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(Stock Exchange Code 3913)
March 14, 2018

To our shareholders

2-3-1 Shinkawa, Chuo-ku, Tokyo
sMedio, Inc.
President: Sadanori Iwamoto

NOTICE OF THE 11TH ANNUAL SHAREHOLDERS' MEETING

Notice is hereby given that the 11th Annual Shareholders' Meeting of the Company will be held as specified below. You are cordially invited to attend the Meeting.

If you are unable to attend the Meeting, you may exercise your voting rights in writing. After reviewing the attached Documents for Reference for the Annual Shareholders' Meeting, please indicate your approval or disapproval of the proposals on the enclosed Voting Rights Exercise Form and return it to the Company so that it arrives no later than 6:30 p.m. on Wednesday, March 28, 2018, Japan time.

Notice of Meeting

1. **Date:** Thursday, March 29, 2018 at 10:00 a.m. Japan time

2. **Place:** Conference Room 701 (7F) at Tekko Kaikan
3-2-10 Nihonbashi-Kayabacho, Chuo-ku, Tokyo, Japan
(The venue of the Meeting has been changed from last year. Please refer to the guide map for the venue of the Meeting at the end of this document [Japanese only] and ensure you visit the correct venue.)

3. **Objectives of Meeting:**

(Matters to Report)

1. Business Report, Consolidated Financial Statements for the Company's 11th period (January 1, 2017 to December 31, 2017) and results of audits by the Accounting Auditor and the Board of Auditors of the Consolidated Financial Statements
2. Non-consolidated Financial Statements for the Company's 11th period (January 1, 2017 to December 31, 2017)

(Proposal) Election of Six (6) Directors

1. When attending the Meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk.
2. Among the documents which should be provided together with this Notice, as the following notes are made available on the Company's website (http://www.smedio.co.jp/), pursuant to applicable laws and regulations and Article 14 of the Articles of Incorporation of the Company, these notes are not provided in this Notice.
   (1) Notes to the Consolidated Financial Statements
   (2) Notes to the Non-consolidated Financial Statements
3. Should the Documents for Reference for the Annual Shareholders' Meeting, the Business Report, the Consolidated Financial Statements and the Non-consolidated Financial Statements require revisions, the revised versions will be posted on the Company's website (http://www.smedio.co.jp/).
4. No souvenir will be made available to the attending shareholders. We sincerely request your understanding and acceptance.

Documents for Reference for the Annual Shareholders' Meeting

Proposals and References

Proposal: Election of Six (6) Directors

The terms of office of all five (5) Directors will expire at the conclusion of this year's Annual Shareholders' Meeting. Accordingly, in order to strengthen the Company's management supervision function, the number of Outside Directors shall be increased by one (1), and the election of six (6) Directors (including one (1) new Director) is proposed.

The nominees for Directors are as follows:

No.	Name (Date of birth)	Past experience, positions, responsibility and significant concurrent positions	Number of shares of the Company held
1	Sadanori Iwamoto (May 31, 1971) [Reelected]	July 1996 Product Manager, Nichimen Electronics Parts, Inc. (currently E-Globaledge Corporation) June 2002 OEM Sales Senior Director, InterVideo Japan Inc. (currently Corel Japan Ltd.) February 2008 General Manager of Sales, VideACE, Inc. (currently sMedio, Inc.) March 2010 Director, General Manager of Sales & Marketing March 2015 Managing Director, sMedio, Inc. October 2015 Director, Johospace Co., Ltd. (to present) February 2017 Representative Director and CEO, sMedio, Inc. (to present) [Significant concurrent positions] ・Director, sMedio Technology (Shanghai) Inc. ・Director, Johospace Co., Ltd. ・Director, Taosoftware Co., Ltd.	28,800
2	Yoshinobu Nakamura (January 4, 1963) [Reelected]	October 1986 Joined Eiwa Auditing Firm (currently KPMG AZSA LLC) June 1988 Registered as a Certified Public Accountant April 1998 Joined Tommy Inc. December 1999 Joined Seiyu Audit Corp. April 2005 Established Nakamura Yoshinobu Accountant Office February 2006 Joined Yurakucho CPA Firm June 2007 Joined HLB Meisei Audit Corporation (currently HLB Meisei LLC) March 2011 Director, General Manager of Corporate Control, sMedio, Inc. (to present)	8,000

No.	Name (Date of birth)	Past experience, positions, responsibility and significant concurrent positions	Number of shares of the Company held
3	Qiling Huang (November 11, 1970) [Reelected]	June 1997 Engineering Manager, AMLOGIC, INC. August 2000 Software Engineering Manager, InterVideo Inc. (USA) (currently Corel Inc.) January 2008 Engineering & General Manager, Rolltech Technology Inc. (currently sMedio Technology (Shanghai) Inc.) June 2010 Director responsible for development & technology, sMedio, Inc. (to present) [Significant concurrent positions] ・President, sMedio Technology (Shanghai) Inc. ・Director, sMedio America Inc.	16,800
4	Hirotake Kitano (December 19, 1978) [Reelected]	April 2003 Joined Osaka Prefectural Government December 2006 Joined Tohmatsu & Co. (currently Deloitte Touche Tohmatsu LLC) July 2010 Registered as a Certified Public Accountant May 2012 Joined Fuji Life Insurance Co., Ltd. (currently FWD Fuji Life Insurance Company, Limited) August 2015 General Manager of Corporate Strategy Planning Dept., sMedio, Inc. March 2017 Director, General Manager of Corporate Strategy Planning Dept., sMedio, Inc. (to present) [Significant concurrent position] ・Statutory Auditor, Taosoftware Co., Ltd.	-
5	Yoji Ochiai (March 29, 1964) [Reelected] [Outside Director] [Independent Director]	April 1987 Joined the Legal Training and Research Institute, Supreme Court of Japan April 1989 Prosecutor of the Tokyo District Public Prosecutor's Office September 2000 Joined Yahoo Japan Corporation October 2000 Registered as an attorney-at-law (the Tokyo Bar Association) November 2001 Joined Yaesu Daiichi Law Office September 2008 Established Sengakujimae Law Office (to present) April 2010 Designated Professor, Law School, Tokai University December 2013 External Statutory Auditor, WebCrew Inc. March 2015 Outside Director, sMedio, Inc. (to present) [Significant concurrent positions] ・Representative, Sengakujimae Law Office [Reasons for nomination as a candidate for Outside Director] From his experience and knowledge as an attorney-at-law and an External Statutory Auditor at another company, Mr. Yoji Ochiai has been providing valuable opinions and suggestions, and therefore the Company nominated him again as a candidate for Outside Director. At the conclusion of this Annual Shareholders' Meeting, he will have been in office as an Outside Director of the Company for three years.	-

No.	Name (Date of birth)	Past experience, positions, responsibility and significant concurrent positions	Number of shares of the Company held
6	Jyh-Jong Lin (September 30, 1967) [Newly elected] [Outside Director] [Independent Director]	April 1995 Joined Taipei Branch of TOMEN Corporation (currently Toyota Tsusho Corporation) April 1997 Joined Ulead Systems, Inc. (currently Corel Corporation Taiwan) July 2004 President and Representative Director, Ulead Systems Japan, Inc. (currently Corel Japan Ltd.) August 2006 Executive Vice President, InterVideo Japan Inc. (currently Corel Japan Ltd.) June 2008 Executive Vice President, Corel Japan Ltd. June 2010 President and Representative Director, CyberLink Corp. October 2013 President and Representative Director, AEGIS Technologies, Inc. October 2017 President and Representative Director, Kiwi Technology Inc. (to present) [Significant concurrent position] ・President, Kiwi Technology, Inc. [Reasons for nomination as a candidate for Outside Director] Mr. Jyh-Jong Lin has extensive experience in the IT industry, as well as experience in management and industry knowledge as the President of Japanese branches of companies. Utilizing his experience and knowledge, he is expected to provide suggestions concerning all aspects of the Company's corporate management including its corporate governance, and contribute to strengthening the Company's management system. Therefore, the Company nominated him as a candidate for Outside Director.	-

(Notes)

1. No special conflicts of interest exist between the Company and each nominee.
2. Mr. Yoji Ochiai and Mr. Jyh-Jong Lin are nominees for Outside Director.
3. Reasons for deeming nominees as capable of properly carrying out duties as Outside Directors
   During his past three years in office, Mr. Yoji Ochiai has fulfilled his duties as an Outside Director using his experience and insights. Therefore, the Company deemed that he will continue to properly carry out his duties as an Outside Director if he is reelected.
   Mr. Jyh-Jong Lin has extensive experience in the IT industry, and experience of participating in management as the President of Japanese branches of foreign companies. Therefore, the Company deemed that he will be able to properly carry out his duties as an Outside Director by utilizing his experience and knowledge.
4. Pursuant to Article 427, Paragraph 1 of the Companies Act, the Company has entered into an agreement with Mr. Yoji Ochiai for the purpose of limiting the liability for damages under Article 423, Paragraph 1 of the same Act. The maximum amount of the liability for damages under the agreement shall be the minimum liability amount as stipulated by Article 425, Paragraph 1 of the same Act. If he is reelected as an Outside Director, the Company plans to continue the said agreement with him. In addition, if Mr. Jyh-Jong Lin is elected, the Company plans to enter into an agreement with him, with the same contents as the above agreement with Mr. Yoji Ochiai.
5. The Company has registered Mr. Yoji Ochiai as an independent director as stipulated in the rules set out by the Tokyo Stock Exchange, on which the Company is listed. If he is reelected, the Company will continue to appoint him as an independent director. In addition, if Mr. Jyh-Jong Lin is elected, the Company plans to appoint him as an independent director.