

This document is an unofficial translation and summary of the Notice of the 18th Annual Shareholders Meeting and is provided for your convenience only, without any warranty as to its accuracy or as to the completeness of the information. The Japanese original version of the document is the sole official version.

TSE Code: 4344
June 6, 2014
3-8-21 Toranomon Minato-ku, Tokyo
SOURCENEXT Corporation
President and CEO Noriyuki Matsuda

To our shareholders:

NOTICE OF THE 18TH ANNUAL SHAREHOLDERS MEETING

You are cordially invited to attend the 18th Annual Shareholders Meeting of SOURCENEXT Corporation (“the Company”) to be held as stated below.

If you are unable to attend the meeting, please refer to the “Guide to the Exercise of Voting Rights” on page 2. After reviewing the attached Reference Documents for the Shareholders Meeting, please exercise your voting rights no later than 5:30 p.m. on Friday, June 20, 2014.

1. Date and Time	Monday, June 23, 2014 , at 10:00 a.m.
2. Place	2-8-44 Kita-Aoyama, Minato-ku, Tokyo TEPIA 4F, TEPIA Hall
3. Agenda	<p>Matters to be reported</p> <ol style="list-style-type: none"> 1. Business Report and Consolidated Financial Statements for the 18th fiscal year from April 1, 2013 to March 31, 2014 and Reports of Audit on the Consolidated Financial Statements by Accounting Auditor and the Board of Auditors 2. Non-consolidated Financial Statements for the 18th fiscal year from April 1, 2013 to March 31, 2014 <p>Matters to be resolved</p> <p>Proposal 1: Partial Changes to Articles of Incorporation Proposal 2: Election of Seven (7) Directors Proposal 3: Election of Two (2) Auditors Proposal 4: Election of One (1) Substitute Auditor</p>
4. Exercise of Voting Rights	Please refer to the “Guide to the Exercise of Voting Rights” on page 2.
5. Disclosures through the Internet	Of the documents provided by the Notice of the Annual Shareholders Meeting, “Notes to Consolidated Financial Statements in the Consolidated Financial Statements” and “Notes to Non-consolidated Financial Statements in the Non-consolidated Financial Statements” that are posted on the Company’s website (http://www.sourcenext.co.jp/) under laws and regulations and provision of Article 15 of the Company’s Articles of Incorporation, and are therefore not available in this Notice. Accordingly, the attached Consolidated Financial Statements and the Non-consolidated Financial Statements are part of the Consolidated Financial Statements and the Non-consolidated Financial Statements that were audited by Auditors and Accounting Auditors in preparing the Reports of Audit.

Guide to the Exercise of Voting Rights

For those attending the meeting in person

Please submit the Voting Form enclosed herewith to the reception.

Please also bring with you the Notice of the Annual Shareholders Meeting as a reference.

(Reception starts at 9:30 a.m.)

If you exercise your voting rights by proxy, you must appoint as a proxy one of the shareholders holding voting rights at the meeting.

Please have your proxy submit a written document (a proxy statement) certifying the authority of proxy to the reception.

For those exercising voting rights in writing

Please indicate your approval or disapproval for the proposals on the Voting Form enclosed herewith and return the Voting Form.

[Voting Form must be received no later than 5:30 p.m. on Friday, June 20, 2014]

For those exercising voting rights via the Internet

Please access the website for exercising voting rights and exercise the voting rights.

(Please see the following Guide to Exercising Voting Rights via the Internet)

[Voting rights must be exercised no later than 5:30 p.m. on Friday, June 20, 2014]

1. If you exercise your voting rights twice, in writing and via the Internet, we will only accept the exercise of your voting rights via the Internet as effective.
2. If you exercise your voting rights more than once via the Internet, we will only accept the last exercise of your voting rights as effective.

Matters Disclosed on the Internet

The Company's website	http://www.sourcenext.co.jp/
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1. The following documents that should be provided by the Notice of the Annual Shareholders Meeting are posted on the Company's website under laws and regulations and provision of Article 15 of the Company's Articles of Incorporation, and are therefore not available in this Notice.

- a. Notes to Consolidated Financial Statements
- b. Notes to Non-consolidated Financial Statements

The Consolidated Financial Statements and the Non-consolidated Financial Statements that were audited by Auditors and Accounting Auditors include the Notes to Consolidated Financial Statements and the Notes to Non-consolidated Financial Statements that are posted on the Company's website.

2. Any corrections made to the Reference Documents for the Shareholders Meeting, the Business Report, the Non-consolidated Financial Statements, and the Consolidated Financial Statements shall be notified by being posted on the Company's website.

Guide to Exercising Voting Rights via the Internet

Website for exercising voting rights	http://www.web54.net
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On the voting website, please enter the “Login ID” and “Temporary Password” which are stated on the right-hand side of your Voting Form, and follow instructions on screen to enter your approval or disapproval.

Notes

Voting by a personal computer or a smart phone

It may not be possible to exercise the voting rights depending on the Internet environment of the shareholder in cases such as firewalls or anti-virus software are set up on the personal computer, a proxy server is used, etc.

Voting by a mobile phone

When you exercise your voting rights from a mobile phone, please use one of the following mobile phone services: i-mode, EZweb or Yahoo!Keitai. For security purposes, mobile phones that are not able to handle encrypted communications (SSL communication) and to transmit terminal ID information are not supported.

* “i-mode,” “EZweb” and “Yahoo!” are trademarks or registered trademarks of NTT DOCOMO, Inc., KDDI Corporation and Yahoo! Inc. in the United States, respectively.

When you exercise your voting rights from a mobile phone or a smart phone, you may access the website for exercising voting rights by scanning the “QR Code” with the bar-code scanner.

- In order to prevent unauthorized access by third parties other than shareholders (so-called “spoofing”) and to prevent tampering with the content of the voting, please note that shareholders who use this function will be asked to change the “Temporary Password” on the voting website.
- A new “Login ID” and “Temporary Password” will be issued to you for each Annual Shareholders Meeting.
- The cost of Internet access (access fees to providers, telecommunications fees, etc.) shall be borne by the shareholders.

For inquiries with respect to the exercise of voting rights, please contact the following numbers.

Sumitomo Mitsui Trust Bank, Limited, Stock Transfer Agency Web Support
[Dedicated Line] 0120-652-031 (9:00 a.m. to 9:00 p.m.)
(Toll-free number. Available only in Japan)

<In case of other inquiries>

0120-782-031 (9:00 a.m. to 5:00 p.m. on weekdays) (Toll-free number. Available only in Japan)

Reference Documents for the Shareholders Meeting

Proposals and References

Proposal 1: Partial Changes to Articles of Incorporation

1. Reasons for Proposal

- (1) To add to the list of the Company's business objectives investment, etc. for enhancing the quality and number of the Company's products and services and for further developing the Company's business.
- (2) The Company's Board of Directors resolved on August 29, 2012 to enact, effective October 1 of the same year, a 1:100 share split and to change its Articles of Incorporation to adopt a share unit structure wherein one share unit comprises 100 shares, in light of the obligation of listed companies, excluding those with share units comprising 100 or 1,000 shares, to have share units of 100 shares due to the April 2012 revisions to the rules on the listing of securities on the Tokyo Stock Exchange. Accompanying this, in order to limit the rights of shareholders holding fractional shares without voting rights, Article 8 (Rights regarding Fractional Shares) of the proposed changes is being newly added and the numbering of Articles thereafter is being revised accordingly.
- (3) To change Article 10 (Share Handling Regulations) in the current Articles of Incorporation in order to clarify the stipulations in the Share Handling Regulations regarding subscription rights to shares.

2. Description of Changes

The changes are as follows.

(Changes are underlined.)

Present	Proposed articles
(Objectives)	(Objectives)
Article 2 The objectives of the Company shall be to pursue the following business.	Article 2 The objectives of the Company shall be to pursue the following business.
1. Planning/development, production, sale, and import/export of computer software	1. Planning/development, production, sale, and import/export of computer software
2. Design, development, production, sale, import/export, and installation as well as maintenance of computer equipment and peripheral equipment	2. Design, development, production, sale, import/export, and installation as well as maintenance of computer equipment and peripheral equipment
3. Online sales and intermediary tasks for online sales over the Internet, and tasks for information provision services	3. Online sales and intermediary tasks for online sales over the Internet, and tasks for information provision services
4. Agent sales for Internet provider services	4. Agent sales for Internet provider services
5. Advertising agency business	5. Advertising agency business
6. Planning and creation of advertisements and promotions	6. Planning and creation of advertisements and promotions
7. Acquisition, transfer, licensing, sale, and management of intellectual property rights	7. Acquisition, transfer, licensing, sale, and management of intellectual property rights
8. Planning, design, copyright acquisition, and sale of characters/mascots	8. Planning, design, copyright acquisition, and sale of characters/mascots
9. Planning, creation, production, and sale of music software, video software, and new media software	9. Planning, creation, production, and sale of music software, video software, and new media software
10. Publishing, sale, and import/export of books, magazines, etc.	10. Publishing, sale, and import/export of books, magazines, etc.
11. All business incidental or secondary to the above	11. <u>Investment in, development of, and intermediation thereof for companies and venture businesses</u>
	12. All business incidental or secondary to the above

(Changes are underlined.)

Present
(Newly established)
Article <u>8</u> to Article <u>9</u> (Omitted)
(Share Handling Regulations) Article <u>10</u> Procedures for the handling, fees, and exercising of rights of the Company's shares shall be as stipulated by laws and regulations, these Articles of Incorporation, and the Share Handling Regulations set by the Board of Directors.
Article <u>11</u> to Article <u>44</u> (Omitted)

Proposed articles
<u>(Rights regarding Fractional shares)</u> <u>Article 8 The Company's shareholders shall not be allowed to exercise rights other than those listed below with regard to fractional shares held.</u> <u>(1) Right set forth in items of Article 189, paragraph 2 of the Companies Act</u> <u>(2) Right to make requests pursuant to the provisions of Article 166, paragraph 1 of the Companies Act</u> <u>(3) Right to receive an allotment of shares for subscription or an allotment of subscription rights to shares for subscription in accordance with the number of shares held by the shareholder</u>
Article <u>9</u> to Article <u>10</u> (Not changed)
(Share Handling Regulations) Article <u>11</u> Procedures for the handling, fees, and exercising of rights of the Company's shares <u>and subscription rights to shares</u> shall be as stipulated by laws and regulations, these Articles of Incorporation, and the Share Handling Regulations set by the Board of Directors.
Article <u>12</u> to Article <u>45</u> (Not changed)

Proposal 2: Election of Seven (7) Directors

The term of office of six (6) Directors will expire at the conclusion of this Annual Shareholders Meeting. Accordingly, the appointment of seven (7) new Directors is proposed, including an increase of one (1) Outside Director, for the sake of further enhancing the strength of the Company's management structure. The candidates for Directors are as follows.

Candidate No.	Name (Date of Birth)	Career Summary, Position and Responsibilities in the Company and Important Concurrent Positions	Company Shares Held	Special Interest in the Company
1	Noriyuki Matsuda (May 28, 1965)	<p>Apr. 1989 Joined IBM Japan</p> <p>Sep. 1993 Established AAA, Ltd., Representative Director and President, AAA, Ltd.</p> <p>Aug. 1996 Established the Company, President and CEO, the Company (current position)</p> <p>Sep. 2010 Representative Director, CHOUJIMAKU Corporation</p> <p>Sep. 2012 President & CEO, SOURCENEXT Inc. (current position)</p>	8,966,400 shares	No
2	Satomi Matsuda (Jul. 5, 1965)	<p>Aug. 1990 Joined KITAGAWA INDUSTRIES CO., LTD.</p> <p>Jan. 1992 Joined TFC Corporation</p> <p>Jan. 1994 Joined AAA, Ltd., Senior Managing Director, AAA, Ltd.</p> <p>Aug. 1996 Senior Managing Director, the Company</p> <p>May 2002 Executive Managing Director, the Company (current position)</p> <p>Sep. 2012 Secretary, SOURCENEXT Inc. (current position)</p>	924,000 shares	No
3	Fumihiko Aoyama (Aug. 3, 1967)	<p>Oct. 1991 Joined Deloitte Touche Tohmatsu LLC</p> <p>Jul. 1999 Joined Deloitte Tohmatsu Consulting</p> <p>Apr. 2000 Joined the Company</p> <p>Apr. 2002 Executive Officer, the Company</p> <p>Jun. 2004 Managing Director, the Company</p> <p>Jun. 2005 Resigned as Managing Director, the Company (due to completion of the term of office)</p> <p>Sep. 2005 Managing Director, the Company</p> <p>Jan. 2009 Executive Director, the Company</p> <p>Jun. 2012 Managing Director, the Company (current position)</p>	74,600 shares	No

Candidate No.	Name (Date of Birth)	Career Summary, Position and Responsibilities in the Company and Important Concurrent Positions	Company Shares Held	Special Interest in the Company
4	Tomoaki Kojima (Jun. 3, 1977)	Sep. 2001 Joined the Company Jun. 2006 Executive Officer, the Company Jun. 2008 Managing Director, the Company Jan. 2009 Executive Director, the Company Jun. 2012 Managing Director, the Company (current position)	19,600 shares	No

Candidate No.	Name (Date of Birth)	Career Summary, Position and Responsibilities in the Company and Important Concurrent Positions	Company Shares Held	Special Interest in the Company
5	Masaharu Ikuta (Jan. 19, 1935)	Apr. 1957 Joined Mitsui Steamship Co., Ltd. (currently Mitsui O.S.K. Lines, Ltd.) Jun. 1994 Representative Director and President, Mitsui O.S.K. Lines, Ltd. Jun. 2000 Representative Director and Chairman, Mitsui O.S.K. Lines, Ltd. Apr. 2003 President, Japan Post Mar. 2007 Resigned as President, Japan Post Apr. 2007 Corporate Advisor, Mitsui O.S.K. Lines, Ltd. Jun. 2008 Outside Director, Terumo Corporation (current position) Jun. 2008 Outside Director, the Company (current position) May 2009 Outside Director, Aeon Co., Ltd. (current position) Feb. 2010 Senior Counselor, Mitsui O.S.K. Lines, Ltd. (current position)	22,900 shares	No

Candidate No.	Name (Date of Birth)	Career Summary, Position and Responsibilities in the Company and Important Concurrent Positions	Company Shares Held	Special Interest in the Company
6	Hiroshi Takasawa (Jun. 13, 1960)	<p>Apr. 1984 Joined Kajima Corporation</p> <p>Apr. 1988 Joined Nomura Securities Co., Ltd.</p> <p>Jan. 2000 CFO, GMAC Commercial Mortgage Japan</p> <p>May 2001 Representative Director, GMAC Commercial Holdings Japan</p> <p>May 2005 Representative Director, Rakuten Strategic Partners, Inc.</p> <p>Nov. 2006 Executive Officer, Rakuten, Inc. (current position)</p> <p>Aug. 2009 Representative Director, RS Empowerment, Inc. (current position)</p> <p>Jun. 2010 Outside Director, the Company (current position)</p> <p>Nov. 2012 Chairman of the Board, Rakuten Investment Management, Inc. (non-executive) (current position)</p> <p>Nov. 2012 Vice President and Director, Rakuten Securities, Inc. (non-executive) (current position)</p> <p>Nov. 2012 Vice President and Representative Director, AIRIO Life Insurance Co., Ltd. (currently Rakuten Life Insurance Co., Ltd.) (current position)</p>	0 shares	Yes See 2) in Note 2.

Candidate No.	Name (Date of Birth)	Career Summary, Position and Responsibilities in the Company and Important Concurrent Positions	Company Shares Held	Special Interest in the Company
7 <u>New appointment</u>	Hideaki Kubori (Aug. 29, 1944)	<p>Apr. 1971 Registered as Attorney-at-Law Joined Mori Sogo</p> <p>Apr. 1998 Representative, HIBIYA PARK LAW OFFICES (current position)</p> <p>Apr. 2001 President, Daini Tokyo Bar Association, and Vice President, Japan Federation of Bar Associations</p> <p>Oct. 2001 Outside Director, Nomura Holdings, Inc.</p> <p>Feb. 2003 Outside Auditor, the Company (current position)</p> <p>Apr. 2004 Professor, Omiya Law School (current position)</p> <p>Jun. 2008 Member of the Supervisory Committee, The Norinchukin Bank (current position)</p> <p>Jun. 2011 Outside Director, Tokyo Stock Exchange Group, Inc. (currently Japan Exchange Group, Inc.) (current position)</p> <p>Outside Governor, Tokyo Stock Exchange Regulation (currently Japan Exchange Regulation) (current position)</p>	0 shares	Yes See 2) in Note 2.

- (Notes)
1. The first to sixth candidates for Director are current Directors of the Company. Their positions and responsibilities at the Company are as listed in the Business Report in the section of Names and Positions of Directors and Auditors.
 2. Matters concerning candidates for Outside Director are as follows.
 - 1) Masaharu Ikuta, Hiroshi Takasawa, and Hideaki Kubori are candidates for Outside Director.
 - 2) Masaharu Ikuta has held positions of importance, including serving as Representative Director and President, Chairman of Mitsui O.S.K. Lines, Ltd., and President of Japan Post. Along with possessing a wealth of experience and broad knowledge as a manager, he provides the Company with advice on overall operations and makes significant contributions to strengthening the Company's corporate governance in his current position as Outside Director to the Company, and for those reasons his re-election as Outside Director is proposed. At the conclusion of this Annual Shareholders Meeting, Masaharu Ikuta will have served six years as Outside Director of the Company.
 The election of Hiroshi Takasawa as Outside Director is proposed due to the candidate's wealth of experience and broad knowledge as a manager, which the Company would like to utilize in its management. The candidate concurrently serves as Representative Director of RS Empowerment, Inc., which holds 8,928,000 shares of the Company's stock. There are no business relations between the Company and RS Empowerment, Inc.; however, the Company sells its products and has other business relations with Rakuten, Inc., which is the sole parent company of RS Empowerment, Inc. At the conclusion of this Annual Shareholders Meeting, Hiroshi Takasawa will have served four years as Outside Director of the Company.
 Reasons for Hideaki Kubori's candidacy for Outside Director include his many years of experience as an attorney and the expectation that his specialized knowledge and skill will be applied to help further strengthen the Company's corporate governance. The candidate does not have experience contributing to company management outside the roles of Outside Director and Outside Auditor; however, he is deemed able to suitably execute his role as Outside Director due to the qualifications noted above.
 The candidate is a Representative of Hibiya Park Law Offices. The Company has some contractual relations including work involving legal counsel, etc. with attorneys from this law office, other than the candidate. The candidate is not engaged in legal counsel work, etc. for the Company.
 Hideaki Kubori is currently Outside Auditor to the Company and at the conclusion of this Annual Shareholders Meeting, will have served 11 years and three months as Outside Auditor to the Company. The candidate shall retire from serving as Outside Auditor to the Company when his term expires at the conclusion of this Annual Shareholders Meeting.
 During the candidate's term as Outside Director to Nomura Securities Co., Ltd., the same company received an order to improve business operations from the Financial Services Agency on August 3, 2012, based on Article 51 of the Financial Instruments and Exchange Act, for supplying and soliciting customers with corporate-related information regarding the trading of securities and other transactions, when the same company had not established necessary and appropriate measures for preventing fraudulent trading in terms of the control of corporate-related information concerning the public stock offerings. The candidate has already retired from his position as Director of the same company, but as Outside Director, fulfilled his duties by proposing that the same company's Board of Directors et al. to enhance legal compliance.
 - 3) A summary of the contract for limitation of liability with Outside Directors is as follows.
 Under the provisions of Article 28, paragraph 2 of the Articles of Incorporation and Article 427, paragraph 1 of the Companies Act, the Company has concluded contracts for limitation of liability with Masaharu Ikuta and Hiroshi Takasawa, as provided for in Article 423, paragraph 1 of the Companies Act. The maximum amount of the liability for damages based on said contracts shall be 10,000,000 yen or the minimum amount prescribed in laws and regulations, whichever is higher. However, recognition of this limitation of liability is restricted to cases in which the work causing the liability was carried out in good faith and without gross negligence.
 These contracts for limitation of liability between the Company and Masaharu Ikuta and Hiroshi Takasawa are set to continue if the re-election of the candidates is approved.
 Under the provisions of Article 38, paragraph 2 of the Articles of Incorporation and Article 427, paragraph 1 of the Companies Act, the Company has concluded a contract for limitation of liability with Hideaki Kubori, as provided for in Article 423, paragraph 1 of the Companies Act. The maximum amount of the liability for damages based on said contract shall be 10,000,000 yen or the minimum amount prescribed in laws and regulations, whichever is higher. However, recognition of this limitation of liability is restricted to cases in which the work causing the liability was carried out in good faith and without gross negligence.
 If the proposed election of Hideaki Kubori is approved, the Company intends to conclude a contract with him for limitation of liability provided for in Article 423, paragraph 1 of the Companies Act, under the provisions of Article 28, paragraph 2 of the Articles of Incorporation and Article 427, paragraph 1 of the Companies Act. The maximum amount of the liability for damages based on said contract shall be 10,000,000 yen or the minimum amount prescribed in laws and regulations, whichever is higher. However, recognition of this limitation of liability is restricted to cases in which the work causing the liability was carried out in good faith and without gross negligence.

Proposal 3: Election of Two (2) Auditors

The term of office of Hideaki Kubori and Tetsuya Kobayashi will expire at the conclusion of this Annual Shareholders Meeting. Since Hideaki Kubori will retire, the election of Tetsuya Kobayashi as his replacement, and the new election of Kakuji Takano are proposed.

The candidates for Auditors are as follows.

The Board of Auditors consented to the proposal of this resolution.

Candidate No.	Name (Date of Birth)	Career Summary, Position in the Company and Important Concurrent Positions	Company Shares Held	Special Interest in the Company
1	Tetsuya Kobayashi (Sep. 5, 1958)	<p>Apr. 1991 Registered as Attorney-at-Law (Daini Tokyo Bar Association)</p> <p>Jul. 1999 Temporary staff in charge of judicial system reform, Japan Federation of Bar Associations</p> <p>Apr. 2003 Member of Examination Board for foundation of incorporated educational institution and university (Law school special examination board), Ministry of Education, Culture, Sports, Science and Technology</p> <p>Apr. 2004 Vice President, Daini Tokyo Bar Association</p> <p>Jun. 2006 Outside Auditor, the Company (current position)</p> <p>May 2007 Expert committee member, Committee for Certified Evaluation and Accreditation of Law Schools, National Institution for Academic Degrees and University Evaluation (current position)</p> <p>Jun. 2007 Chairman, Training Center, Japan Federation of Bar Associations</p> <p>Apr. 2008 Part-time instructor, Faculty of Law, Keio University</p> <p>Jun. 2011 Outside Auditor, Mochida Pharmaceutical Co., Ltd. (current position)</p> <p>Apr. 2012 Executive Governor, Japan Federation of Bar Associations</p>	0 shares	No

Candidate No.	Name (Date of Birth)	Career Summary, Position in the Company and Important Concurrent Positions	Company Shares Held	Special Interest in the Company
2 New appointment	Kakuji Takano (Apr. 7, 1940)	Mar. 1963 Graduated from School of Commerce, Meiji University Apr. 1963 Joined Kohkoku Chemical Industry (currently ACHILLES CORPORATION) May 1968 Joined Eiko Accounting Audit Corporation (currently Ernst & Young ShinNihon LLC) May 1975 Established Takano Sogo Accounting Firm Dec. 1996 Representative Partner, Century Audit Corporation (currently Ernst & Young ShinNihon LLC) Apr. 2007 Non-executive Auditor, MARUZEN CO., LTD. Jun. 2007 Non-executive Auditor, NIPPON SHUPPAN HANBAI INC. (current position) Jul. 2010 Managing Partner, Takano Sogo Accounting Firm (current position)	0 shares	No

(Notes) Matters concerning candidates for Auditor are as follows.

1. Tetsuya Kobayashi and Kakuji Takano are candidates for Outside Auditor.
2. The election of Tetsuya Kobayashi as Outside Auditor is proposed due to the candidate's many years of experience as an attorney in the field of corporate affairs, and his specialized knowledge and experience, which the Company would like to utilize in its auditing systems. At the conclusion of this Annual Shareholders Meeting, Tetsuya Kobayashi will have served eight years as Outside Auditor of the Company. Tetsuya Kobayashi has been designated as an independent officer, per the stipulations of the Tokyo Stock Exchange, and the Company has filed the relevant notifications with the TSE. If the candidate is re-elected, the Company shall continue its notification naming him an independent officer. Reasons for Kakuji Takano's candidacy for Outside Auditor include his wealth of knowledge concerning company management and accounting in his capacity as a certified accountant, for which the Company deems him qualified to carry out audits and provide counsel.
3. A summary of the contract for limitation of liability with Outside Auditors is as follows.
Under the provisions of Article 38, paragraph 2 of the Articles of Incorporation and Article 427, paragraph 1 of the Companies Act, the Company has concluded a contract for limitation of liability with Tetsuya Kobayashi as provided for in Article 423, paragraph 1 of the Companies Act. The maximum amount of the liability for damages based on said contract shall be 10,000,000 yen or the minimum amount prescribed in laws and regulations, whichever is higher. However, recognition of this limitation of liability is restricted to cases in which the work causing the liability was carried out in good faith and without gross negligence. The contract for limitation of liability between the Company and Tetsuya Kobayashi is set to continue if the re-election of the candidate is approved.
If the proposed election of Kakuji Takano is approved, the Company intends to conclude a contract for limitation of liability with him, as provided for in Article 423, paragraph 1 of the Companies Act, under the provisions of Article 38, paragraph 2 of the Articles of Incorporation and Article 427, paragraph 1 of the Companies Act. The maximum amount of the liability for damages based on said contract shall be 10,000,000 yen or the minimum amount prescribed in laws and regulations, whichever is higher. However, recognition of this limitation of liability is restricted to cases in which the work causing the liability was carried out in good faith and without gross negligence.

Proposal 4: Election of One (1) Substitute Auditor

The validity of Takeshi Yamashita as the Substitute Auditor election will expire at the commencement of this Annual Shareholders Meeting. Accordingly, the election of one (1) Substitute Auditor is proposed in preparation for the case in which the number of Auditors would slip below the statutory minimum.

The candidate for Substitute Auditor is as follows.

The Board of Auditors consented to the proposal of this resolution.

Name (Date of Birth)	Career Summary, Position in the Company and Important Concurrent Positions	Company Shares Held	Special Interest in the Company
Takeshi Yamashita (Jan. 31, 1946)	Mar. 1968 Graduated from School of Law, Osaka University Jun. 1972 Withdrew from Doctoral Degree, Graduate Judicial Affairs Course, Kyoto University Apr. 1985 Professor, Hiroshima University Apr. 1997 Professor, Tokai University Jul. 1997 Registered as Attorney-at-Law Mar. 2002 Resigned from Tokai University Jun. 2003 Corporate Auditor, Prima Meat Packers, Ltd. Dec. 2003 Joined HIBIYA PARK LAW OFFICES Apr. 2004 Professor, Omiya Law School Jun. 2005 Auditor, Resona Bank, Limited (current position) Jun. 2006 Substitute Auditor, the Company Apr. 2007 Professor, Judicial Affairs Course, Graduate School, Meiji Gakuin University Jun. 2012 Outside Director, Prima Meat Packers, Ltd. (current position)	0 shares	No

- (Notes)
1. Takeshi Yamashita is a candidate for Substitute Outside Auditor.
 2. Reasons for Takeshi Yamashita's candidacy for Substitute Outside Auditor include his valuable point of view as an attorney and university professor, and his specialized knowledge and experience concerning corporate law, which the Company would like to utilize in its audits.
 3. In view of his experience and performance as an attorney and university professor, as well as his ample knowledge of company audit tasks, Takeshi Yamashita has been deemed able to suitably execute the role of Outside Auditor, if he were to engage in audit tasks for the Company.
 4. If the proposed election of Takeshi Yamashita is approved, the Company intends to conclude a contract for limitation of liability with him, as provided for in Article 423, paragraph 1 of the Companies Act, under the provisions of Article 38, paragraph 2 of the Articles of Incorporation and Article 427, paragraph 1 of the Companies Act. The maximum amount of the liability for damages based on said contract shall be 10,000,000 yen or the minimum amount prescribed in laws and regulations, whichever is higher. However, recognition of this limitation of liability is restricted to cases in which the work causing the liability was carried out in good faith and without gross negligence.