Note: This document has been translated from a part of the Japanese original for reference purposes only.
In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail. The Company assumes no responsibility for this translation or for direct, indirect or any other forms of damages arising from the translation.

(Stock Exchange Code 3132)
June 4, 2019

To Shareholders with Voting Rights:

Kiyoshi Nakashima
President and Representative Director
MACNICA FUJI
ELECTRONICS HOLDINGS, INC.
6-3, Shinyokohama 1-chome, Kohoku-ku,
Yokohama-shi, Kanagawa

NOTICE OF
THE 4TH ANNUAL GENERAL MEETING OF SHAREHOLDERS

Dear Shareholders:

We would like to express our appreciation for your continued support and patronage.

You are cordially invited to attend the 4th Annual General Meeting of Shareholders of MACNICA FUJI ELECTRONICS HOLDINGS, INC. (the "Company"). The meeting will be held for the purposes as described below.

If you are unable to attend the meeting, you can exercise your voting rights either in writing or via the Internet. Please review the "Reference Documents for the General Meeting of Shareholders" described hereinafter, and exercise your voting rights no later than 5:00 p.m. on Monday, June 24, 2019, Japan time.

1. **Date and Time:** Tuesday, June 25, 2019 at 10:00 a.m. Japan time

2. **Place:** Queen's Hall, 2nd floor, South Building, Shin Yokohama Kokusai Hotel
18-1, Shinyokohama 3-chome, Kohoku-ku, Yokohama-shi, Kanagawa, Japan

3. **Meeting Agenda:**

Matters to be reported:

1. Business Report, Consolidated Financial Statements for the Company's 4th Fiscal Year (April 1, 2018 - March 31, 2019), and results of audits by the Accounting Auditor and the Audit & Supervisory Board of the Consolidated Financial Statements
2. Non-consolidated Financial Statements for the Company's 4th Fiscal Year (April 1, 2018 - March 31, 2019)

Proposals to be resolved:

Proposal 1:	Appropriation of Surplus
Proposal 2:	Partial Amendments to Articles of Incorporation
Proposal 3:	Election of Thirteen (13) Directors
Proposal 4:	Election of Three (3) Audit & Supervisory Board Members
Proposal 5:	Determination of Remuneration for Granting Restricted Stock to Directors (Excluding Outside Directors)
Proposal 6:	Revision to Amounts of Remuneration for Directors

◎ The reception will open at 9:00 a.m.
◎ When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk of the meeting venue.
◎ On the day of the meeting, staff will be wearing light attire ("Cool Biz"). We appreciate your understanding, and also encourage shareholders to attend in light attire.
◎ Regarding Disclosure of "Notes" on the Internet
Of the documents to be provided with this Notice of Convocation, "Matters Related to the Company's Share Options, etc." and "System to Ensure Adequacy of Business and the Operational Status" of the Business Report, "Consolidated Statements of Changes in Net Assets" and "Notes to Consolidated Financial Statements" of the Consolidated Financial Statements, and "Non-consolidated Statements of Changes in Net Assets" and "Notes to Non-consolidated Financial Statements" of the Non-consolidated Financial Statements are posted on the Company's website (https://www.macfehd.co.jp/ir/ja/Top.html) in accordance with the stipulations of applicable laws and regulations and Article 16 of the Company's Articles of Incorporation, and are not included in the attached documents.
Furthermore, the attached documents to be posted on the above website have been audited by the Audit & Supervisory Board and the Accounting Auditor in preparing the audit report, as part of the Business Report, Consolidated Financial Statements, and Non-consolidated Financial Statements.
Subsequent amendments to the Reference Documents for the General Meeting of Shareholders, Business Report, Consolidated Financial Statements, or Non-consolidated Financial Statements, if any, will be listed on the above website.

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal 1: Appropriation of Surplus

The Company's basic policy for dividends is to secure the required internal reserves to further enrich and strengthen future business expansion and the management structure while returning profits as much as possible to shareholders, with the focus of continuing stable dividends in consideration of all factors concerned.

Based on the above basic policy, in view of trends in business results for the fiscal year under review and the future business environment, the Company proposes year-end dividends as shown below.

(1) Type of dividend property
Cash

(2) Matters concerning the allotment of dividend property to shareholders and the total amount
25 yen per share of common stock
Total dividends of 1,569,865,125 yen
Furthermore, as 25 yen per share has been paid as interim dividends in December 2018, annual dividends will be 50 yen per share for the fiscal year under review.

(3) Effective date of distribution of surplus
June 26, 2019

Proposal 2: Partial Amendments to Articles of Incorporation

1. Reasons for the Proposal

(1) The Company proposes to amend Article 2 (Purpose) in the current Articles of Incorporation, in order to respond to business expansion and business diversification in the future.

(2) In light of establishing a system of three (3) Representative Directors with the aim of responding quickly to changes in management environment, creating new business models, and strengthening business platforms, the Company proposes to amend Article 15 (Person Authorized to Convene the Meeting and the Chairman), Article 22 (Representative Directors and Executive Directors), and Article 23 (Person Authorized to Convene Meetings of the Board of Directors and the Chairman of the Board of Directors).

2. Details of Amendments

The details of the amendment are as follows.

(Amended sections are underlined.)

Current Articles of Incorporation	Proposed Amendments
(Purpose) Article 2 (2) Development, export, import, sales and lease of electronic equipment, telecommunications equipment and peripheral equipment and accessories; (5) Installation, mounting, adjustment and maintenance of electronic equipment, telecommunications equipment and peripheral equipment and accessories; (6) Guidance and consulting services related to the introduction of electronic equipment, telecommunications equipment and peripheral equipment and accessories;	(Purpose) Article 2 (2) Development, manufacture, export, import, sales and lease of electronic equipment, telecommunications equipment, vehicles, and peripheral equipment, accessories and systems; (5) Installation, mounting, adjustment and maintenance of electronic equipment, telecommunications equipment, systems, software, and peripheral equipment and accessories; (6) Guidance and consulting services related to the introduction of electronic equipment, telecommunications equipment, systems, software, and peripheral equipment and accessories;
(Person Authorized to Convene the Meeting and the Chairman) Article 15 1. The general meeting of shareholders shall be convened and chaired by Director and President. 2. (Newly established first sentence) In the cases of vacancy of or accident to Director and President, the general meeting of shareholders shall be convened and chaired by another Director, in accordance with the order provided for in advance by the Board of Directors.	(Person Authorized to Convene General Meetings of Shareholders and the Chairman of General Meetings of Shareholders) Article 15 1. The general meeting of shareholders shall be convened and chaired by Representative Director. 2. If the number of Representative Directors is more than one (1), the general meeting of shareholders shall be convened and chaired by the first Representative Director, in accordance with the order provided for in advance by the Board of Directors. In the cases of accident to Representative Director, the general meeting of shareholders shall be convened and chaired by another Director, in accordance with the order provided for in advance by the Board of Directors.

Current Articles of Incorporation	Proposed Amendments
(Representative Directors and Executive Directors) Article 22	(Representative Directors and Executive Directors) Article 22
1. The Board of Directors shall elect Representative Directors by its resolution.	1. (Unchanged)
2. The Board of Directors shall appoint one (1) Director and President and one (1) Executive Vice President from among the Representative Directors, and may appoint Chairman, Vice Chairman, Senior Managing Director and Managing Director from among the Directors as necessary.	2. The Board of Directors shall appoint Director and President from among the Representative Directors, and may appoint Chairman, Vice Chairman, Executive Vice President, Senior Managing Director and Managing Director from among the Directors as necessary.
(Person Authorized to Convene Meetings of the Board of Directors and the Chairman of the Board of Directors) Article 23	(Person Authorized to Convene Meetings of the Board of Directors and the Chairman of the Board of Directors) Article 23
1. Unless otherwise provided by laws and regulations, meetings of the Board of Directors shall be convened and chaired by Director and President.	1. Unless otherwise provided by laws and regulations, meetings of the Board of Directors shall be convened and chaired by Representative Director.
2. (Newly established first sentence)	2. If the number of Representative Directors is more than one (1), meetings of the Board of Directors shall be convened and chaired by the first Representative Director, in accordance with the order provided for in advance by the Board of Directors.
In the cases of vacancy of or accident to Director and President, meetings of the Board of Directors shall be convened and chaired by another Director, in accordance with the order provided for in advance by the Board of Directors.	In the cases of accident to Representative Director, meetings of the Board of Directors shall be convened and chaired by another Director, in accordance with the order provided for in advance by the Board of Directors.

Proposal 3: Election of Thirteen (13) Directors

The terms of office of all the ten (10) Directors will expire at the conclusion of the Annual General Meeting of Shareholders. The Company proposes to increase the number of Directors by three (3) persons including two (2) Outside Directors, with the intent of further strengthening the management structure and governance function. Accordingly, the election of thirteen (13) Directors, including four (4) Outside Directors is proposed.

The candidates for Directors are as follows:

No.	Name		Current positions at the Company
1	Kiyoshi Nakashima	[Reappointment]	Representative Director
2	Kazumasa Hara	[New appointment]	
3	Akinobu Miyoshi	[New appointment]	
4	Fumihiko Arai	[Reappointment]	Director
5	Shigeyuki Sano	[Reappointment]	Director
6	Shinichi Onodera	[Reappointment]	Director
7	Eiichi Nishizawa	[Reappointment]	Director
8	SEU, DAVID DAEKYUNG	[Reappointment]	Director
9	Takemasa Sato	[New Appointment]	
10	Toyokazu Terada	[Reappointment] [Outside Director] [Independent Director]	Outside Director
11	Hitoshi Kinoshita	[Reappointment] [Outside Director] [Independent Director]	Outside Director
12	Tsunesaburo Sugaya	[New appointment] [Outside Director] [Independent Director]	
13	Makiko Noda	[New appointment] [Outside Director] [Independent Director]	

(Reference) Policy and process to elect candidates for Directors

When deciding on candidates for inside Directors, the Company has a system where Directors with different expertise and experience make up the Board of Directors so that it can exercise comprehensive supervision over management as a whole. We also select candidates for Outside Directors who come from backgrounds different from what the Company does and whose experience and insight contribute to management supervision.

In addition, President and Representative Director is selected following the deliberation of the Nomination and Remuneration Advisory Committee with a majority of Outside Officers, whose establishment was decided at the Board of Directors meeting held on September 25, 2018 with the objective of improving transparency, objectivity, and fairness in the election, dismissal, and remuneration of President and Representative Director.

<table>
<tr><th>No.</th><th>Name
(Date of birth)</th><th>Career summary, positions, responsibilities
and significant concurrent positions</th><th>Number of shares of the Company held</th></tr>
<tr><td rowspan="2">1</td><td>Kiyoshi Nakashima
(March 13, 1955)

[Reappointment]</td><td>April 1981 Joined Macnica, Inc.
May 1991 Director and Component First Business Department General Manager, Macnica, Inc.
April 1999 Director and Network Business General Manager, Macnica, Inc.
June 2003 Managing Director, Macnica, Inc.
March 2004 Representative Director, Macnica Networks Corp.
April 2005 Executive Vice President, Macnica, Inc.
Representative Director, ALTIMA Corp. (currently Altima Company, Macnica, Inc.)
June 2008 President and CEO, Macnica, Inc. (to present)
April 2015 President and Representative Director, the Company (to present)
[Significant concurrent positions]
President and CEO, Macnica, Inc.</td><td>71,295</td></tr>
<tr><td colspan="3">[Reason for nomination as candidate for Director]
Mr. Kiyoshi Nakashima has served as President and CEO of Macnica, Inc. since 2008 and concurrently serves as President and Representative Director of the Company since 2015 in accordance with its establishment. He possesses extensive experience and achievements as top management and broad knowledge in the management of electronics trading companies in general. For these reasons, the Company has judged that he is qualified for supervising and promoting the Group's management, and has therefore renominated him as a candidate for Director.</td></tr>
<tr><td rowspan="2">2</td><td>Kazumasa Hara
(October 18, 1971)

[New appointment]</td><td>September 1995 Joined Macnica, Inc.
April 2007 General Manager of First Sales, TecStar Company, Macnica, Inc.
April 2011 President, TecStar Company, Macnica, Inc.
April 2018 General Manager of Strategic Innovation Business Group (to present)
June 2018 Director, Macnica, Inc. (to present)
[Significant concurrent positions]
Director, Macnica, Inc.</td><td>250</td></tr>
<tr><td colspan="3">[Reason for nomination as candidate for Director]
Since joining Macnica, Inc., Mr. Kazumasa Hara has engaged in marketing and sales of the semiconductor business and served as President of TecStar Company, a division company of Macnica, Inc. Since 2018, he has been serving as Director of Macnica, Inc., and has also been promoting the Group’s long-term strategies and reform topics as a person in charge of new businesses. The Company has judged that he is qualified for promoting the Group's management and leading efforts to achieve the Group’s long-term vision, and has therefore nominated him as a candidate for Director.</td></tr>
</table>

<table>
<tr><th>No.</th><th>Name
(Date of birth)</th><th>Career summary, positions, responsibilities
and significant concurrent positions</th><th>Number of shares of the Company held</th></tr>
<tr><td rowspan="2">3</td><td>Akinobu Miyoshi
(July 13, 1971)

[New appointment]</td><td>July 1995 Joined Macnica, Inc.
April 2007 General Manager of Product Sales, ALTIMA Corp. (currently Altima Company, Macnica, Inc.)
June 2009 Director, ALTIMA Corp.
June 2010 Executive Vice President, ALTIMA Corp.
June 2011 President and CEO, ALTIMA Corp.
October 2011 General Manager of Asia Pacific Business Group, Macnica, Inc. (to present)
President, MACNICA ASIA PACIFIC PTE LTD (to present)
President, MACNICA HONG KONG, LIMITED (to present)
April 2015 General Manager of Global Business Development Office, Macnica, Inc. (to present)
CEO, MACNICA AMERICAS, INC. (to present)
June 2018 Director, Macnica, Inc. (to present)
[Significant concurrent positions]
Director, Macnica, Inc.</td><td>0</td></tr>
<tr><td colspan="3">[Reason for nomination as candidate for Director]
Since joining Macnica, Inc., Mr. Akinobu Miyoshi has engaged in marketing and sales of the semiconductor business and served as President and CEO of ALTIMA Corp. (currently Altima Company, Macnica, Inc.), a subsidiary of Macnica, Inc., and Director of Macnica, Inc. since 2018. He has also been promoting the formulation and implementation of the Group’s global strategy in his capacities such as by engaging in management of overseas subsidiaries since 2011 as a person in charge of overseas business. He possesses extensive experience and knowledge including management, and the Company has judged that he is qualified for promoting the Group’s management, and has therefore nominated him as a candidate for Director.</td></tr>
<tr><td rowspan="2">4</td><td>Fumihiko Arai
(January 4, 1965)

[Reappointment]</td><td>March 1990 Joined Macnica, Inc.
June 2003 Director and General Manager of Strategic Business, ALTIMA Corp. (currently Altima Company, Macnica, Inc.)
April 2006 Director and Vice President, ALTIMA Corp.
June 2007 President and CEO, ALTIMA Corp.
June 2011 Director, Macnica, Inc.
April 2015 Director, the Company (to present)
June 2018 Managing Director, Macnica, Inc. (to present)
[Significant concurrent positions]
Managing Director, Macnica, Inc.</td><td>750</td></tr>
<tr><td colspan="3">[Reason for nomination as candidate for Director]
Since joining Macnica, Inc., Mr. Fumihiko Arai has engaged in marketing and sales of the semiconductor business and served as President and CEO of ALTIMA Corp. (currently Altima Company, Macnica, Inc.), a former subsidiary of Macnica, Inc., and Director of Macnica, Inc. with extensive experience and knowledge in management in general. In addition, he has served as Director of the Company since 2015 in accordance with its establishment. For these reasons, the Company has judged that he is qualified for promoting the Group's management into the future, and has therefore renominated him as a candidate for Director.</td></tr>
<tr><td rowspan="2">5</td><td>Shigeyuki Sano
(June 9, 1959)

[Reappointment]</td><td>April 1981 Joined Macnica, Inc.
March 1995 General Manager of Accounting Division, Macnica, Inc.
June 1997 Director and General Manager of Accounting Division, Macnica, Inc.
June 2003 Director, in charge of General Affairs, Macnica, Inc.
April 2007 Director, Macnica, Inc. (to present)
April 2015 Director, the Company (to present)
[Significant concurrent positions]
Director, Macnica, Inc.</td><td>45,795</td></tr>
<tr><td colspan="3">[Reason for nomination as candidate for Director]
Since joining Macnica, Inc., Mr. Shigeyuki Sano has engaged in accounting and general affairs operations and possesses high-level knowledge and expertise in the fields of accounting and business management as an officer in charge of administration divisions of Macnica, Inc. In addition, he has served as Director of the Company since 2015 in accordance with its establishment. For these reasons, the Company has judged that he is qualified for promoting the Group's management, and has therefore renominated him as a candidate for Director.</td></tr>
</table>

<table>
<tr><th>No.</th><th>Name
(Date of birth)</th><th>Career summary, positions, responsibilities
and significant concurrent positions</th><th>Number of shares of the Company held</th></tr>
<tr><td rowspan="2">6</td><td>Shinichi Onodera
(January 8, 1956)

[Reappointment]</td><td>April 1978 Joined Wacoal Corp.
December 1983 Joined Crown Leasing corporation
December 1987 Joined The Fuji Bank, Limited (currently Mizuho Bank, Ltd.)
April 2010 Joined Fuji Electronics Co., Ltd. as General Manager of General Affairs Div., Fuji Electronics Co., Ltd.
May 2010 Executive Officer and General Manager of General Affairs Div., Fuji Electronics Co., Ltd.
May 2011 Executive Officer and Deputy General Manager of Marketing Sector, Fuji Electronics Co., Ltd.
May 2012 Director and Deputy General Manager of Sales Management Sector, Fuji Electronics Co., Ltd.
May 2014 Managing Director, Fuji Electronics Co., Ltd.
April 2015 Director, the Company (to present)
June 2017 Representative Director and President (CEO), Fuji Electronics Co., Ltd. (to present)
[Significant concurrent positions]
Representative Director and President (CEO), Fuji Electronics Co., Ltd.</td><td>0</td></tr>
<tr><td colspan="3">[Reason for nomination as candidate for Director]
Mr. Shinichi Onodera has engaged in international finance business at Japanese financial institutions, and after joining Fuji Electronics Co., Ltd., he possesses extensive experience and knowledge in management in general as Representative Director and President (CEO). In addition, he has served as Director of the Company since 2015 in accordance with its establishment. For these reasons, the Company has judged that he is qualified for promoting the Group's management, and has therefore renominated him as a candidate for Director.</td></tr>
<tr><td rowspan="2">7</td><td>Eiichi Nishizawa
(March 26, 1957)

[Reappointment]</td><td>April 1982 Joined Toho Mutual Life Insurance Company (currently The Gibraltar Life Insurance Co., Ltd.)
December 1999 Joined Fuji Electronics Co., Ltd.
May 2001 Head of Strategic Planning Office, Fuji Electronics Co., Ltd.
May 2006 Executive Officer, Head of Strategic Planning Office and General Manager of General Affairs Div., Fuji Electronics Co., Ltd.
May 2010 Senior Executive Officer and General Manager of Strategic Planning Div., Fuji Electronics Co., Ltd.
May 2011 Director and General Manager of Financial & Accounting Div., Fuji Electronics Co., Ltd.
May 2014 Managing Director, Fuji Electronics Co., Ltd.
April 2015 Director, the Company (to present)
June 2017 Representative Director Vice President, Fuji Electronics Co., Ltd. (to present)
[Significant concurrent positions]
Representative Director Vice President, Fuji Electronics Co., Ltd.</td><td>300</td></tr>
<tr><td colspan="3">[Reason for nomination as candidate for Director]
Since joining Fuji Electronics Co., Ltd., Mr. Eiichi Nishizawa has engaged in strategic planning, personnel, and accounting operations and possesses extensive experience and knowledge in management in general as Representative Director Vice President in charge of administration divisions. In addition, he has served as Director of the Company since 2015 in accordance with its establishment. For these reasons, the Company has judged that he is qualified for promoting the Group's management, and has therefore renominated him as a candidate for Director.</td></tr>
</table>

<table>
<tr><th>No.</th><th>Name
(Date of birth)</th><th>Career summary, positions, responsibilities
and significant concurrent positions</th><th>Number of shares of the Company held</th></tr>
<tr><td rowspan="2">8</td><td>SEU, DAVID DAEKYUNG
(November 23, 1959)

[Reappointment]</td><td>September 1986 Joined Merrill Lynch & Co., Inc. (Investment Banking Division, New York, USA)
October 1990 Joined The Sumitomo Trust and Banking Co., Ltd. (currently Sumitomo Mitsui Trust Bank, Limited)
February 2000 Director, Sumishin Investment Co., Ltd. (currently Sumitomo Mitsui Trust Investment Co., Ltd.) (to present)
June 2007 Director, Macnica, Inc. (to present)
April 2015 Director, the Company (to present)
[Significant concurrent positions]
Director, Macnica, Inc.
Director, Sumitomo Mitsui Trust Investment Co., Ltd.</td><td>0</td></tr>
<tr><td colspan="3">[Reason for nomination as candidate for Director]
Mr. SEU, DAVID DAEKYUNG has abundant overseas experience and additionally possesses extensive knowledge and expertise in global business from his experience in engaging in investment banking business, etc. In addition to serving as Director of Macnica, Inc., he has served as Director of the Company since 2015 in accordance with its establishment. For these reasons, the Company has judged that he is qualified for promoting the Group's management, and has therefore renominated him as a candidate for Director.</td></tr>
<tr><td rowspan="2">9</td><td>Takemasa Sato
(August 26, 1963)

[New appointment]</td><td>April 1989 Joined Macnica, Inc.
April 2004 Vice President, Clavis Company, Macnica, Inc.
April 2007 President, Clavis Company, Macnica, Inc. (to present)
April 2011 Vice President of Worldwide Sales, Japanese Accounts, Macnica, Inc. (to present)
April 2018 Executive Vice President, Fuji Electronics Co., Ltd. (to present)
June 2018 Director, Macnica, Inc. (to present)
[Significant concurrent positions]
Director, Macnica, Inc.
Executive Vice President, Fuji Electronics Co., Ltd.</td><td>12,500</td></tr>
<tr><td colspan="3">[Reason for nomination as candidate for Director]
Since joining Macnica, Inc., Mr. Takemasa Sato has engaged in marketing and sales of the semiconductor business and served as President of Clavis Company, a division company of Macnica, Inc., and Director of Macnica, Inc. and Executive Vice President of Fuji Electronics Co., Ltd. since 2018. He has also been promoting the formulation and implementation of the Group’s customer strategies and leading efforts to strengthen its customer relationships as a person in charge of domestic sales since 2011. He possesses extensive experience and knowledge including management and, the Company has judged that he is qualified for promoting the Group’s management, and has therefore nominated him as a candidate for Director.</td></tr>
<tr><td rowspan="2">10</td><td>Toyokazu Terada
(September 19, 1963)

[Reappointment]
[Outside]
[Independent]</td><td>April 1988 Joined ITOCHU Corporation
April 2004 Senior Vice President, ITOCHU Technology, Inc.
May 2006 Managing Director, ITOCHU Technology Ventures, Inc.
October 2013 Chief Executive Officer, A2O, Inc. (to present)
June 2016 Outside Director, the Company (to present)
[Significant concurrent positions]
Chief Executive Officer, A2O, Inc.</td><td>0</td></tr>
<tr><td colspan="3">[Reason for nomination as candidate for Outside Director]
Mr. Toyokazu Terada has extensive experience in domestic and overseas investment through his venture capital business, and the Company has received advice and opinions on the management of the Company from a global perspective. In addition, he has fulfilled his role in overseeing the execution of operation of the Company from an independent standpoint. The Company renominated him as a candidate for Outside Director so that he will oversee management towards sustainable improvement of the Group’s corporate value into the future. Mr. Toyokazu Terada is currently an Outside Director of the Company, and his term of office will be three years at the conclusion of this General Meeting of Shareholders.</td></tr>
</table>

<table>
<tr><th>No.</th><th>Name
(Date of birth)</th><th>Career summary, positions, responsibilities
and significant concurrent positions</th><th>Number of shares of the Company held</th></tr>
<tr><td rowspan="2">11</td><td>Hitoshi Kinoshita
(February 19, 1955)

[Reappointment]
[Outside]
[Independent]</td><td>April 1978 Joined Mitsubishi Research Institute, Inc.
March 1985 Established ASTEC, Inc. (currently Rworks, Inc.), President and Representative Director
October 2015 Advisor and Director, Rworks, Inc. (to present)
October 2015 President and Director, System Consultant Co., Ltd.
September 2016 President and Representative Director, System Consultant Co., Ltd. (to present)
June 2018 Outside Director, the Company (to present)
[Significant concurrent positions]
Advisor and Director, Rworks, Inc.
President and Representative Director, System Consultant Co., Ltd.</td><td>0</td></tr>
<tr><td colspan="3">[Reason for nomination as candidate for Outside Director]
Mr. Hitoshi Kinoshita possesses extensive experience and knowledge in corporate management, primarily in the IT industry, and has provided a variety of advice and opinions on the Company’s businesses, strategy formulation, and other matters. In addition, he has been overseeing the execution of operation of the Company from an independent standpoint. The Company renominated him as a candidate for Outside Director so that he will oversee management towards sustainable improvement of the Group’s corporate value into the future. Mr. Hitoshi Kinoshita is currently an Outside Director of the Company, and his term of office will be one year at the conclusion of this General Meeting of Shareholders.</td></tr>
<tr><td rowspan="2">12</td><td>Tsunesaburo Sugaya
(November 24, 1963)

[New appointment]
[Outside]
[Independent]</td><td>April 1988 Joined Motorola, Co.,Ltd.
June 1999 Joined JAFCO Co., Ltd.
January 2003 President & CEO, JAFCO America Ventures Inc. (currently Icon Ventures), JAFCO Co., Ltd.
March 2008 Executive Officer responsible for United States, JAFCO Co., Ltd.
June 2015 Outside Director, Plat’Home Co., Ltd. (to present)
December 2015 Representative Director, MIYAKO CAPITAL (to present)
October 2018 Director, Artiza Networks, Inc. (to present)
[Significant concurrent positions]
Outside Director, Plat’Home Co., Ltd.
Representative Director, MIYAKO CAPITAL
Director, Artiza Networks, Inc.</td><td>0</td></tr>
<tr><td colspan="3">[Reason for nomination as candidate for Outside Director]
Mr. Tsunesaburo Sugaya possesses extensive experience and a high level of expertise cultivated in the management of foreign investment businesses. The Company nominated him as a candidate for Outside Director, with an expectation that he will provide appropriate advice and opinions on the Group’s investments in new businesses and management in general as we aim to further enhance the Board of Directors’ decision-making from various perspectives and supervising function.</td></tr>
<tr><td rowspan="2">13</td><td>Makiko Noda
(August 25, 1970)

[New appointment]
[Outside]
[Independent]</td><td>April 1993 Joined Venture Link Co., Ltd.
April 2010 Director, Venture Link Co., Ltd.
December 2010 President and Representative Director, Human Delight Inc. (to present)
March 2011 President and Representative Director, INCGROW Co., Ltd.
February 2015 Chairman and Director, INCGROW Co., Ltd.
June 2017 Outside Director, The Bank of Toyama (to present)
[Significant concurrent positions]
President and Representative Director, Human Delight Inc.
Outside Director, The Bank of Toyama</td><td>0</td></tr>
<tr><td colspan="3">[Reason for nomination as candidate for Outside Director]
Ms. Makiko Noda has been involved in support operations for local financial institutes for many years and currently participates in the “Network for Support Female Entrepreneurs” project by the Ministry of Economy, Trade, and Industry to expand opportunities for women, while engaging in supporting the promotion of regional revitalization. The Company nominated her as a candidate for Outside Director, with an expectation that she will provide appropriate advice and opinions on the Company’s management in general based on her extensive knowledge and experience in corporate management as we aim to further enhance the Board of Directors’ decision-making from various perspectives and supervising function.</td></tr>
</table>

(Notes)

1. The candidates Messrs. Toyokazu Terada, Hitoshi Kinoshita, and Tsunesaburo Sugaya, and Ms. Makiko Noda are candidates for Outside Director. The Company has appointed Messrs. Toyokazu Terada and Hitoshi Kinoshita as Independent Directors as prescribed by the Tokyo Stock Exchange and submitted a notification of appointment to the same Exchange. If their reelection is approved as proposed, the Company intends to continue their appointment as Independent Directors. In addition, the Company intends to appoint Mr. Tsunesaburo Sugaya and Ms. Makiko Noda as Independent Directors as prescribed by the Exchange, and submit a notification of appointment to the Exchange.

2. Independence of Outside Directors

In accordance with the independence standards of the Tokyo Stock Exchange, Inc., the Company excludes parties that hold the Company and its group operating companies as major transaction partners and business executives thereof, consultants, etc., that receive a significant amount of remuneration from the Company and parties affiliated with said organizations, and parties that are relatives, etc., of parties to which the above items apply.

There are no special conflicts of interest between the Company and each of Mr. Toyokazu Terada and Mr. Hitoshi Kinoshita.

The Company has concluded the following advisory agreement with Mr. Tsunesaburo Sugaya and Ms. Makiko Noda with the contract period up to this General Meeting of Shareholders, on the premise that they will take office as Outside Directors of the Company. The objective is to have the candidates understand the management conditions and business contents, etc., of the Company prior to assuming office as Outside Directors, and the Company believes that each candidate has sufficient independence to fulfill the role of Outside Director of the Company.

The Company has concluded an advisory agreement with Mr. Tsunesaburo Sugaya in August 2018. His remuneration amount is 0.50 million yen per month.

The Company entered an advisory agreement with Ms. Makiko Noda in February 2018. Her remuneration amount is 0.40 million yen per month.

3. The Company has entered into liability limitation agreements with Messrs. Toyokazu Terada and Hitoshi Kinoshita pursuant to Article 28 of the Articles of Incorporation and Article 427, Paragraph 1 of the Companies Act. The limit of liability for damages under the agreement is the minimum amount of liability as prescribed by laws and regulations. If their reelection is approved as proposed, the Company intends to continue the above agreement with them.

The Company intends to enter into liability limitation agreements with Mr. Tsunesaburo Sugaya and Ms. Makiko Noda, pursuant to Article 28 of the Articles of Incorporation and Article 427, Paragraph 1 of the Companies Act, if their election is approved. The limit of liability for damages under the agreement is the minimum amount of liability as prescribed by laws and regulations.

Proposal 4: Election of Three (3) Audit & Supervisory Board Members

The terms of office of all the three (3) Audit & Supervisory Board Members will expire at the conclusion of the Annual General Meeting of Shareholders. Accordingly, the election of three (3) Audit & Supervisory Board Members, including two (2) Outside Audit & Supervisory Board Members, is proposed.

The Audit & Supervisory Board has given its consent to this proposal.

The candidates for Audit & Supervisory Board Members are as follows:

No.	Name		Current positions at the Company
1	Yutaka Usami	[Reappointment]	Audit & Supervisory Board Member
2	Yoshiaki Asahi	[Reappointment] [Outside Audit & Supervisory Board Member] [Independent Auditor]	Outside Audit & Supervisory Board Member
3	Fujiaki Mimura	[Reappointment] [Outside Audit & Supervisory Board Member] [Independent Auditor]	Outside Audit & Supervisory Board Member

<table>
<tr><th>No.</th><th>Name
(Date of birth)</th><th>Career summary, positions and
significant concurrent positions</th><th>Number of shares of the Company held</th></tr>
<tr><td rowspan="2">1</td><td>Yutaka Usami
(November 15, 1949)

[Reappointment]</td><td>June 1975 Joined Macnica, Inc.
June 1994 President and CEO, Net Serve Corporation (currently, Networld Corporation)
October 2000 Director and Vice President, Networld Corporation
November 2009 Adviser, Macnica Networks Corp.
June 2011 Audit & Supervisory Board Member, Macnica, Inc. (to present)
April 2015 Audit & Supervisory Board Member, the Company (to present)
[Significant concurrent positions]
Audit & Supervisory Board Member, Macnica, Inc.</td><td>123,457</td></tr>
<tr><td colspan="3">[Reason for nomination as candidate for Audit & Supervisory Board Member]
Mr. Yutaka Usami was involved in the system and network business at Macnica, Inc. for many years since its start-up phase, and has also served as Representative Director and Audit & Supervisory Board Member at its subsidiaries. The Company has renominated him as a candidate for Audit & Supervisory Board Member, as he possesses extensive knowledge and experience in the Company and governance.</td></tr>
<tr><td rowspan="2">2</td><td>Yoshiaki Asahi
(February 18, 1955)

[Reappointment]
[Outside]
[Independent]</td><td>April 1977 Joined Tokyo Stock Exchange, Inc. (currently Japan Exchange Group, Inc.)
April 1983 Joined Japan Associated Finance Co., Ltd. (currently JAFCO Co., Ltd.)
July 1993 President and Representative Director, GPC, Ltd.
January 2006 Outside Director, Independents Co., Ltd. (currently Kips Co., Ltd.) (to present)
July 2008 Outside Audit & Supervisory Board Member, Solar Silicon Technology Corporation (currently Smart Solar Corporation) (to present)
June 2011 Outside Audit & Supervisory Board Member, Macnica, Inc.
April 2015 Outside Audit & Supervisory Board Member, the Company (to present)
December 2015 Outside Director, SHL-JAPAN Ltd. (to present)
[Significant concurrent positions]
Outside Director, SHL-JAPAN Ltd.
Outside Director, Kips Co., Ltd.
Outside Audit & Supervisory Board Member, Smart Solar Corporation</td><td>2,500</td></tr>
<tr><td colspan="3">[Reason for nomination as candidate for Outside Audit & Supervisory Board Member]
Mr. Yoshiaki Asahi has extensive knowledge and a high level of insight as a corporate executive. The Company renominated him as a candidate for Outside Audit & Supervisory Board Member so that he will provide oversight over Directors as well as suggestions and advice from a fair and objective standpoint. Mr. Yoshiaki Asahi is currently an Outside Audit & Supervisory Board Member of the Company, and his term of office will be four years and two months at the conclusion of this General Meeting of Shareholders.</td></tr>
<tr><td rowspan="2">3</td><td>Fujiaki Mimura
(May 30, 1954)

[Reappointment]
[Outside]
[Independent]</td><td>April 1987 Registered at Tokyo Bar Association
January 1991 Established Fujiaki Mimura Law Office
June 2002 Established Sakai Mimura Law Office
December 2003 Outside Audit & Supervisory Board Member, Fuji Pharma Co., Ltd. (to present)
May 2009 Outside Auditor, Fuji Electronics Co., Ltd.
April 2015 Outside Audit & Supervisory Board Member, the Company (to present)
Partner, Anderson Mori & Tomotsune (to present)
September 2018 Outside Auditor, SANKO MARKETING FOODS CO., LTD. (to present)
[Significant concurrent positions]
Partner, Anderson Mori & Tomotsune
Outside Audit & Supervisory Board Member, Fuji Pharma Co., Ltd.
Outside Auditor, SANKO MARKETING FOODS CO., LTD.</td><td>0</td></tr>
<tr><td colspan="3">[Reason for nomination as candidate for Outside Audit & Supervisory Board Member]
Mr. Fujiaki Mimura has extensive knowledge and experience in corporate laws and other areas as an attorney. The Company has judged that he can carry out appropriate audits from compliance perspectives, and therefore renominated him as a candidate for Outside Audit & Supervisory Board Member. Mr. Fujiaki Mimura is currently an Outside Audit & Supervisory Board Member of the Company, and his term of office will be four years and two months at the conclusion of this General Meeting of Shareholders.</td></tr>
</table>

(Notes)

1. There are no special conflicts of interest between the Company and each of the candidates.
2. The candidates Messrs. Yoshiaki Asahi and Fujiaki Mimura are candidates for Outside Audit & Supervisory Board Member. The Company has appointed Messrs. Yoshiaki Asahi and Fujiaki Mimura as Independent Auditors as prescribed by the Tokyo Stock Exchange, Inc. and submitted a notification of appointment to the same Exchange. If their reelection is approved as proposed, the Company intends to continue their appointment as Independent Auditors.
3. The Company has entered into a liability limitation agreement with Messrs. Yutaka Usami, Yoshiaki Asahi and Fujiaki Mimura pursuant to Article 36 of the Articles of Incorporation and Article 427, Paragraph 1 of the Companies Act. The limit of liability for damages under the agreement is the minimum amount of liability as prescribed by laws and regulations. If their reelection is approved as proposed, the Company intends to continue the above agreement with them.

Proposal 5: Determination of Remuneration for Granting Restricted Stock to Directors (Excluding Outside Directors)

The amount of remuneration, etc. for Directors of the Company was approved as an amount not to exceed 600 million yen per annum (including an amount not to exceed 50 million yen per annum for Outside Directors; however, this amount does not include employee salaries for Directors concurrently serving as employees) at the 1st Annual General Meeting of Shareholders held on June 28, 2016. In addition, Proposal 6 "Revision to Amounts of Remuneration for Directors" has been submitted at this General Meeting of Shareholders, and if approved, the amount of remuneration, etc. for Directors of the Company shall be an amount not to exceed 900 million yen per annum (including an amount not to exceed 100 million yen per annum for Outside Directors; however, this amount shall not include employee salaries for Directors concurrently serving as employees).

As part of revisions to the officer remuneration plan, the Company proposes to pay new remuneration for granting restricted stock to Directors of the Company (excluding Outside Directors; hereinafter, referred to as "Eligible Directors"), separately from the amount of remuneration, etc. in Proposal 6, in order to give Eligible Directors an incentive to sustainably enhance the corporate value of the Company and promote further shared value with shareholders.

Under this Proposal, the remuneration paid in order to grant restricted stock to Eligible Directors shall be monetary claims (hereinafter "monetary remuneration claims"), and the total amount thereof shall be an amount not to exceed 300 million yen per annum, which is an amount considered appropriate in view of the above objective. In addition, the specific timing of payment and allocation to each Eligible Director shall be determined by the Board of Directors. However, the Company shall not pay remuneration for the granting of restricted stock to Outside Directors.

Furthermore, the Company proposes that the above amount of remuneration shall not include employee salaries for Directors concurrently serving as employees.

At present, there are ten (10) Directors (including two (2) Outside Directors), but if Proposal 3 "Election of Thirteen (13) Directors" is approved and passed as originally proposed, there shall be thirteen (13) Directors (including four (4) Outside Directors).

In addition, Eligible Directors shall pay all monetary remuneration claims paid to them under this Proposal as property contributed in kind, and shall receive common stock of the Company through issuance or disposal, pursuant to a resolution of the Board of Directors of the Company, and the total number of shares of common stock of the Company to be issued or disposed of in this way shall not exceed 300,000 shares per annum (however, if, on or after the date this Proposal is approved and passed, a share split (including a gratis allotment of common stock of the Company) or consolidation of shares is conducted in regard to the Company's common stock, or if other circumstances arise that necessitate an adjustment to the total number of shares of common stock of the Company to be issued or disposed of as restricted stock, the Company shall adjust the total number of shares within a reasonable range).

Furthermore, the amount to be paid per share shall be an amount determined by the Board of Directors within a reasonable range that will not be a particularly advantageous amount for the Eligible Director who will receive the common stock, based on the closing price of the Company's common stock on the Tokyo Stock Exchange on the business day before the date of each resolution by the Board of Directors (if there are no trades on that day, the closing price on the most recent preceding trading day). Furthermore, when issuing or disposing of common shares of the Company in this way, the Company shall enter into a restricted stock allotment agreement (hereinafter the "Allotment Agreement") containing the following content with Eligible Directors.

(1) Transfer restriction period

Eligible Directors shall not be able to transfer, create security interests on, or otherwise dispose of (hereinafter the "transfer restrictions") common stock of the Company received by allotment under the Allotment Agreement (hereinafter the "Allotted Shares"), for a period determined by the Board of Directors of the Company between three (3) and five (5) years from the day the allotment is received under the Allotment Agreement (hereinafter the "transfer restriction period").

(2) Treatment upon resignation or retirement

If an Eligible Directors resigns or retires from the position of Director, Executive Officer not currently serving as Director, Audit & Supervisory Board Member, Fellow, other employee, or other equivalent position at the Company prior to the end of the transfer restriction period, the Company shall automatically acquire the Allotted Shares without consideration, excluding cases when the resignation or retirement is due

to the end of his or her term, death, or other justifiable reason.

(3) Removal of transfer restrictions

The provisions of the above item (1) notwithstanding, the Company shall remove transfer restrictions on all Allotted Shares when the transfer restriction period ends, subject to the Eligible Director serving continuously as Director, Executive Officer not currently serving as Director, Audit & Supervisory Board Member, Fellow, other employee, or other equivalent position at the Company during the transfer restriction period. However, if the Eligible Director resigns or retires from his or her position as defined in the above item (2) before the end of the transfer restriction period owing to the end of his or her term of office, death, or other justifiable reason, as defined in the above item (2), the Company may reasonably adjust the number of Allotted Shares from which to remove transfer restrictions and the timing of the removal of transfer restrictions, as necessary. In addition, the Company shall automatically acquire all Allotted Shares whose transfer restrictions have not been removed without consideration, immediately after the removal of transfer restrictions in accordance with the above provisions.

(4) Treatment in organizational restructuring, etc.

The provisions of the above item (1) notwithstanding, if, during the transfer restriction period, a merger agreement where the Company will be the disappearing company, share exchange agreement or share transfer plan where the Company will become a wholly owned subsidiary, or other item related to organizational restructuring, etc. is approved at a General Meeting of Shareholders of the Company (however, this shall be the Board of Directors of the Company if the organizational restructuring, etc. does not require approval by the General Meeting of Shareholders of the Company), the Company shall remove transfer restrictions ahead of the effective date of the organizational restructuring, etc. on a reasonably determined number of Allotted Shares, taking into consideration the period from the start date of the transfer restriction period to the approval date of the organizational restructuring, etc. In addition, in cases provided for above, the Company shall automatically acquire any Allotted Shares whose transfer restrictions have not been removed without consideration, immediately after the removal of transfer restrictions.

(5) Other matters

Other matters related to the Allotment Agreement shall be determined by the Board of Directors of the Company.

Proposal 6: Revision to Amounts of Remuneration for Directors

The amount of remuneration, etc. for Directors of the Company was approved as an amount not to exceed 600 million yen per annum (including an amount not to exceed 50 million yen per annum for Outside Directors) at the 1st Annual General Meeting of Shareholders held on June 28, 2016.

If Proposal 3 is approved at this General Meeting of Shareholders, the number of Directors will increase by three (3), including two (2) Outside Directors, taking into consideration various factors such as recent economic conditions. Accordingly, we propose the approval of the revision of the maximum amount of remuneration for Directors to be 900 million yen per annum (including an amount not to exceed 100 million yen per annum for Outside Directors).

The amount of remuneration for Directors shall not include employee salaries for Directors concurrently serving as employees.

In addition, if Proposal 3 is approved, the number of Directors will increase to thirteen (13) (including four (4) Outside Directors) from the current number of Directors of ten (10) (including two (2) Outside Directors).

End