(English Translation)
This English translation is an abridged version of the original document in Japanese.
In the event of any discrepancy, the Japanese version prevails.

Securities code: 6947
June 8, 2018

To Our Shareholders

Makoto Kaneko, President and Representative Director
ZUKEN Inc.
2-25-1, Edahigashi Tsuzuki-ku, Yokohama

NOTICE OF CONVOCATION OF THE 42nd ORDINARY GENERAL MEETING OF SHAREHOLDERS

You are cordially invited to attend the 42nd Ordinary General Meeting of Shareholders of ZUKEN Inc., to be held as follows.

If you are unable to attend the meeting, you may submit your votes in writing. Please read the Reference Documents for the General Meeting of Shareholders. You are requested to indicate your approval or disapproval of the proposals on the enclosed Voting Rights Exercise Form and return it so that it will reach us by 5:45 p.m. on Wednesday, June 27, 2018.

1. Time and Date: 10 a.m., Thursday, June 28, 2018

2. Place: Zuken Hall, 1F, Head Office/Central Research Facility
2-25-1, Edahigashi Tsuzuki-ku, Yokohama

3. Objectives of the Meeting:

Reports:

1. Reports on the Business Report and the Consolidated Financial Statements, and the Results of the Audits of the Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Board for the 42nd Fiscal Year (April 1, 2017 to March 31, 2018)
2. Report on the Non-consolidated Financial Statements for the 42nd Fiscal Year (April 1, 2017 to March 31, 2018)

Agenda:

Proposal No. 1: Appropriation of Surplus

Proposal No. 2: Election of Eight (8) Directors

Proposal No. 3: Election of One (1) Audit & Supervisory Board Member

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For those attending, please present the enclosed Voting Rights Exercise Form at the reception desk.

If any amendment is made to the Reference Documents for the General Meeting of Shareholders, the Business Report, or the Consolidated and/or Non-consolidated Financial Statements, the amended information will be disclosed on ZUKEN's website (http://www.zuken.co.jp).

Reference Documents for the General Meeting of Shareholders

Proposal No. 1: Appropriation of Surplus

Distributing profits to shareholders is one of the highest management priorities of Zuken Inc (the "Company"). The basic policy is to pay a stable dividend in light of factors including our business performance and operating conditions.

Regarding the business performance for the fiscal year ended March 31, 2018, the Zuken Group achieved year-on-year increases in both sales and profits for two consecutive fiscal years with sales recording its highest level ever and profitability steadily improving. Upon having considered the above business results and the dividend policy mentioned above, we propose the year-end dividend and the appropriation of retained earnings for the 42nd fiscal year as follows:

We plan to increase the year-end dividend by 2 yen to 12 yen per share.

1. Matters concerning year-end dividends

(1) Type of dividend
Cash

(2) Matters concerning allotment of dividends and total amount to be distributed
A dividend of 12 yen per share of the Company's common shares
Total dividends: 279,001,344 yen

With the interim dividend of 10 yen per share, this will result in a dividend of 22 yen per share for the fiscal year ended March 31, 2018.

(3) Effective date of the distribution of retained earnings
June 29, 2018

2. Matters concerning the appropriation of retained earnings

(1) Item and amount of decrease in surplus
Retained earnings brought forward: 1,000,000,000 yen

(2) Item and amount of increase in surplus
General reserve: 1,000,000,000 yen

Proposal No. 2: Election of Eight (8) Directors

The terms of office of all eight (8) Directors will expire at the conclusion of this General Meeting of Shareholders. Accordingly, the election of eight (8) Directors (including two (2) Outside Directors) are proposed.

The candidates for Directors are as follows.

No.	Name (Date of birth)	Past experience, positions and responsibilities (Significant concurrent positions)		Number of the Company's shares held
1	Makoto Kaneko (Mar. 15, 1945)	Dec. 1976	Established Zukei Shori Gijutsu Kenkyusho Inc. (Currently Zuken Inc.) President and Representative Director (Current)	4,500,731
2	Jinya Katsube (Oct. 13, 1942)	Jan. 1982	Joined the Company as General Manager of Sales Department	65,100
		Jan. 1984	Director and General Manager of Sales Division	
		Jun. 1995	Senior Managing Director and General Manager of Business Administration Division, Overseas Business Division and Technology Division	
		Apr. 1999	COO and Senior Managing Director	
		Jun. 2004	COO and Representative Director (Current)	
3	Kazuhiro Kariya (Nov. 27, 1960)	Oct. 1986	Joined the Company	2,000
		Apr. 1994	General Manager of EDA Development Department, Technology Division	
		Apr. 2002	Deputy General Manager of EDA Business Unit	
		Jun. 2004	Director and Deputy General Manager of EDA Business Unit	
		Apr. 2005	Director and General Manager of Technology Division	
		Jun. 2013	Managing Director and General Manager of EDA Business Unit (Current)	
4	Yoshikazu Soma (Jan. 15, 1960)	Mar. 1991	Joined the Company	15,000
		Apr. 2001	General Manager of General Affairs Department	
		Jan. 2004	General Manager of General Affairs and Human Resources Department	
		Apr. 2005	General Manager of Finance and Administration Division	
		Jun. 2005	Director and General Manager of Finance and Administration Division	
		Jun. 2016	Managing Director and General Manager of Finance and Administration Division (Current)	

No.	Name (Date of birth)	Past experience, positions and responsibilities (Significant concurrent positions)	Number of the Company's shares held
5	Takeo Osawa (Jul. 11, 1962)	Apr. 1986 Joined the Company Apr. 2002 General Manager of Solutions Sales Department, Dynamic Solutions Business Unit Apr. 2005 General Manager of PLM Sales Department, Sales Division Jun. 2011 Director and General Manager of Design Solutions Sales Department, Sales Division Apr. 2013 Director and Senior General Manager of Sales Department, EDA Business Unit Apr. 2017 Director and Deputy General Manager of Automotive and Machinery Business Unit Apr. 2018 Director and General Manager of Automotive and Machinery Business Unit (Current)	300
6	Koichi Saotome (Jul. 11, 1964)	Apr. 1987 Joined the Company Apr. 2012 Deputy General Manager of Technology Division Apr. 2013 Senior General Manager of Technology Department, EDA Business Unit Apr. 2015 General Manager of Automotive and Machinery Business Unit Jun. 2016 Director and General Manager of Automotive and Machinery Business Unit Apr. 2018 Director and Automotive & Machinery Global Strategy Planning (Current)	1,400
7	Takashi Sano (Apr. 3, 1948)	Oct. 1973 Joined Arthur Andersen Feb. 1979 Joined NEMIC-LAMBDA K.K. Jun. 1986 President of NEMIC-LAMBDA Singapore PTE. LTD. Dec. 1992 Joined Inoue Saito Eiwa Audit Corporation (Currently KPMG AZSA LLC) Jan. 1993 Registered as a CPA Aug. 1997 Representative Partner of Asahi Audit Corporation (Currently KPMG AZSA LLC) Dec. 2007 Established Sano CPA Office as President (Current) (Concurrent) Jun. 2011 Audit & Supervisory Board Member of the Company Jun. 2014 Director of the Company (Current) (Significant concurrent positions) President of Sano CPA Office	-

No.	Name (Date of birth)	Past experience, positions and responsibilities (Significant concurrent positions)	Number of the Company's shares held
8	Yoichi Arai (Apr. 25, 1944)	Apr. 1971 Registered as an attorney at law (Admitted to Tokyo Bar Association) Apr. 1977 Head of Yoichi Arai Law Office (Currently Arai Sogo Law Offices) (Current) (Concurrent) Jan. 1990 Audit & Supervisory Board Member of the Company Jun. 2016 Director of the Company (Current) (Significant concurrent positions) Head of Arai Sogo Law Offices	10,395

Notes: 1. No material conflict of interest exists between the Company and any of the above candidates.

2. Mr. Takashi Sano and Mr. Yoichi Arai are candidates for Outside Directors.

3. Reasons for nominating Mr. Takashi Sano and Mr. Yoichi Arai as candidates for Outside Directors
   1) Mr. Takashi Sano has a wealth of experience as a top corporate management as well as professional knowledge and experience cultivated for many years as a certified public accountant. The Company proposes the election of Mr. Sano as an Outside Director to leverage his knowledge and experience in its management.
   2) Mr. Yoichi Arai has not directly been involved in company management in the past, but has a wealth of professional knowledge and experience cultivated for many years as a lawyer. The Company proposes the election of Mr. Arai as an Outside Director to leverage his knowledge and experience in its management.

4. The term of office of Mr. Takashi Sano as a Director of the Company will be about four years. The Company has registered Mr. Sano as an Independent Director as provided for the rules of the Tokyo Stock Exchange.

5. The term of office of Mr. Yoichi Arai as a Director of the Company will be about two years. The Company has registered Mr. Arai as an Independent Director as provided for the rules of the Tokyo Stock Exchange.

Proposal No. 3: Election of One (1) Audit & Supervisory Board Member

The term of office of an Audit & Supervisory Board Member Mr. Takashi Handa will expire at the conclusion of this General Meeting of Shareholders. Accordingly, the election of one (1) Audit & Supervisory Board Member is proposed. This proposal has received the consent of the Audit & Supervisory Board.

The candidate for an Audit & Supervisory Board Member is as follows.

Name (Date of birth)	Past experience and positions (Significant concurrent positions)	Number of the Company's shares held
Takashi Handa (Feb. 9, 1967)	Oct. 1990 Joined Arthur Andersen (Currently KPMG AZSA LLC) May 1996 Registered as CPA Aug. 1998 Manager of Arthur Andersen Barcelona Office Feb. 2002 Senior Manager of Arthur Andersen London Office May 2005 Vice President of Morgan Stanley Capital K.K. May 2011 Established White Bear International Audit & Co. (Currently Mazars WB Audit Corporation) and appointed as Representative (Current) (Concurrent) Jun. 2014 Audit & Supervisory Board Member of the Company (Current) (Significant concurrent positions) Representative of Mazars WB Audit Corporation	-

Notes: 1. No material conflict of interest exists between the Company and the above candidate for Audit & Supervisory Board Member.
2. Mr. Takashi Handa is a candidate for Outside Audit & Supervisory Board Member.
3. Reasons for nominating Mr. Takashi Handa as a candidate for an Outside Audit & Supervisory Board Member
Mr. Takashi Handa is highly conversant with corporate accounting and has a wealth of professional knowledge and experience cultivated for many years as a certified public accountant. The Company proposes the election of Mr. Handa as an Outside Audit & Supervisory Board Member to leverage his knowledge and experience in its audit operations.
4. The term of office of Mr. Takashi Handa as an Audit & Supervisory Board Member of the Company will be about four years. The Company has registered Mr. Handa as an Independent Audit & Supervisory Board Member as provided for the rules of the Tokyo Stock Exchange.