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(Stock Exchange Code 3836)
September 4, 2019

To our shareholders

Tetsuji Morikawa
President, Group CEO
AVANT CORPORATION
2-15-2 Konan, Minato-ku, Tokyo, Japan

CONVOCATION NOTICE OF THE 23rd ANNUAL GENERAL MEETING OF SHAREHOLDERS

Dear Shareholders,
We would like to express our appreciation for your continued support and patronage.
Notice is hereby given that the 23rd Annual General Meeting of Shareholders of AVANT CORPORATION (the "Company") will be held as set forth 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 or by electronic means (Internet). Please review the accompanying Reference of the Annual General Meeting of Shareholders and exercise your voting rights in either of the ways as described in the following page no later than by 6:00 p.m., September 26th, 2019, Japan time (GMT +09:00).

1. **Date and Time:** Friday, September 27, 2019 at 10:00 a.m. Japan time (GMT+09:00)
2. **Place:** Keidanren Hall, Tokyo, Japan
3. **Meeting Agenda:**

Matters to be reported:
1. The Business Report, Consolidated Financial Statements for the Company's 23rd Fiscal Year (from July 1, 2018 to June 30, 2019) and results of the audit of the Consolidated Financial Statements by the Accounting Auditor and the Board of Statutory Auditors
2. Reporting of non-consolidated results for the Company's 23rd Fiscal Year (from July 1, 2018 to June 30, 2019)

Proposals to be resolved:
Proposal 1: Appropriation of Surplus
Proposal 2: Election of Four (4) Directors
Proposal 3: Election of One (1) Statutory Auditor

4. **Information on the exercise of voting rights**

(1) In the case of exercising voting rights in writing
Please indicate your approval or disapproval on the enclosed Voting Rights Exercise Form and return it by 6 pm on Thursday, September 26, 2019.

(2) When voting via the Internet
If you exercise your voting rights via the Internet, please exercise your voting rights by 6:00 pm on Thursday, September 26, 2019, following the "Guide to voting via the Internet" (page 3).

(3) If you exercise your voting rights both in writing and on the Internet, we will treat your Internet voting rights as valid voting rights. If you exercise your voting rights multiple times via the Internet, the last vote will be treated as valid voting rights.

When attending the meeting, please submit the enclosed Voting Rights Exercise Form at reception. Furthermore, in the event of amendments to the Reference of the Annual General Meeting of Shareholders, consolidated or non-consolidated financial statements, such amendments will be reflected on the Company website (Company URL http://www.avantcorp.com/).

Information on voting via the Internet
If you wish to exercise your voting rights via the Internet, please be aware of the following matters in advance.

1.About the website for exercising voting rights
You can exercise your voting rights via the Internet only by using the following website for exercising voting rights.
Voting rights exercise website address https: //www.web54.net

2. Handling of voting rights

(1) When exercising your voting rights via the Internet, use the "Voting Rights Exercise Code" and "Password" displayed on the enclosed Voting Rights Exercise Form and enter your approval or disapproval according to the instructions on the screen.

(2) The deadline for exercising voting rights is until 6:00 pm on Thursday, September 26, 2019. Please exercise your voting rights as soon as possible.

(3) If you exercise your voting rights both in writing and on the Internet, we will treat your Internet voting rights as valid voting rights. If you exercise your voting rights multiple times via the Internet, the last vote will be treated as valid voting rights.

(4) Shareholders will be responsible for provider and telecommunications carrier fees (connection fees, etc.) when using the voting rights exercise website.

3. Handling of passwords and voting rights exercise codes

(1) The password is important information for confirming that the person voting is the shareholder. Please handle it with the same care as your seal or PIN.

(2) If you enter a wrong password more than a certain number of times, you will not be able to use it. If you wish to have your password reissued, please follow the instructions on the screen.

(3) The voting rights exercise code on the voting rights exercise form is valid only for this general meeting.

4. For inquiries regarding the operation method of computers etc.

(1) If you are unsure of how to operate a personal computer, etc. regarding the exercise of voting rights on this site, please contact the following.
Sumitomo Mitsui Trust Bank Securities Agency Web Support Dedicated Dial
[Telephone] 0120 (652) 031 (Reception hours 9: 00-21: 00)

(2) For other inquiries, please contact the following inquiries.

(A) Shareholders who have an account with a securities company
If you have an account with a securities company, please contact your securities company.

(B) Shareholders who do not have an account with a securities company (shareholders with special accounts)
Sumitomo Mitsui Trust Bank, Securities Agency Office
[Telephone] 0120 (782) 031 (Reception hours 9: 00-17: 00 except weekends and holidays)

Business Report

(From July 1, 2018 to June 30, 2019)

Results of Operations for the Fiscal Year Ended June 30, 2019 was as follows;
(millions of yen)

	Fiscal Year ended June 30, 2018	Fiscal Year ended June 30,2019	Year on Year Change Amount	%
Revenue	12,110	14,077	1,967	16.2
Operating Income	1,631	1,966	335	20.5
Ordinary Income	1,632	1,972	340	20.8
Net income attributable to shareholders of parent company	1,062	1,317	254	24.0

Consolidated revenue amounted to 14,077 million yen (up 16.2% from the previous fiscal year) as all three business segments, namely Consolidated Accounting business, Business Intelligence business and Outsourcing business grew steadily. The recurring revenue (such as maintenance fees for software) ratio to total revenue, which the Company sets as one of the management targets in the new medium-term management plan announced in September 2018, decreased slightly to 31.4% while recurring revenue itself increased by 11.8% compared to the previous fiscal year. Current fiscal year stood as a preparatory period to dramatically improve this ratio in the future, and there was also a strong increase in non-recurring service revenue mainly from recent large projects.

In terms of profits, in addition to revenue growth, efforts to improve project quality and productivity, and a decrease in the relative ratio of fixed expenses to revenue due to increased level of revenue, all contributed to improved profitability in all three business segments. All profitability indicators, including operating income of 1,966 million yen (up 20.5% from the previous fiscal year), ordinary income of 1,972 million yen (up 20.8 percent from the previous fiscal year), net income attributable to shareholders of parent company of 1,317 million yen (up 24.0% from the previous fiscal year), increased in four consecutive years and achieved a record high for the Group.

Results of reportable segments are as follows:

① Revenue

(millions of yen)

	Fiscal Year ended June 30, 2018	Fiscal Year ended June 30,2019	Year on Year Change Amount	%
Consolidated Accounting	7,261	8,034	773	10.6
Business Intelligence	3,953	4,990	1,036	26.2
Outsourcing	1,313	1,629	316	24.1
Intersegment elimination	(417)	(576)	(159)	—
Consolidated revenue	12,110	14,077	1,967	16.2

② Operating income

(millions of yen)

	Fiscal Year ended June 30, 2018	Fiscal Year ended June 30,2019	Year on Year Change Amount	%
Consolidated Accounting	1,030	1,293	263	25.5
Business Intelligence	324	636	311	96.1
Outsourcing	213	318	104	48.9
Corporate expenses, elimination of transaction between the Company and subsidiaries	63	(281)	(344)	-
Operating Income	1,631	1,966	335	20.5

In the Consolidated Accounting business, revenue increased to 8,034 million yen (up 10.6% from the previous fiscal year) mainly because of continued revenue contribution from a large project received in the previous fiscal year. However, the profitability of this large-scale project is on a slight decline, and because the Group anticipates an increase in support related expenses as the project is expected to be fully operational in the next fiscal year, the Group decided to provide allowance. On the other hand, in other projects, the effects of quality improvement efforts gradually began to appear and as a result, profitability improved, resulting in operating income of 1,293 million yen (up 25.5% from the previous fiscal year).

In the Business Intelligence business, revenue increased substantially to 4,990 million yen (up 26.2% compared to the previous fiscal year) mainly because we were able to receive orders for several large projects. As we increased personnel in this segment, expenses on personnel, hiring and cost related to the opening of new offices have increased. However, profitability has been greatly improved as we increased highly profitable prime contract projects, and as we increased quasi mandate contract in which consignor agrees to compensate works of consignee, regardless of progress or completion of the project, and thus reduced risk related to undertaking of projects and projects turning unprofitable, operating income increased to 636 million yen, an increase of 96.1% compared to the previous fiscal year.

The Outsourcing business also achieved a significant increase in revenue of 1,629 million yen (up 24.1% from the previous fiscal year) and operating income of 318 million yen (up 48.9% compared to the previous fiscal year), offsetting cost related to the opening of new office.

The elimination of intersegment transactions in revenue increased. When the outsourcing segment was split up in October 2017, the treatment for transactions of systems outsourcing was changed, and the Company started to outsource operations related to the treatment of tax on consolidated basis to the segment.

Finally, the number of consolidated employees was 938 at the end of the fiscal year, an increase of 132 from the beginning of the fiscal year.

Revenue, new orders and order outstanding for the current fiscal year were as follows:

Current fiscal year (Period from July 1, 2018 to June 30, 2019)

	Revenue	New Orders	Order Outstanding
Consolidated Accounting	8,034	7,774	2,173
Business Intelligence	4,990	5,265	1,204
Outsourcing	1,629	1,807	852
Elimination of intersegment transactions	-676	-676	-303
Total	14,077	14,171	3,927

Matters concerning the current status of the corporate group

Issues to be addressed (Taishosubeki Kadai)

In September 2018, the Group announced the renewed five-year medium-term management plan "BE GLOBAL 2023" with the goal of becoming a world-class software company by the end of the fiscal year ending June 2023.

Among other things, the goal to increase the ratio of recurring revenue, revenue that is generated continuously such as software maintenance fees, to the total sales (recurring revenue ratio) from the current 30% to 70% is a very big challenge for the Group. All employees are working together to achieve this. Also, in order to promote balance between the improvement of profitability and the expansion of business, we have adopted "sales growth rate + operating profit margin" as a new KPI, and trying to keep the ratio at least 40%, which is high level even by global standard.

The issues to be addressed by the Company in achieving these goals in medium-term management plan are as follows:

1. Increase the number of customers

The Group's products have been adopted by more than 1,000 leading companies in Japan and it is becoming one of the infrastructures supporting Japan's consolidated financial reporting and group management.

However, the company still see more opportunities in order for the Company to improve social contribution and to increase our corporate value. Currently, we are working to provide high quality, high value-added products and services continuously to more than 2,000 customers.

2. Contribute more value to existing customers and their group companies

One of the Group's greatest assets is our customers, a group of excellent companies representing Japan. Since we provide products and services related to group management, our products and services reach dozens of times more users at customers' group companies. In order to contribute more value to these customers and their group companies, we aim to provide cloud-based products leveraging on the various services of our group company and the knowledge accumulated through provision of these services to more than 10,000 users. In addition, the Group will work to create environment where each Group company can maximize synergies.

3. Shift from man-hour-based sales to value-based sales

In the process of expanding the scale of the business of the group, the Group has increased the proportion of man-hour-based sales. In the future, in order to improve corporate value by increasing profitability and productivity while expanding sales volume, it is necessary to shift to value-based sales which do not necessarily require to increase personnel in proportion with the expansion of sales.

The recurring revenue ratio of 70% is difficult to achieve without this change in business model. By setting this target as a key performance indicator, the entire Group is working together to change the business model.

4. Improve employee satisfaction

Another major asset of our group is excellent employees with advanced technology and expertise and a spirit of challenge. The Group regards "increasing quality employment" as an important management objective and while increasing the number of employees every fiscal year, the Group aims to create rewarding environment where employee can enrich their lives and career and they can focus on creating results in business operations. As part of this effort, we have begun to work on recruiting diverse human resources, regardless of gender or nationality, and appointing them as executive employees.

5. Incorporating external growth

The Group plans to achieve goals of the medium-term management plan basically through sustainable growth of existing businesses, but there should be a case where it may be difficult to achieve them through organic growth.

The Group may consider business acquisitions and capital alliances when these are deemed necessary and effective. The Group regards acquisition and alliances as necessary elements of modern corporate activities, and the Group is preparing carefully to implement them.

When incorporating external growth, the candidate company shall share the direction of the Group's objectives. At the same time, we will keep such things in mind as cost of capital and maintenance of ROE (return on equity) of 20% or higher even with the results of incorporation. By maintaining this standard, we could reduce the possibility of compromising value by incorporating easy external growth.

6. Compliance

Since its founding, the Group has taken it seriously of compliance as the basic principle of corporate governance. On the other hand, however, the social demands for compliance are increasing so much that, any event of a violation could lead to greater loss of social trust and longer time to recover the lost trust. We are promoting business activities more thoroughly than ever so as not to violate corporate ethics, various laws and regulations centered on labor.

7. CSR (corporate social responsibility)

The Avant Group was founded with a mission statement that reads; "A company is a public organ of society." Our group has a mission to contribute to society through the provision of value in helping customers use management information for the creation of the future. We are not only maximizing profits and corporate value, but also focusing on social contribution activities. Currently, there are a few activities to support sports events and cultural activities organized by local governments and industry groups. We will continue to work positively on these activities.

Matters concerning company officers

(1) Names of directors and Statutory Auditors (as of June 30, 2019)

Position	name	Responsibilities and important concurrent positions
President & Representative Director	Tetsuji Morikawa	Diva Co. Ltd. President & Representative Director DIVA CORPORATION OF AMERICA CEO KAYAK Inc. Director
Director	Naoyoshi Kasuga	Finance
Director	Naohisa Fukutani	PwC Advisory LLC Partner
Director	Georges Ugeux	Galileo Global Advisors, LLC Chairman & CEO
Full-time Statutory Auditor	Tsuyoshi Noshiro	
Statutory Auditor	Kunio Suzuki	Limited company KS Management Representative Director
Statutory Auditor	Masanori Kobayashi	Kobayashi Law Office Director

(Note)
1. Director Naohisa Fukutani and Director George Ugeux are outside directors.
2. Statutory Auditor Kunio Suzuki and Statutory Auditor Masanori Kobayashi are outside Statutory Auditors.
3. Audit & Supervisory Board Member Tsuyoshi Noshiro and Audit & Supervisory Board Member Masanori Kobayashi are certified public accountants and are concerned with finance and accounting.
They have considerable knowledge.
4. The Company has designated Director Naohisa Fukutani, Director George Ugeux, and Statutory Auditor Masanori Kobayashi as independent officers under the provisions of the Tokyo Stock Exchange (TSE), and has been notified to the TSE.
5. Director Naohisa Fukutani is a shareholder of the Company, but the holding ratio is less than 1% and is not a major shareholder. We do not think he has no conflict of interest with general shareholders.

(2) Outline of liability limitation agreement
Based on the provisions of Article 427, Paragraph 1 of the Companies Act, the Company has entered into an agreement that limits liability for damages under Article 423, Paragraph 1 of the Companies Act with all outside Directors and Statutory Auditors. The limit of liability for damages under the agreement is the amount specified in Article 425, Paragraph 1 of the Companies Act.

(3) Remuneration for directors and Statutory Auditors

Classification	# of persons	amount paid
Directors	4	¥153 million
(outside directors)	(2)	(¥27 million)
Corporate Directors	3	¥15 million
(outside Statutory Auditors)	(2)	(¥6 million)
Total	7	¥168 million
(outside Officers)	(4)	(¥33 million)

(Note) 1. Directors' salaries do not include employee salaries for directors who also serve as employees.

2. The remuneration limit for directors is a fixed amount of 150,000,000 yen or less per year (excluding salaries concurrently serving as employees) at the 5th Ordinary General Meeting of Shareholders held on September 27, 2001 and the 11th Ordinary General Meeting of Shareholders held on September 26, 2007. In addition, at the 18th Annual General Meeting of Shareholders held on September 25, 2014, the maximum amount per employee is set as 41,250 thousand yen (excluding salaries concurrently serving as employees) and performance-linked bonus has been resolved.

   Also, the planned amount of bonus for directors in the setting of the variable frame for the current fiscal year is ¥ 48,300,000, which is included in the above payment amount.

   In addition, at the 22nd Ordinary General Meeting of Shareholders held on September 19, 2018, the performance-linked stock compensation for Directors (excluding outside Directors) approved by the Company is limited to ¥ 100,000 per period. This is included in the “Amount to be paid” above, but it is not listed because it is before the period.

3. The remuneration limit for Audit & Supervisory Board members was resolved at an extraordinary General Meeting of Shareholders held on December 25, 2003, within an annual amount of 30,000 thousand yen.

4. Policy details and methods for determining the amount of compensation for officers or the method of calculation

The amount of remuneration for Directors of the Company is based on the fixed amount and the variable amount (performance-linked bonus) decided at the General Meeting of Shareholders.
Basically, it is calculated in combination with remuneration calculated in conjunction with the results.
Performance-linked stock compensation shall be paid to directors of the Company (excluding outside Directors) for a period of three years from the month of the annual General Meeting of Shareholders of the Company (the initial target period is September 2018). The period is up to September 2021 and every year from September to September three years later, and the number of the Company's common shares calculated according to the Company's stock growth rate during the period covered.

The amount of remuneration for Audit & Supervisory Board members shall be determined by the discussion between Statutory Auditors within the range of the remuneration limit decided at the General Meeting of Shareholders, taking into account the distinction between full-time and part-time Auditors, internal and external Auditors, depending on duties, etc.

Company structure and corporate policy

(1) Systems & operations to ensure the appropriateness of AVANT Group businesses

The Company has established the Corporate Code of Conduct to establish and promote corporate ethics, and the Board of Directors has resolved the following basic policies regarding the development of internal control systems.

① Compliance system for Directors

1) System to ensure that the execution of duties by directors conforms to laws and the Articles of Incorporation

- Directors shall comply with the "AVANT Code of Conduct", practice "AVANT Value", and execute business appropriately in accordance with laws and regulations, the Articles of Incorporation, the rules of the Board of Directors, and other internal rules.
- Directors shall make decisions based on comprehensive considerations at the Board of Directors and various cross-organizational meetings when executing business.
- Personnel responsible for compliance and risk management (CRM) of each Group company nominated by the chairman shall deliberate and review important issues and response regarding corporate ethics, compliance and risk management, and promptly report to the Board of Directors.
- We will establish and operate a reporting system with legal advisors and Statutory Auditors as a contact point for legal violations and other legally suspicious acts.
- Audit & Supervisory Board members shall audit the execution of duties by Directors by attending meetings of the Board of Directors and other important meetings and investigating the status of business execution under the audit policy established by the Audit & Supervisory Board.

2) System to ensure that directors perform their duties efficiently

- The Board of Directors of the Company shall hold a regular Board of Directors meeting basically once a month, and shall hold an ad hoc meeting whenever necessary to make decisions and quickly execute business operations and supervise directors' important management decision and status of execution.
- Various conference bodies and committees, where directors or committee members are responsible, deliberate and decide on business execution within the scope of their authority.
- We shall promote the decentralization of management through organization based on management policies and business plans.
- In order to clarify management responsibilities and respond to changes in the management environment, the term of office for directors is set at one year.

3) System for storage and management of information related to the execution of duties by directors

Information regarding the execution of duties by directors shall be appropriately stored and managed by the department in charge based on laws and regulations, the Board of Directors regulations, document management regulations, and other related regulations.

② System to ensure the appropriateness of company operations

1) Rules and other systems for managing risk of loss

- With regard to thorough progress management of business results and expense management, the Company shall conduct the management of business process, funds and prevention of risks by grasping the status of business in a cycle relative to business environment based on rolling forecast management.
- We shall manage risks related to compliance, information assets, and other business matters by developing and disseminating necessary regulations and manuals.
- In addition, to ensure thorough compliance, the CRM Committee will strengthen management and response. Also, for intellectual properties management, the Information Security Committee will reinforce management and response.
- The Company shall consult, receive advice and guidance from third parties with specialized knowledge such as lawyers, Accounting Auditors, tax accountants, etc., as necessary for business execution.

2) System to ensure that the execution of duties by employees complies with laws and the Articles of Incorporation

- Employees shall comply with the “AVANT Code of Conduct”, practice “AVANT Value”, and conduct business in accordance with laws and regulations, the Articles of Incorporation and internal rules.
- In order to raise compliance awareness among employees and promote socially responsible behavior, the Company will prepare internal rules and conduct internal audits under the direction of the president.
- Employees will report to or consult with the whistleblower hotline when they learn that somebodies are violating laws, the Articles of Incorporation, internal rules, or conduct that violates social conventions.
- Directors shall respond promptly or make improvements at the CRM Committee in response to requests from the Audit & Supervisory Board Members regarding the employee's compliance system and internal reporting system and requests for improvement.

3) System to ensure the appropriateness of business in the corporate group consisting of the Company and its subsidiaries

- Our subsidiaries will comply with our management policy and “AVANT Code of Conduct”, share the practice of “AVANT Value”, and contribute to the improvement of the corporate value of the Group.
- While respecting the independence of subsidiaries, the Company will support the development and improvement of internal control systems and promote in cooperation with subsidiaries.
- The Company's subsidiaries enter into management guidance and management contracts with the Holding Company Avant, and the Company receives reports on important matters related to the execution of duties by directors. Although the board of directors of each operating company decides important matters, the following three areas need approval from Avant:

(A) Investment including office contracts
(B) Human resources
(C) Financing including capital management policy

- The Company's subsidiary shall hold a regular Board of Directors meeting basically once a month, and holds an ad hoc Board of Directors meetings as needed to make decisions and quickly execute business operations. The office of Group General Affairs of the Company confirms the status of meetings.
- As part of building a compliance system for the entire Group, employees of our subsidiaries report to or consult with the whistleblowing system when they learn that laws, the Articles of Incorporation, other internal rules and other social conventions are violated.
- The CRM Committee will provide support for legal violations and other compliance issues at subsidiaries.
- With regard to the progress of the performance of our subsidiaries and thorough cost management, the Company shall conduct the management of business process, funds and prevention of risks by grasping the status of business in a cycle relative to business environment based on rolling forecast management.
- The appropriateness of the operations of the Company's subsidiaries will be observed as necessary by conducting regular internal audits by the Office of Internal Audit and reporting the results to the Company's directors and the Board of Statutory Auditors.

4) System for ensuring appropriate financial reporting

Under the direction of the Board of Directors, the Company will establish a system for ensuring appropriate legal & financial reporting as well as operating system.
Periodically the Company needs to conduct self-assessment and independent assessment of internal control over financial reporting. At the same time, it is audited by an Accounting Auditor.

5) Basic approach to eliminate anti-social forces

In the AVANT Code of Conduct, we declare the exclusion of anti-social forces and the prohibition of anti-social acts that threaten the safety and order of society and the sound activities of companies. The basic idea is neither to have a relationship nor to respond to unjust and illegal requests.
In addition, we appoint the Prevention Officer for unfair requests, we endeavor to collect information from the beginning and check the business partners.
In the event of an incident, we are in close contact with relevant government agencies and attorneys and other specialists to deal with the issue promptly.

③ The audit system by Statutory Auditors

1) Matters related to the employee when the Audit & Supervisory Board Member requests that the employee be assisted, and the independence of the employee from the director

- Although the Company does not have employees to assist the duties of Statutory Auditors, the Board of Directors can negotiate based on requests from Statutory Auditors and appoint and assign such employees.
- During the period to be appointed by the Audit & Supervisory Board Member, the command and order of the employee appointed as an assistant to the duties of the Audit & Supervisory Board Member shall be transferred to the Audit & Supervisory Board Member in order to ensure independence from the Directors. In addition, the evaluation of the employee is conducted after hearing the opinions of the Statutory Auditors.

2) System for directors and employees to report to Statutory Auditors and other systems for reporting to Statutory Auditors
- Audit & Supervisory Board members attend meetings of the Board of Directors, attend meetings of the Senior Management Meeting, receive reports on the status of operations, and are able to attend any other meetings and committees or view minutes as necessary.
- Statutory Auditors can request directors and employees to report business and operations to Corporate Auditors regularly or at any time.

3) System to ensure that those who report to the Statutory Auditors are not subject to unfavorable treatment because of the report
- According to the compliance and risk management regulations stipulated in the Company's compliance hotline handling guidelines, we have stipulated and enforced that we will not be subject to adverse treatment.

4) Matters related to the policies relating to the processing of expenses or obligations arising from the execution of duties by the Statutory Auditors
- When a Statutory Auditor makes a request for prepayment or reimbursement of expenses incurred for the performance of his / her duties, the expenses or obligations will be processed promptly unless it is deemed unnecessary for the performance of the duties of the Statutory Auditors.

5) Other systems to ensure that audits by Statutory Auditors are conducted effectively
- Audit & Supervisory Board members are able to hold meetings for communication and exchange of opinions with the President and Representative Director.

(2) Operational status of the system to ensure the appropriateness of business

The Company has been continuously investigating the maintenance and operation status of the internal control system since the establishment of the system to ensure the appropriateness of the above operations, and has reported the details of the investigation to the Board of Directors.

We have taken corrective actions for problems found as a result of the investigation, and are working to build and operate a more appropriate internal control system.

Proposal 1: Appropriation of Surplus

We propose to appropriate the surplus as follows:

Regarding the year-end dividend for the 23rd fiscal year, taking the results of the fiscal year and future management environment into consideration, we propose the followings:

(1) Type of dividend property: Cash

(2) Allotment of dividend property to shareholders and total amount

Allotment of dividend property to shareholders: ¥ 15per share of the Company's common stock

Total amount: ¥ 281,755,095.

(3) Effective date of the dividends of surplus:

September 30th, 2019

Proposal 2　Election of Four (4) Directors

The term of office of all Directors shall expire at the conclusion of the Annual General Meeting of Shareholders. As a result, we propose election of the following four (4) Directors.

No.	Name (Date of Birth)	Past experience, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
1	Tetsuji Morikawa (February 23, 1966)	April 1989 Joined Pricewaterhouse, Consultant May 1996 Founded the Company, CEO to present (Significant concurrent positions) October 2013 CEO, DIVA CORPORATION October 2013 CEO, DIVA CORPORATION OF AMERICA March 2017 Director of Kayac Inc. to present	4,882,000
2	Naoyoshi Kasuga (May 13, 1963)	April 1987 Joined The Long-Term Credit Bank of Japan Ltd. August 1999 Joined New York Stock Exchange, Asia Pacific Office January 2005 Vice President, New York Stock Exchange October 2010 Joined the Company February 2011 Corporate officer, President Office of the Company September 2011 CFO of the Company to present	3,200
3	Naohisa Fukutani (April 17, 1961)	April 1987 Joined Mitsui Bank (current Sumitomo Mitsui Banking Corporation) July 2001 Head of Corporate Finance, Asia Pacific, Daiwa Securities SMBC Singapore Ltd. March 2005 Joined GCA Corporation, Managing Director September 2013 Director of the Company to present July 2015 Joined PricewaterhouseCoopers (current PwC Advisory LLC), Partner (Significant concurrent positions) March 2016 Partner, PwC Advisory LLC to present	23,600
4	Georges Ugeux (April 20, 1945)	September 1970 Joined Société Générale de Banque (current BNP Paribas Fortis) January 1985 Managing Director, Morgan Stanley Securities Ltd. October 1988 Group Finance Director, Société Générale de Belgique September 1992 President, Kidder Peabody Europe Inc. September 1996 Group Executive Vice President, New York Stock Exchange October 2003 Founded Galileo Global Advisors LLC, Chairman/CEO September 2014 Director of the Company to present (Significant concurrent positions) October 2003 Chairman/CEO, Galileo Global Advisors LLC to present	1,000

(Notes) 1. No special interests exist between Directors candidates and the Company.
2. Mr. Naohisa Fukutani and Mr. Georges Ugeux are candidates for External Director. Furthermore, the Company has registered Mr. Naohisa Fukutani and Mr. Georges Ugeux in the Tokyo Stock Exchange as independent directors. If their reelections are approved and they assume office, the Company intends to maintain their registrations as independent directors.
3. Mr. Naohisa Fukutani will have served as External Director for six years upon the conclusion of this Annual General Meeting of Shareholders.
4. Mr. Georges Ugeux will have served as External Director for five years upon the conclusion of this Annual General Meeting of Shareholders.
5. Supplemental notes regarding the External Director candidates are as follows:
(1) Reasons for selection as External Director candidates
The Company nominated Mr. Naohisa Fukutani and Mr. Georges Ugeux as External Director candidates given their expected contributions to strengthening corporate governance, as well as the Company's overall group management. Both Mr. Fukutani and Mr. Ugeux bring a deep and varied set of experiences to the Company resulting from long, successful careers in finance, together with proven entrepreneurial backgrounds.
(2) Regarding the limited liability contract of External Directors
The Company has contracts limiting the liability of Mr. Naohisa Fukutani and Mr. Georges Ugeux pursuant to Article 427, Paragraph 1 of the Companies Act. Furthermore, the limit for the amount of compensation for damages provisioned in the contracts with Mr. Fukutani and Mr. Ugeux is the minimum amount allowed by law. If the Company's proposal is approved, and Mr. Fukutani and Mr. Ugeux are reelected as External Directors, the Company expects to continue the above limited liability contracts.

Proposal 3 Election of one (1) Statutory Auditor("Kansayaku")

The term of One(1) Statutory Auditor shall expire at the conclusion of the Annual General Meeting of Shareholders.

As a result, we propose reelection of Mr. Tsuyoshi Noshiro.

Audit & Supervisory Board has given its consent to this proposal. The candidate for Audit & Supervisory Board is as follows.

No.	Name (Date of Birth)	Past experience, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
1	Tsuyoshi Noshiro (Jan 6, 1961)	October 1985 Joined Aoyama Audit Corporation April 1989 Registered as a certified public accountant July 1989 Joined Sanyo Finance Co., Ltd February 1998 Joined the Company June 2000 General Manage of Corporate Management Division September 2001 Director, Finance September 2011 Audit & Supervisory Board Member to present	934,400

(Notes) 1. There is no special interest between the candidate and the Company.
2. Liability limitation agreement with Statutory Auditors
We have concluded a limited liability agreement with Mr. Tsuyoshi Noshiro according to the provisions of Article 427, Paragraph 1 of the Companies Act. The liability for damages under the agreement is the minimum liability limit set by law.
In addition, if this proposal is approved and Mr. Tsuyoshi Noshiro is re-elected, then, the liability limitation agreement will continue.