer to the map attached to this notice for access details.)

#### **3. Agenda:**

##### **Matters to be Reported:**

- Item 1:** Report on the Business Report, Consolidated Financial Statements and the Audit Results on the Consolidated Financial Statements by the Accounting Auditors

and the Board of Corporate Auditors for the 54th fiscal year (from April 1, 2015 to March 31, 2016)

**Item 2:** Report on the Non-Consolidated Financial Statements for the 54th fiscal year (from April 1, 2015 to March 31, 2016)

**Matters to be Resolved:**

**Item 1:** Appropriation of Retained Earnings

**Item 2:** Election of Seven (7) Corporate Directors

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

**Item 4:** Election of One (1) Substitute Corporate Auditor

**4. Matters Determined Relating to Convocation**

(1) Exercise of Voting Rights by Proxy

In accordance with Article 20 of the Company's Articles of Incorporation, when exercising voting rights by proxy, the proxy is limited to one (1) shareholder of the Company who has voting rights. 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 an indication of the intent to approve the Company's proposals.

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

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

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- In accordance with the provisions of certain laws and regulations as well as Article 17 of the Company's Articles of Incorporation, the following items are posted on the Company's website (<http://www.ines.co.jp>) and are therefore not included in the documents accompanying this Notice of Convocation. On this basis, the documents accompanying this Notice of Convocation are limited to a portion fall of the audits conducted by each of the Corporate Auditors and the Accounting Auditors, when creating the Audit Report.

[Business Report]

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

[Consolidated Financial Statements]

Notes to the Consolidated Financial Statements

[Financial Statements]

Notes to Non-Consolidated Financial Statements

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

**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 Sheet**  
**(As of March 31, 2016)**

(¥ millions)

Item	Amount	Item	Amount
<b>ASSETS</b>		<b>LIABILITIES</b>	
<b>Current Assets:</b>	<b>23,865</b>	<b>Current Liabilities:</b>	<b>6,146</b>
Cash and deposits	6,917	Accounts payable	2,113
Notes and accounts receivable	12,723	Accrued expenses	833
Short-term securities	351	Income taxes payable	347
Work in process	1,966	Accrued consumption taxes	267
Raw materials and supplies	113	Advances received	138
Prepaid expenses	223	Provision for bonuses	1,155
Deposits paid	874	Provision for directors' bonuses	47
Deferred tax assets	678	Provision for loss on order received	448
Others	28	Others	794
Allowance for doubtful accounts	(12)	<b>Noncurrent Liabilities:</b>	<b>11,613</b>
<b>Noncurrent Assets:</b>	<b>32,961</b>	Provision for directors' retirement benefits	224
<b>Tangible Noncurrent Assets:</b>	<b>25,065</b>	Net defined benefit liability	10,877
Buildings and structures	9,292	Assets retirement obligations	394
Tools, furniture and fixture	1,109	Others	118
Land	14,664	<b>Total Liabilities</b>	<b>17,760</b>
<b>Intangible Noncurrent Assets:</b>	<b>2,140</b>	<b>NET ASSETS</b>	
Software	2,100	<b>Shareholders' Equity:</b>	<b>40,134</b>
Others	40	Capital stock	15,000
<b>Investments and Other Assets:</b>	<b>5,754</b>	Capital surplus	24,322
Investment securities	1,115	Retained earnings	5,226
Long-term prepaid expenses	279	Treasury stock	(4,414)
Deferred tax assets	3,720	<b>Accumulated Other Comprehensive Income:</b>	<b>(1,067)</b>
Others	639	Valuation difference on available-for-sale securities	126
Allowance for doubtful accounts	(0)	Remeasurements of defined benefit plans, net of tax	(1,193)
		<b>Total Net Assets</b>	<b>39,066</b>
<b>Total Assets</b>	<b>56,826</b>	<b>Total Liabilities and Net Assets</b>	<b>56,826</b>

**Consolidated Statement of Operations**  
**(For the year from April 1, 2015 to March 31, 2016)**

(¥ millions)

Item	Amount	
<b>Revenue</b>		<b>39,455</b>
<b>Cost of Sales</b>		<b>31,729</b>
<b>Gross Profit</b>		<b>7,725</b>
<b>Selling, general and administrative expenses</b>		<b>5,513</b>
<b>Operating Income</b>		<b>2,212</b>
<b>Non-Operating Income:</b>		<b>134</b>
Interest income	4	
Dividends income	17	
Real estate rent	60	
Dividend income on insurance	27	
Others	23	
<b>Non-Operating Expenses:</b>		<b>80</b>
Interest expenses	3	
Rent expenses on real estate	53	
Commission for purchase of treasury stock	17	
Others	5	
<b>Ordinary Income</b>		<b>2,267</b>
<b>Extraordinary Income:</b>		<b>1,352</b>
Gain on sales of noncurrent assets	885	
Gain on sales of investment securities	467	
Others	0	
<b>Extraordinary Losses:</b>		<b>1,498</b>
Loss on retirement of noncurrent assets	180	
Loss on retirement of software for sale	11	
Impairment loss	1,304	
Others	1	
<b>Income before Income Taxes</b>		<b>2,121</b>
Income Taxes and Others		721
Adjustment of Corporate Taxes		(54)
<b>Net Income</b>		<b>1,454</b>
Net Loss Attributable to Non-Controlling Interests		0
Net Income attributable to Owners of Parent		1,454

**Consolidated Statement of Changes in Shareholders' Equity**  
**(For the year from April 1, 2015 to March 31, 2016)**

(¥ millions)

	Shareholder's equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at April 1, 2015	31,457	7,864	4,271	(65)	43,528
Changes during year					
Transfer to other capital surplus from capital stock	(16,457)	16,457			—
Cash dividends from retained earnings			(498)		(498)
Net income attributable to owners of parent			1,454		1,454
Purchase of treasury stock				(4,349)	(4,349)
Net changes of items other than shareholders' equity					
Total changes during year	(16,457)	16,457	955	(4,349)	(3,393)
Balance at March 31, 2016	15,000	24,322	5,226	(4,414)	40,134

	Accumulated other comprehensive income			Attributable to non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at April 1, 2015	474	(787)	(312)	29	43,245
Changes during year					
Transfer to other capital surplus from capital stock					—
Cash dividends from retained earnings					(498)
Net income attributable to owners of parent					1,454
Purchase of treasury stock					(4,349)
Net changes of items other than shareholders' equity	(348)	(406)	(754)	(29)	(784)
Total changes during year	(348)	(406)	(754)	(29)	(4,178)
Balance at March 31, 2016	126	(1,193)	(1,067)	—	39,066

**Non-Consolidated Balance Sheets**  
**(As of March 31, 2016)**

(¥ millions)

Item	Amount	Item	Amount
<b>ASSETS</b>		<b>LIABILITIES</b>	
<b>Current Assets:</b>	<b>20,153</b>	<b>Current Liabilities:</b>	<b>5,636</b>
Cash and deposits	4,063	Accounts payable	2,147
Accounts receivable	12,190	Accrued payable	223
Short-term securities	151	Accrued expenses	673
Work in process	1,937	Income taxes payable	244
Raw materials and supplies	113	Accrued consumption taxes	222
Prepaid expenses	197	Advances received	138
Deposits paid	874	Deposits received	380
Deferred tax assets	612	Provision for bonuses	1,021
Others	24	Provision for directors' bonuses	36
Allowance for doubtful accounts	(12)	Provision for loss on order received	448
		Others	99
<b>Noncurrent Assets:</b>	<b>33,018</b>	<b>Noncurrent Liabilities:</b>	<b>9,069</b>
<b>Tangible Noncurrent Assets:</b>	<b>24,351</b>	Provision for retirement benefits	<b>8,541</b>
Buildings	<b>9,103</b>	Provision for directors' retirement benefits	126
Structures	43	Assets retirement obligations	305
Tools, furniture and fixture	885	Others	96
Land	14,318		
<b>Intangible Noncurrent Assets:</b>	<b>2,114</b>	<b>Total Liabilities</b>	<b>14,705</b>
Telephone rights	<b>22</b>	<b>NET ASSETS</b>	
Software	2,088	<b>Shareholders' Equity:</b>	<b>38,340</b>
Others	3	<b>Capital Stock:</b>	<b>15,000</b>
<b>Investments and Other Assets:</b>	<b>6,553</b>	<b>Capital Surplus:</b>	<b>24,322</b>
Investments securities	<b>900</b>	Capital reserve	3,750
Shares in affiliates	1,278	Other capital surplus	20,572
Investments in capital of subsidiaries and affiliates	13	<b>Retained earnings:</b>	<b>3,432</b>
Long-term prepaid expenses	279	Other retained earnings	3,432
Deferred tax assets	2,783	Retained earnings carried forward	3,432
Guarantee deposited	1,119	<b>Treasury stock:</b>	<b>(4,414)</b>
Long-term loans	13	<b>Valuation, Translation Adjustment and Others:</b>	<b>125</b>
Utility membership	105	Valuation difference on available-for-sale securities	125
Others	60		
		<b>Total Net Assets</b>	<b>38,466</b>
<b>Total Assets</b>	<b>53,172</b>	<b>Total Liabilities and Net Assets</b>	<b>53,172</b>

**Non-Consolidated Statements of Operations**  
**(For the year from April 1, 2015 to March 31, 2016)**

(¥ millions)

Item	Amount	
<b>Revenue</b>		<b>35,968</b>
<b>Cost of Sales</b>		<b>29,154</b>
<b>Gross Profit</b>		<b>6,814</b>
<b>Selling, general and administrative expenses</b>		<b>4,959</b>
<b>Operating Income</b>		<b>1,854</b>
<b>Non-Operating Income:</b>		<b>264</b>
Interest income	0	
Dividend income on securities	1	
Dividends income	46	
Real estate rent	169	
Dividend income on insurance	27	
Others	20	
<b>Non-Operating Expenses:</b>		<b>193</b>
Interest expenses	2	
Rent expenses on real estate	168	
Commission for purchase of treasury stock	17	
Others	5	
<b>Ordinary Income</b>		<b>1,925</b>
<b>Extraordinary Income:</b>		<b>1,352</b>
Gain on sales of noncurrent assets	885	
Gain on sales of investment securities	467	
<b>Extraordinary Losses:</b>		<b>878</b>
Loss on retirement of noncurrent assets	174	
Loss on retirement of software for sale	11	
Impairment loss	692	
Others	0	
<b>Income before Income Taxes</b>		<b>2,399</b>
Income Taxes and Others		553
Adjustment of Corporate Taxes		120
<b>Net Income</b>		<b>1,725</b>

**Non-Consolidated Statements of Changes in Shareholders' Equity**  
**(For the year from April 1, 2015 to March 31, 2016)**

(¥ 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, 2015	31,457	7,864	—	7,864	2,206	2,206
Changes during year						
Transfer to other capital surplus from capital stock	(16,457)		16,457	16,457		
Transfer to other capital surplus from legal capital surplus		(4,114)	4,114	—		
Cash dividends from retained earnings					(498)	(498)
Net income					1,725	1,725
Purchase of treasury stock						
Net changes of items other than shareholders' equity						
Total changes during year	(16,457)	(4,114)	20,572	16,457	1,226	1,226
Balance at March 31, 2016	15,000	3,750	20,572	24,322	3,432	3,432

	Shareholders' equity		Valuation, translation adjustment and others		Total net assets
	Treasury stock	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation, translation, adjustment and others	
Balance at April 1, 2015	(65)	41,463	474	474	41,938
Changes during year					
Transfer to other capital surplus from capital stock		—			—
Transfer to other capital surplus from legal capital surplus		—			—
Cash dividends from retained earnings		(498)			(498)
Net income		1,725			1,725
Purchase of treasury stock	(4,349)	(4,349)			(4,349)
Net changes of items other than shareholders' equity			(348)	(348)	(348)
Total changes during year	(4,349)	(3,123)	(348)	(348)	(3,471)
Balance at March 31, 2016	(4,414)	38,340	125	125	38,466



## Ordinary General Meeting of Shareholders Reference Documents

### Item 1: Appropriation of Retained Earnings

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

For the fiscal 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 7, 2015.

Fiscal year-end dividend matters

(1) Type of dividend

Cash dividend

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

¥8.00 per share of common stock

¥226,124,032 total dividend payment

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

June 29, 2016

### Item 2: Election of Seven (7) 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 decrease the number of directors by one (1) to streamline our management structure so that seven (7) directors are elected.

The candidates for the position of director are as follows:

Nominee Number	Name (Date of Birth)	Brief Personal History, Position in the Company and Important Concurrent Roles		Company Shares Owned
1	Etsuroh Mori (November 24 1952)	Apr. 1975 Apr. 2006	Joined Hitachi, Ltd. General Manager, Project Management Division, Hitachi Software Engineering Co., Ltd. (now Hitachi Solutions, Ltd.)	24,500
		Apr. 2007	Corporate Officer, Hitachi Software Engineering Co., Ltd.	
		Apr. 2011	Managing Executive Officer, Hitachi Software Engineering Co., Ltd.	
		Apr. 2012	President, Hitachi East Japan Solutions, Ltd. (now Hitachi Solutions East Japan, Ltd.)	
		Apr. 2014 Jun. 2014	Vice President President and Representative Director (Current position)	
2	Susumu Tsukahara (April 8, 1961)	Apr. 1985 Jun. 2005 May 2008	Joined The Mitsubishi Bank, Ltd. (now The Bank of Tokyo-Mitsubishi UFJ) Assistant Head of General Planning Office Manager, Financial Accounting Office,	2,900

		Apr. 2013	Corporate Planning Division Concurrent Manager, Financial Accounting Office, Corporate Planning Division and Manager, IFRS Preparation Office, Planning Department	
		Nov. 2014	Executive Director and General Manager, Financial Division	
		Jun. 2015	Director, Managing Executive Officer and General Manager, Financial Division (Current position)	
3	Koichi Yoshimura (October 25, 1965)	Apr. 1988	Joined the Company	
		Aug. 2010	General Manager, Life Insurance Institution	
		Apr. 2013	Systems Division, Finance Systems Group Executive Officer and Group Executive, Finance Systems Group	
		Jun. 2014	Director and Executive Officer, General Manager, Financial Systems Group	5,400
		Apr. 2015	Director, Managing Executive Officer, General Manager, Public Service Systems Group	
		Apr. 2016	Director, Executive Officer and General Manager, IT Solutions Division (Current position)	
4	Eijiro Suzuki (March 21, 1957)	Apr. 1980	Joined The Sanwa Bank, Limited (now The Bank of Tokyo-Mitsubishi UFJ)	
		Feb. 2008	Europe General Manager, Europe Division, Tokyo-Mitsubishi UFJ	
		May 2010	General Manager, Overseas Business Promotion Division	
		Oct. 2010	Concurrent General Manager, Financial Systems Division, Financial Systems Group and General Manager, Overseas Business Promotion Division	4,700
		Apr. 2013	Executive Officer and General Manager, Financial Systems Division	
		Apr. 2015	Executive Officer and	

		Jun. 2015 Apr. 2016	General Manager, Financial Systems Group Director, Executive Officer and General Manager, Financial Systems Group Director, Executive Officer and General Manager, Corporate Strategy Division (Current position)	
5	Katsushi Takano (January 6, 1960)	Dec. 1985 Oct. 2009 Apr. 2012 Apr. 2013 Jun. 2015 Apr. 2016	Joined the Company General Manager, Public Service Management Division, Public Service Systems Group General Manager, Regional Office Division Executive Officer and General Manager, Management Services Group Director, Executive Officer and General Manager, Management Services Group Director, Executive Officer and General Manager, Public Service Solution Division (Current position)	5,200
6	[Outside Director] Kazuhide Hamada (May 23, 1948)	Apr. 1971 Sep. 1973 Mar. 1995 Mar. 1998 Mar. 2008 Mar. 2013 Mar. 2014 Jun. 2014	Joined Marubeni Electronics Co., Ltd. Joined Otsuka Corporation Managing Director and General Manager, Chubu Office, Otsuka Corporation Executive Director, Otsuka Corporation Concurrent Managing Director and Senior Executive Officer, Otsuka Corporation Advisor, Otsuka Corporation Resigned as Advisor, Otsuka Corporation Director (Current position)	-
7	[Outside Director] Shoji Nishimura (August 16, 1960)	Apr. 1988 Apr. 1997 Apr. 1999 Apr. 2004	Tutor, Human Sciences Department, Waseda University Instructor, Human Sciences Department, Waseda Univ. Assistant Professor, Human Sciences Department, Waseda Univ. Assistant Professor,	-

		Apr. 2006	Faculty of Human Sciences Department, Waseda Univ. Professor, Faculty of Human Sciences Department, Waseda Univ. (Current position)	
		Sep. 2014	Deputy Dean, Faculty of Human Sciences Department, Waseda Univ. (International Representative)	
		Jun. 2015	Director (Current position)	

Notes:

1. None of the above appointees have special vested interests in the Company.
2. Etsuroh Mori, Susumu Tsukahara, Koichi Yoshimura, Eijiro Suzuki, and Katsushi Takano are nominated as candidates for the position of director in accordance with criteria identified by the Company. Drawing on the experiences gained in their respective specialist fields as well as their knowledge of business management, each candidate is expected to contribute to the Company's future operations.
3. Kazuhide Hamada and Shoji Nishimura are candidates for outside director.
  - Both are candidates for independent director based on the provisions of the Tokyo Stock Exchange, Inc.
4. Director candidate Kazuhide Hamada was employed by the Otsuka Corporation until March 2014. Transactions between the Otsuka Corporation and the Company in the fiscal year ended March 31, 2016, accounted for less than 0.01% of consolidated net sales and in terms of purchase amounts, less than 0.1% of the consolidated cost of sales. Thus, the Company considers this candidate to be sufficiently independent.
  - At present, Mr. Hamada is an outside director of the Company, a position he will have held for two years as of the 54th Ordinary General Meeting of Shareholders.
  - The reasons for nominating Mr. Hamada as an outside director include the Company's continued expectations of management audits and checks based on a wealth of experience and perspectives as a management specialist accumulated throughout his career and many long years engaged in corporate management including information services.
5. Director candidate Shoji Nishimura is employed by Waseda University. As the Company has not engaged in any business transactions with nor provided any donations to Waseda University, this candidate is considered to be sufficiently independent.
  - Mr. Nishimura was a researcher at the INES Systems Research Center for a six-year period from April 1991 to March 1997. He was engaged in research focused on Internet usage in the education sector, which was conducted jointly between the Company and Waseda University. He also conducted research at the University of Helsinki in Finland for one year from March 2007 to March 2008.
  - At present, Mr. Nishimura is an outside director of the Company, a position he will have held for one year as of the 54th Ordinary General Meeting of Shareholders.
  - Despite having no past experience directly involved in corporate management, the reasons for nominating Mr. Nishimura as an outside director include the Company's ongoing expectation of management audits and checks based on specialized expertise and experience related to technologies and businesses that have successfully commercialized education using the internet and Mr. Nishimura's lengthy engagement in research on computer science trends and applications.
6. The Company has signed agreements with director candidates Kazuhide Hamada and Shoji Nishimura to limit the liability for their actions as provided for in Article 423(1) of the Companies Act, as long as Mr. Hamada and Mr. Nishimura execute their duties in good faith and without gross negligence, to the amount provided for in Article 427(1) of the Companies Act. If these candidates are approved, the Company plans to continue these agreement.

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

The term of office for one (1) of the Company's three (3) corporate auditors, Masao Tadokoro expires at the conclusion of this Ordinary General Meeting of Shareholders. Accordingly, we propose the election of one (1) corporate auditor.

Approval for this proposal has been obtained in advance from the Board of Corporate Auditors.

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

Nominee Number	Name (Date of Birth)	Brief Personal History, Position in the Company and Important Concurrent Roles	Company Shares Owned
1	[New Appointee] Minoru Toyama (May 1, 1952)	Apr. 1971    Joined Hitachi Software Engineering Co., Ltd. (now Hitachi Solutions, Ltd.) Sep. 2003    Manager, Kyushu Branch, Solution 2nd Sales Division, Sales Operations, Hitachi Software Engineering Co., Ltd. Mar. 2006    Joined the Company Apr. 2011    Executive Officer Jun. 2013    Director and Executive Officer Apr. 2015    Director, Managing Executive Officer Apr. 2016    Director (Current position)	9,700

Note: Minoru Toyama, the candidate for corporate auditor has no special vested interests with the Company.

**Item 4: 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 Science (now Graduate School of International Social Sciences), Yokohama National University (Current position) Jun. 2010    Registered as attorney (Joined Daiichi Tokyo Bar Association) (Current) Apr. 2015    Director, Law School, Graduate School of International Social Studies,	-

	Yokohama National University (Current position)	
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Notes:

1. Ryo Haga, the candidate for the position of substitute corporate auditor, has no special vested interests with the Company.
2. Ryo Haga is a candidate for the position of substitute outside auditor.
3. Although Mr. Haga has not been directly involved in company management, the reasons for proposing him as a candidate for the position of substitute outside auditor include the following. Mr. Haga is well versed in the Financial Instruments and Exchange Act and Companies Act, expertise that he gained as a graduate school professor, and has amassed a vast amount of knowledge throughout his career. With this in mind, the Company has concluded that Mr. Haga can be relied upon to utilize his knowledge and expertise in the audit of 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 Companies Act, assuming Mr. Haga performs his duties in good faith and without gross negligence, to the amount provided for in Article 427(1) of the Companies Act.

## <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 Monday, June 27, 2016.

#### **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 the alteration of votes, you are asked to change the "temporary password" to a new one on the website for exercising voting rights.

#### **3. Handling when voting is exercised multiple times**

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

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

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

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

Inquiries regarding the exercise of voting rights via the Internet Mitsubishi UFJ Trust and Banking Corporation, Corporate Agency Division (Help Desk) - Telephone 0120-173-027 (toll-free; Hours: 9:00-21:00)
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