

To Shareholders:

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

### **Notice of Convocation of the 55th 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 55th 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 Thursday, June 22, 2017.

#### **[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 "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 Thursday, June 22, 2017.

When exercising your voting rights via the Internet, please review the "Procedures for exercising your voting rights via the Internet" on page 18 of this Notice of Convocation.

### **Particulars**

- 1. Date and Time:** 10:00 a.m. on June 23, 2017 (Friday)  
(The reception desk will open at 9:00 a.m.)
- 2. Place:** INES Corporation  
1st Floor Presentation Room of INES Corporation  
26, Sanbancho, Chiyoda-ku, Tokyo, Japan  
The 55th Ordinary General Meeting of Shareholders will be held at a location that differs from previous meetings. Please refer to the map at the end of 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 55th fiscal year (from April 1, 2016 to March 31, 2017)
  - Item 2:** Report on the Non-Consolidated Financial Statements for the 55th fiscal year (from April 1, 2016 to March 31, 2017)

## **Matters to be Resolved:**

- Item 1:** Appropriation of Retained Earnings
- Item 2:** Partial Amendment to Articles of Incorporation
- Item 3:** Election of Six (6) Corporate Directors
- Item 4:** Election of One (1) Corporate Auditor
- Item 5:** 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.

- 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.

## <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 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 Thursday, June 22, 2017.

#### **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)
--

**Consolidated Balance Sheet**  
**(As of March 31, 2017)**

(¥ millions)

Item	Amount	Item	Amount
<b>ASSETS</b>		<b>LIABILITIES</b>	
<b>Current Assets:</b>	<b>23,621</b>	<b>Current Liabilities:</b>	<b>6,903</b>
Cash and deposits	10,960	Accounts payable	1,793
Notes and accounts receivable	10,546	Accrued expenses	880
Work in process	860	Income taxes payable	707
Raw materials and supplies	129	Accrued consumption taxes	103
Prepaid expenses	243	Advances received	136
Deferred tax assets	852	Provision for bonuses	1,149
Others	38	Provision for directors' bonuses	52
Allowance for doubtful accounts	(10)	Provision for loss on order received	768
		Others	1,311
<b>Noncurrent Assets:</b>	<b>33,009</b>	<b>Noncurrent Liabilities:</b>	<b>11,740</b>
<b>Tangible Noncurrent Assets:</b>	<b>24,626</b>	Provision for directors' retirement benefits	251
Buildings and structures	9,273	Net defined benefit liability	11,045
Tools, furniture and fixture	1,092	Assets retirement obligations	377
Land	14,260	Others	66
<b>Intangible Noncurrent Assets:</b>	<b>2,567</b>	<b>Total Liabilities</b>	<b>18,643</b>
Software	2,527	<b>NET ASSETS</b>	
Others	40	<b>Shareholders' Equity:</b>	<b>38,876</b>
<b>Investments and Other Assets:</b>	<b>5,814</b>	Capital stock	15,000
Investment securities	1,068	Capital surplus	20,348
Long-term prepaid expenses	228	Retained earnings	6,402
Deferred tax assets	3,732	Treasury stock	(2,873)
Others	785	<b>Accumulated Other Comprehensive Income:</b>	<b>(889)</b>
Allowance for doubtful accounts	(0)	Valuation difference on available-for-sale securities	170
		Remeasurements of defined benefit plans, net of tax	(1,060)
		<b>Total Net Assets</b>	<b>37,986</b>
<b>Total Assets</b>	<b>56,630</b>	<b>Total Liabilities and Net Assets</b>	<b>56,630</b>

**Consolidated Statement of Operations**  
**(For the year from April 1, 2016 to March 31, 2017)**

(¥ millions)

Item	Amount	
<b>Revenue</b>		<b>38,488</b>
<b>Cost of Sales</b>		<b>30,307</b>
<b>Gross Profit</b>		<b>8,180</b>
<b>Selling, general and administrative expenses</b>		<b>5,772</b>
<b>Operating Income</b>		<b>2,407</b>
<b>Non-Operating Income:</b>		<b>127</b>
Interest income	2	
Dividends income	10	
Real estate rent	62	
Dividend income on insurance	33	
Others	18	
<b>Non-Operating Expenses:</b>		<b>107</b>
Interest expenses	2	
Rent expenses on real estate	54	
Commission for purchase of treasury stock	9	
Office transfer expenses	29	
Others	10	
<b>Ordinary Income</b>		<b>2,427</b>
<b>Extraordinary Income:</b>		<b>167</b>
Gain on sales of noncurrent assets	108	
Gain on sales of investment securities	58	
Others	0	
<b>Extraordinary Losses:</b>		<b>138</b>
Loss on retirement of noncurrent assets	40	
Impairment loss	92	
Others	6	
<b>Income before Income Taxes</b>		<b>2,456</b>
Income Taxes and Others		1,085
Adjustment of Corporate Taxes		(242)
<b>Net Income</b>		<b>1,613</b>
<b>Net Income attributable to Owners of Parent</b>		<b>1,613</b>

**Consolidated Statement of Changes in Shareholders' Equity**  
**(For the year from April 1, 2016 to March 31, 2017)**

(¥ millions)

	Shareholder's equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at April 1, 2016	15,000	24,322	5,226	(4,414)	40,134
Changes during year					
Cash dividends from retained earnings			(438)		(438)
Net income attributable to owners of parent			1,613		1,613
Purchase of treasury stock				(2,433)	(2,433)
Retirement of treasury stock		(3,974)		3,974	
Net changes of items other than shareholders' equity					
Total changes during year	—	(3,974)	1,175	1,541	(1,257)
Balance at March 31, 2017	15,000	20,348	6,402	(2,873)	38,876

	Accumulated other comprehensive income			Total net assets
	Valuation difference on available-for-sale securities	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at April 1, 2016	126	(1,193)	(1,067)	39,066
Changes during year				
Cash dividends from retained earnings				(438)
Net income attributable to owners of parent				1,613
Purchase of treasury stock				(2,433)
Retirement of treasury stock				
Net changes of items other than shareholders' equity	44	133	177	177
Total changes during year	44	133	177	(1,079)
Balance at March 31, 2017	170	(1,060)	(889)	37,986

**Non-Consolidated Balance Sheets**  
**(As of March 31, 2017)**

(¥ millions)

Item	Amount	Item	Amount
<b>ASSETS</b>		<b>LIABILITIES</b>	
<b>Current Assets:</b>	<b>20,113</b>	<b>Current Liabilities:</b>	<b>6,616</b>
Cash and deposits	8,035	Accounts payable	1,856
Accounts receivable	10,007	Accrued payable	717
Work in process	824	Accrued expenses	738
Raw materials and supplies	129	Income taxes payable	677
Prepaid expenses	213	Accrued consumption taxes	33
Deferred tax assets	788	Advances received	136
Others	123	Deposits received	290
Allowance for doubtful accounts	(10)	Provision for bonuses	1,016
		Provision for directors' bonuses	32
<b>Noncurrent Assets:</b>	<b>33,274</b>	Provision for loss on order received	768
<b>Tangible Noncurrent Assets:</b>	<b>24,431</b>	Others	350
Buildings	9,199	<b>Noncurrent Liabilities:</b>	<b>9,424</b>
Structures	40	Provision for retirement benefits	<b>8,921</b>
Tools, furniture and fixture	931	Provision for directors' retirement benefits	154
Land	14,260	Assets retirement obligations	295
		Others	51
<b>Intangible Noncurrent Assets:</b>	<b>2,544</b>	<b>Total Liabilities</b>	<b>16,041</b>
Telephone rights	22	<b>NET ASSETS</b>	
Software	2,517	<b>Shareholders' Equity:</b>	<b>37,175</b>
Others	4	<b>Capital Stock:</b>	<b>15,000</b>
<b>Investments and Other Assets:</b>	<b>6,298</b>	<b>Capital Surplus:</b>	<b>20,348</b>
Investments securities	<b>1,055</b>	Capital reserve	3,750
Shares in affiliates	1,288	Other capital surplus	16,598
Investments in capital of subsidiaries and affiliates	13	<b>Retained earnings:</b>	<b>4,701</b>
Long-term prepaid expenses	228	Other retained earnings	4,701
Deferred tax assets	3,013	Retained earnings carried forward	4,701
Guarantee deposited	523	<b>Treasury stock:</b>	<b>(2,873)</b>
Long-term loans	11	<b>Valuation, Translation Adjustment and Others:</b>	<b>170</b>
Utility membership	104	Valuation difference on available-for-sale securities	170
Others	60	<b>Total Net Assets</b>	<b>37,346</b>
<b>Total Assets</b>	<b>53,387</b>	<b>Total Liabilities and Net Assets</b>	<b>53,387</b>

**Non-Consolidated Statements of Operations**  
**(For the year from April 1, 2016 to March 31, 2017)**

(¥ millions)

Item	Amount	
<b>Revenue</b>		<b>35,090</b>
<b>Cost of Sales</b>		<b>27,919</b>
<b>Gross Profit</b>		<b>7,171</b>
<b>Selling, general and administrative expenses</b>		<b>5,248</b>
<b>Operating Income</b>		<b>1,923</b>
<b>Non-Operating Income:</b>		<b>720</b>
Interest income	509	
Real estate rent	161	
Dividend income on insurance	33	
Others	15	
<b>Non-Operating Expenses:</b>		<b>207</b>
Rent expenses on real estate	156	
Commission for purchase of treasury stock	9	
Office transfer expenses	29	
Others	12	
<b>Ordinary Income</b>		<b>2,436</b>
<b>Extraordinary Income:</b>		<b>59</b>
Gain on sales of noncurrent assets	58	
Gain on sales of investment securities	0	
<b>Extraordinary Losses:</b>		<b>135</b>
Loss on retirement of noncurrent assets	37	
Impairment loss	92	
Others	5	
<b>Income before Income Taxes</b>		<b>2,359</b>
Income Taxes and Others		1,055
Adjustment of Corporate Taxes		(402)
<b>Net Income</b>		<b>1,706</b>



**Non-Consolidated Statements of Changes in Shareholders' Equity**  
**(For the year from April 1, 2016 to March 31, 2017)**

(¥ millions)

	Shareholders' equity					
	Capital stock	Capital surplus			Retained earnings	
		Capital reserve	Other capital surplus	Total capital surplus	Other retained earnings	Total retained earnings
Balance at April 1, 2016	15,000	3,750	20,572	24,322	3,432	3,432
Changes during year						
Cash dividends from retained earnings					(438)	(438)
Net income					1,706	1,706
Purchase of treasury stock						
Retirement of treasury stock			(3,974)	(3,974)		
Net changes of items other than shareholders' equity						
Total changes during year	—	—	(3,974)	(3,974)	1,268	1,268
Balance at March 31, 2017	15,000	3,750	16,598	20,348	4,701	4,701

	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, 2016	(4,414)	38,340	125	125	38,466
Changes during year					
Cash dividends from retained earnings		(438)			(438)
Net income		1,706			1,706
Purchase of treasury stock	(2,433)	(2,433)			(2,433)
Retirement of treasury stock	3,974	—			—
Net changes of items other than shareholders' equity			44	44	44
Total changes during year	1,541	(1,164)	44	44	(1,120)
Balance at March 31, 2017	(2,873)	37,175	170	170	37,346

## Ordinary General Meeting of Shareholders Reference Documents

### Item 1: Appropriation of Retained Earnings

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

On the basis of the above-mentioned basic policy, with regard to the year-end dividend for the fiscal year ended March 31, 2017, the Company gave due consideration to the second consecutive year of profit increases as well as other factors and plans to declare the following fiscal year-end dividend, an increase of ¥2.00 per share, to return profits to its shareholders.

Fiscal year-end dividend matters

- (1) Type of dividend
  - Cash dividend
- (2) Financial assets to be distributed as dividends and total dividend amount
  - ¥10.00 per share of common stock
  - ¥261,062,520 total dividend payment
- (3) Effective date of appropriation of retained earnings as cash dividends
  - June 26, 2017

For the fiscal year, since we paid an interim dividend of ¥8.00 per share on December 5, 2016, the total annual dividend for the period under review amounted to ¥18.00 per share.

### Item 2: Partial Amendments to Articles of Incorporation

#### 1. Reason for Amendments

- (1) In line with the implementation of the Act for Partial Revision of the Act for Securing the Proper Operation of Worker Dispatching Undertakings and Protecting Dispatched Workers and Other Acts (Act No. 73 of 2015), the category of specified worker dispatching undertakings that had formed the notification system was abolished and all worker dispatching undertakings will be conducted under a license system. Undertaking specified worker dispatching more than ever, the Company is adding business purpose to Article 2 (Purpose) of its Articles of Incorporation prior to the expiry of the transitional measure period under the Act. The Company will also renumber the items accordingly.
- (2) In line with the implementation of the Act for Partial Amendment of the Companies Act (Act No. 90 of 2014), it became possible to conclude limited liability agreements with newly appointed directors who are not executive directors, etc. and with corporate auditors who are not outside auditors. To enable those directors and corporate auditors to fully demonstrate the roles expected of them, the Articles of Incorporation that will thus be subject to partial amendments are Article 34 (Limited Liability Agreements with Outside Directors) and Article 45 (Limited Liability Agreements with Outside Corporate Auditors). With regard to the amendment to Article 34 of the current Articles of Incorporation, the Company has obtained the consent of each Corporate Auditor.
- (3) In addition, the Company will delete provisions for regulations that have become unnecessary.

## 2. Details of Amendments

The details of the amendments are as follows.

(Amendments are underlined)

Current Articles of Incorporation		Proposed Amendments	
Article 1 (Article text omitted)		Article 1 (As current Articles of Incorporation)	
(Purpose)		(Purpose)	
Article 2 (Article text omitted)		Article 2 (As current)	
(1) – (7) (Article texts omitted)		(1) – (7) (As current)	
	(New)	<u>(8)</u>	<u>Worker dispatching undertakings</u>
<u>(8) – (10)</u> (Article texts omitted)		<u>(9) – (11)</u> (As current)	
Article 3 to Article 33 (Article texts omitted)		Article 3 to Article 33 (As current)	
(Limited Liability Agreements with <u>Outside Directors</u> )		(Limited Liability Agreements with <u>Directors</u> )	
Article 34 The Company may, in accordance with Article 427(1) of the Companies Act, enter into agreements with <u>Outside Directors</u> that limit the liability for damages for failure to perform their duties. The maximum amount of damages under such agreements, however, shall be the Minimum Liability Amount prescribed in Article 427(1) of the Companies Act.		Article 34 The Company may, in accordance with Article 427(1) of the Companies Act, enter into agreements with <u>Directors (excluding Executive Directors, etc.)</u> that limit the liability for damages for failure to perform their duties. The maximum amount of damages under such agreements, however, shall be the Minimum Liability Amount prescribed in Article 427(1) of the Companies Act.	
Article 35 to Article 44 (Article texts omitted)		Article 35 to Article 44 (As current)	
(Limited Liability Agreements with <u>Outside Corporate Auditors</u> )		(Limited Liability Agreements with <u>Corporate Auditors</u> )	
Article 45 The Company may, in accordance with Article 427(1) of the Companies Act, enter into agreements with <u>Outside Corporate Auditors</u> that limit the liability for damages for failure to perform their duties. The maximum amount of damages under such agreements, however, shall be the Minimum Liability Amount prescribed in Article 427(1) of the Companies Act.		Article 45 The Company may, in accordance with Article 427(1) of the Companies Act, enter into agreements with <u>Corporate Auditors</u> that limit the liability for damages for failure to perform their duties. The maximum amount of damages under such agreements, however, shall be the Minimum Liability Amount prescribed in Article 427(1) of the Companies Act.	
Article 46 to Article 49 (Article texts omitted)		Article 46 to Article 49 (As current)	
(Regulations)		(Regulations)	
1 (Article text omitted)		1 (As current)	
<u>2 The Company entrusts the creation and retention of a lost share certificate register and matters pertaining to other lost share certificate ledgers to the Shareholder Registrar, and thus such matters are not handled within the Company.</u>		(Deleted)	
<u>3. The provisions set out in Regulations 2 to 3 were deleted with effect from January 6, 2010.</u>		(Deleted)	

### Item 3: Election of Six (6) Corporate Directors

The term of office for all seven (7) 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 further streamline our management structure so that six (6) directors are elected.

The candidates for the director positions are as follows:

Nominee Number 1	<b>Brief Personal History, Position in the Company and Important Concurrent Roles</b>	
<div style="border: 1px solid black; padding: 2px; width: fit-content; margin-bottom: 10px;">Reappointment</div> <p data-bbox="188 701 391 734"><b>Etsuroh Mori</b></p> <p data-bbox="188 736 418 766">(November 24, 1952)</p> <p data-bbox="188 819 475 875"><b>Company Shares Owned</b> 26,600</p>	<p data-bbox="515 580 627 607">Apr. 1975</p> <p data-bbox="515 609 627 636">Apr. 2006</p> <p data-bbox="515 663 627 689">Apr. 2007</p> <p data-bbox="515 692 627 719">Apr. 2011</p> <p data-bbox="515 745 627 772">Apr. 2012</p> <p data-bbox="515 799 627 826">Apr. 2014</p> <p data-bbox="515 828 627 855">June 2014</p>	<p data-bbox="722 580 930 607">Joined Hitachi, Ltd.</p> <p data-bbox="722 609 1361 665">General Manager, Project Management Division, Hitachi Software Engineering Co., Ltd. (now Hitachi Solutions, Ltd.)</p> <p data-bbox="722 667 1334 694">Corporate Officer, Hitachi Software Engineering Co., Ltd.</p> <p data-bbox="722 696 1345 752">Managing Executive Officer, Hitachi Software Engineering Co., Ltd.</p> <p data-bbox="722 754 1345 810">President, Hitachi East Japan Solutions, Ltd. (now Hitachi Solutions East Japan, Ltd.)</p> <p data-bbox="722 813 882 840">Vice President</p> <p data-bbox="722 842 1329 869">President and Representative Director (Current position)</p>
	<p data-bbox="515 864 1090 891"><b>The reasons for nominating Mr. Mori as a Director</b></p> <p data-bbox="515 898 1353 1122">Throughout his many years engaged in corporate management and, from 2014, his time as the Company's president and representative director, Mr. Mori has been driving management and business while building up steady results and achievements. As it can be expected that he will be able to bring about improvements in business performance and corporate value by drawing on that wealth of experience and perspectives in the management of the Company and the Group going forward, the Company is requesting Mr. Mori's continued appointment as director.</p>	
Nominee Number 2	<b>Brief Personal History, Position in the Company and Important Concurrent Roles</b>	
<div style="border: 1px solid black; padding: 2px; width: fit-content; margin-bottom: 10px;">Reappointment</div> <p data-bbox="188 1406 486 1440"><b>Susumu Tsukahara</b></p> <p data-bbox="188 1442 343 1471">(April 8, 1961)</p> <p data-bbox="188 1503 475 1559"><b>Company Shares Owned</b> 6,000</p>	<p data-bbox="515 1285 627 1312">Apr. 1985</p> <p data-bbox="515 1339 627 1366">June 2005</p> <p data-bbox="515 1368 627 1395">May 2008</p> <p data-bbox="515 1422 627 1449">Apr. 2013</p> <p data-bbox="515 1498 627 1525">Nov. 2014</p> <p data-bbox="515 1527 627 1554">June 2015</p>	<p data-bbox="722 1285 1353 1341">Joined The Mitsubishi Bank, Ltd. (now The Bank of Tokyo-Mitsubishi UFJ)</p> <p data-bbox="722 1344 1174 1370">Assistant Head of General Planning Office</p> <p data-bbox="722 1373 1345 1429">Manager, Financial Accounting Office, Corporate Planning Division</p> <p data-bbox="722 1431 1254 1509">Concurrent Manager, Financial Accounting Office, Corporate Planning Division and Manager, IFRS Preparation Office, Planning Department</p> <p data-bbox="722 1512 1345 1568">Executive Officer and General Manager, Financial Division Director, Managing Executive Officer and General Manager, Financial Division (Current position)</p>
	<p data-bbox="515 1592 1161 1619"><b>The reasons for nominating Mr. Tsukahara as a Director</b></p> <p data-bbox="515 1626 1350 1917">Throughout his many years engaged in finance-related business and corporate management and, from 2015, his time as the Company's managing executive officer and director, Mr. Tsukahara has been contributing to management in the financial and capital strategy areas while working to improve performance in business aspects. As it can be expected that he will be able to bring about improvements in business performance and corporate value by drawing on that wealth of experience and perspectives in the management of the Company and the Group going forward, the Company is requesting Mr. Tsukahara's continued appointment as director.</p>	

<b>Nominee Number 3</b>	<b>Brief Personal History, Position in the Company and Important Concurrent Roles</b>	
<div style="border: 1px solid black; padding: 2px; width: fit-content; margin-bottom: 10px;">Reappointment</div> <p><b>Koichi Yoshimura</b> (October 25, 1965)</p> <p><b>Company Shares Owned</b> 6,100</p>	<p>Apr. 1988      Joined the Company</p> <p>Aug. 2010     General Manager, Life Insurance Institution Systems Division, Finance Systems Group</p> <p>Apr. 2013     Executive Officer and Group Executive, Finance Systems Group</p> <p>June 2014     Director and Executive Officer, General Manager, Financial Systems Group</p> <p>Apr. 2015     Director, Managing Executive Officer, General Manager, Public Service Systems Group</p> <p>Apr. 2016     Director, Executive Officer and General Manager, IT Solutions Division (Current position)</p>	
	<p><b>The reasons for nominating Mr. Yoshimura as a Director</b></p> <p>Having been responsible for the Company's general industry, financial and public businesses, Mr. Yoshimura has become familiar with the Company's businesses as a whole and been a director and executive officer of the Company since 2014. Mr. Yoshimura has been contributing to improvements in performance by engaging in overall business management operations. As it can be expected that he will be able to bring about improvements in business performance and corporate value by drawing on that wealth of experience and broad insight in the management of the Company and the Group going forward, the Company is requesting Mr. Yoshimura's continued appointment as director.</p>	

<b>Nominee Number 4</b>	<b>Brief Personal History, Position in the Company and Important Concurrent Roles</b>	
<div style="border: 1px solid black; padding: 2px; width: fit-content; margin-bottom: 10px;">Reappointment</div> <p><b>Katsushi Takano</b> (January 6, 1960)</p> <p><b>Company Shares Owned</b> 5,900</p>	<p>Dec. 1985     Joined the Company</p> <p>Oct. 2009     General Manager, Public Service Management Division, Public Service Systems Group</p> <p>Apr. 2012     General Manager, Regional Office Division</p> <p>Apr. 2013     Executive Officer and General Manager, Management Services Group</p> <p>June 2015     Director, Executive Officer and General Manager, Management Services Group</p> <p>Apr. 2016     Director, Executive Officer and General Manager, Public Service Solution Division (Current position)</p>	
	<p><b>The reasons for nominating Mr. Takano as a Director</b></p> <p>Having been, for example, responsible for controlling the Company's public and management services businesses as well as regional office affairs and been an executive officer of the Company since 2015, Mr. Takano has been contributing to improvements in performance by engaging in overall business. As it can be expected that he will be able to bring about improvements in business performance and corporate value by drawing on that wealth of experience and broad insight in the management of the Company and the Group going forward, the Company is requesting Mr. Takano's continued appointment as director.</p>	

<b>Nominee Number 5</b>	<b>Brief Personal History, Position in the Company and Important Concurrent Roles</b>																
<div style="border: 1px solid black; padding: 2px; margin-bottom: 5px;">Reappointment</div> <div style="border: 1px solid black; padding: 2px; margin-bottom: 5px;">Candidate for Outside Director</div> <div style="border: 1px solid black; padding: 2px;">Independent Director</div>	<table border="0"> <tr> <td style="padding-right: 20px;">Apr. 1971</td> <td>Joined Marubeni Electronics Co., Ltd.</td> </tr> <tr> <td>Sept. 1973</td> <td>Joined Otsuka Corporation</td> </tr> <tr> <td>Mar. 1995</td> <td>Managing Director and General Manager, Chubu Office, Otsuka Corporation</td> </tr> <tr> <td>Mar. 1998</td> <td>Executive Director, Otsuka Corporation</td> </tr> <tr> <td>Mar. 2008</td> <td>Concurrent Managing Director and Senior Executive Officer, Otsuka Corporation</td> </tr> <tr> <td>Mar. 2013</td> <td>Advisor, Otsuka Corporation</td> </tr> <tr> <td>Mar. 2014</td> <td>Resigned as Advisor, Otsuka Corporation</td> </tr> <tr> <td>June 2014</td> <td>Director (Current position)</td> </tr> </table>	Apr. 1971	Joined Marubeni Electronics Co., Ltd.	Sept. 1973	Joined Otsuka Corporation	Mar. 1995	Managing Director and General Manager, Chubu Office, Otsuka Corporation	Mar. 1998	Executive Director, Otsuka Corporation	Mar. 2008	Concurrent Managing Director and Senior Executive Officer, Otsuka Corporation	Mar. 2013	Advisor, Otsuka Corporation	Mar. 2014	Resigned as Advisor, Otsuka Corporation	June 2014	Director (Current position)
Apr. 1971	Joined Marubeni Electronics Co., Ltd.																
Sept. 1973	Joined Otsuka Corporation																
Mar. 1995	Managing Director and General Manager, Chubu Office, Otsuka Corporation																
Mar. 1998	Executive Director, Otsuka Corporation																
Mar. 2008	Concurrent Managing Director and Senior Executive Officer, Otsuka Corporation																
Mar. 2013	Advisor, Otsuka Corporation																
Mar. 2014	Resigned as Advisor, Otsuka Corporation																
June 2014	Director (Current position)																
<p><b>Kazuhide Hamada</b> (May 23, 1948)</p> <p><b>Company Shares Owned</b> 0</p> <p><b>Period in office as Outside Director</b> (at time of Ordinary General Meeting of Shareholders): Three years</p>	<p><b>Reasons for nominating Mr. Hamada as a candidate for Outside Director</b></p> <p>For many years engaged in corporate management, including information services, and having served as the Company's outside director since 2014, Mr. Hamada provides opinions and proposals based on the wealth of experience and deep insight he has accumulated as a management and business specialist. As it can be expected that he will contribute to the management of the Company and Group by drawing on that wealth of experience and broad insight, the Company is requesting Mr. Hamada's continued appointment as outside director.</p>																
	<p><b>Matters Relating to Independence</b></p> <p>Outside director reappointment 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, 2017, 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.</p>																

<b>Nominee Number 6</b>	<b>Brief Personal History, Position in the Company and Important Concurrent Roles</b>	
<div style="border: 1px solid black; padding: 2px; margin-bottom: 5px;">Reappointment</div> <div style="border: 1px solid black; padding: 2px; margin-bottom: 5px;">Candidate for Outside Director</div> <div style="border: 1px solid black; padding: 2px;">Independent Director</div>	<p>Apr. 1988 Tutor, Human Sciences Department, Waseda University</p> <p>Apr. 1997 Instructor, Human Sciences Department, Waseda Univ.</p> <p>Apr. 1999 Assistant Professor, Human Sciences Department, Waseda Univ.</p> <p>Apr. 2004 Assistant Professor, Faculty of Human Sciences Department, Waseda Univ.</p> <p>Apr. 2006 Professor, Faculty of Human Sciences Department, Waseda Univ. (Current position)</p> <p>Sept. 2014 Deputy Dean, Faculty of Human Sciences Department, Waseda Univ. (International Representative)</p> <p>June 2015 Director (Current position)</p>	
<b>Shoji Nishimura</b> (August 16, 1960)	<b>Reasons for nominating Mr. Nishimura as a candidate for Outside Director</b>	
<b>Company Shares Owned</b> 0	For many years engaged in research on computer science trends and applications, Mr. Nishimura has a record of success that includes the commercialization of education that utilizes the internet. Based on the advanced professional knowledge that he has accumulated through his career, Mr. Nishimura provides opinions and proposals relating to the Company's management and IT business. As it can be expected that he will contribute to the management of the Company and Group by drawing on that wealth of experience and broad insight, the Company is requesting Mr. Nishimura's continued appointment as outside director.	
<b>Period in office as Outside Director</b> (at time of Ordinary General Meeting of Shareholders): Two years	<b>Matters Relating to Independence</b>	
	<ul style="list-style-type: none"> <li>• Outside director reappointment 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.</li> <li>• 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.</li> </ul>	

Notes:

1. None of the above appointees have special vested interests in the Company.
2. 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.
3. 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 agreements.

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

The term of office of Hidetaka Nishina, one (1) of the Company’s three (3) corporate auditors, 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 outside corporate auditor is as follows:

<p><b>New appointee</b></p> <p><b>Candidate for Outside Corporate Auditor</b></p> <p><b>Independent Director</b></p> <p><b>Hiroshi Yoshida</b> (September 5, 1954)</p> <p><b>Company Shares Owned</b> 0</p>	<p><b>Brief Personal History and Important Concurrent Roles</b></p>																
	<table border="0"> <tr> <td data-bbox="502 533 702 589">Oct. 1980</td> <td data-bbox="702 533 1369 589">Joined Tohmatsu Aoki &amp; Co. (now Deloitte Touche Tohmatsu LLC)</td> </tr> <tr> <td data-bbox="502 589 702 618">Apr. 1984</td> <td data-bbox="702 589 1369 618">Registered as Certified Public Accountant (current)</td> </tr> <tr> <td data-bbox="502 618 702 647">June 2000</td> <td data-bbox="702 618 1369 647">Representative Partner, Tohmatsu &amp; Co.</td> </tr> <tr> <td data-bbox="502 647 702 676">May 2007</td> <td data-bbox="702 647 1369 752">Managing Partner, Finance &amp; Administration (CFO), Tohmatsu &amp; Co, Director, Deloitte Tohmatsu Consulting Co., Ltd. (now Deloitte Tohmatsu Consulting LLC)</td> </tr> <tr> <td data-bbox="502 752 702 781">Nov. 2011</td> <td data-bbox="702 752 1369 784">Chief Financial Officer, Deloitte Touche Tohmatsu LLC</td> </tr> <tr> <td data-bbox="502 784 702 813">Apr. 2014</td> <td data-bbox="702 784 1369 813">Representative Partner, Deloitte Tohmatsu Consulting LLC</td> </tr> <tr> <td data-bbox="502 813 702 842">Nov. 2015</td> <td data-bbox="702 813 1369 842">Partner, Deloitte Touche Tohmatsu LLC</td> </tr> <tr> <td data-bbox="502 842 702 891">Mar. 2017</td> <td data-bbox="702 842 1369 891">Outside Audit and Supervisory Board member, Canon Inc. (Current position)</td> </tr> </table>	Oct. 1980	Joined Tohmatsu Aoki & Co. (now Deloitte Touche Tohmatsu LLC)	Apr. 1984	Registered as Certified Public Accountant (current)	June 2000	Representative Partner, Tohmatsu & Co.	May 2007	Managing Partner, Finance & Administration (CFO), Tohmatsu & Co, Director, Deloitte Tohmatsu Consulting Co., Ltd. (now Deloitte Tohmatsu Consulting LLC)	Nov. 2011	Chief Financial Officer, Deloitte Touche Tohmatsu LLC	Apr. 2014	Representative Partner, Deloitte Tohmatsu Consulting LLC	Nov. 2015	Partner, Deloitte Touche Tohmatsu LLC	Mar. 2017	Outside Audit and Supervisory Board member, Canon Inc. (Current position)
	Oct. 1980	Joined Tohmatsu Aoki & Co. (now Deloitte Touche Tohmatsu LLC)															
	Apr. 1984	Registered as Certified Public Accountant (current)															
June 2000	Representative Partner, Tohmatsu & Co.																
May 2007	Managing Partner, Finance & Administration (CFO), Tohmatsu & Co, Director, Deloitte Tohmatsu Consulting Co., Ltd. (now Deloitte Tohmatsu Consulting LLC)																
Nov. 2011	Chief Financial Officer, Deloitte Touche Tohmatsu LLC																
Apr. 2014	Representative Partner, Deloitte Tohmatsu Consulting LLC																
Nov. 2015	Partner, Deloitte Touche Tohmatsu LLC																
Mar. 2017	Outside Audit and Supervisory Board member, Canon Inc. (Current position)																
<p><b>Reasons for proposing Mr. Yoshida as a candidate for the position of outside auditor</b></p> <p>Although Mr. Yoshida has not been directly involved in company management, as a CPA he is familiar with finance and accounting. Concluding that Mr. Yoshida can be relied upon to utilize the experience and knowledge that he has amassed in the course of his career in the audit of its financial statements, the Company is requesting Mr. Yoshida’s appointment as outside corporate auditor.</p>																	
<p><b>Matters Relating to Independence</b></p> <p>Outside corporate auditor candidate Hiroshi Yoshida was employed by Deloitte Tohmatsu Consulting LLC. While there were transactions of a temporary nature between Deloitte Tohmatsu Consulting LLC and the Company in the fiscal year ended March 31, 2017, they accounted for less than 0.1% of the consolidated cost of sales, in terms of purchase amounts. Thus, the Company considers this candidate to be sufficiently independent.</p>																	

Notes:

1. Hiroshi Yoshida, the candidate for corporate auditor, has no special vested interests with the Company.
2. Mr. Yoshida is a candidate for independent director based on the provisions of Tokyo Stock Exchange, Inc.
3. Should Mr. Yoshida’s appointment receive approval, 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 he performs his duties in good faith and without gross negligence, to the amount provided for in Article 427(1) of the Companies Act.



**Item 5: Election of One (1) Substitute Corporate Auditor**

To ensure that the number of corporate auditors does not fall below the number stipulated in laws and regulations, we propose the election of one (1) substitute corporate auditor.

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

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

	<b>Brief Personal History and Important Concurrent Roles</b>	
<b>Ryo Haga</b> (February 9, 1966)	Apr. 1994	Lecturer of Faculty of Economics, at Yamaguchi University
	Aug. 1996	Assistant Professor of Faculty of Economics, at Yamaguchi University
<b>Company Shares Owned</b> 0	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)
	June 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)
	<b>Reasons for proposing Mr. Haga as candidate for position of substitute outside corporate auditor</b>	
	Although he has not been directly involved in company management, 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.	

## Notes:

1. Ryo Haga, the candidate for the position of substitute corporate auditor, has no special vested interests with the Company.
2. 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 Thursday, June 22, 2017.

#### **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.

<p>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)</p>
---