

This document is an unofficial translation and summary of the Notice of the 21st 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 12, 2017  
 1-5-2 Higashi-Shimbashi, Minato-ku, Tokyo  
**SOURCENEXT Corporation**  
 President and CEO Noriyuki Matsuda

To our shareholders:

## NOTICE OF THE 21ST ANNUAL SHAREHOLDERS MEETING

You are cordially invited to attend the 21st 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 Tuesday, June 27, 2017.

<b>1. Date and Time</b>	Wednesday, <b>June 28, 2017</b> , at <b>10:00 a.m.</b>
<b>2. Place</b>	2-7-1 Nihonbashi, Chuo-ku, Tokyo Tokyo Nihonbashi Tower, Belle Salle Tokyo Nihonbashi 4F (Please note that the venue is changed from the last meeting.)
<b>3. Agenda</b>	<p><b>Matters to be reported</b></p> <ol style="list-style-type: none"> <li>1. Business Report and Consolidated Financial Statements for the 21st fiscal year from April 1, 2016 to March 31, 2017 and Reports of Audit on the Consolidated Financial Statements by Accounting Auditor and the Board of Auditors</li> <li>2. Non-consolidated Financial Statements for the 21st fiscal year from April 1, 2016 to March 31, 2017</li> </ol> <p><b>Matters to be resolved</b></p> <p>Proposal 1: Appropriation of Surplus          Proposal 2: Election of Seven (7) Directors          Proposal 3: Election of One (1) Auditor          Proposal 4: Election of One (1) Substitute Auditor          Proposal 5: Approval of Merger Agreement Between the Company and MIXA Co., Ltd.</p>
<b>4. Exercise of Voting Rights</b>	Please refer to the “Guide to the Exercise of Voting Rights” on page 2.
<b>5. Disclosures through the Internet</b>	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 ( <a href="http://www.sourcenext.co.jp/">http://www.sourcenext.co.jp/</a> ) under laws and regulations and provision of Article 15 of the Company’s Articles of Incorporation, and are therefore not available in this Notice. 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 Auditor 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 Tuesday, June 27, 2017]**

For those exercising voting rights via the Internet

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

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

**[Voting rights must be exercised no later than 5:30 p.m. on Tuesday, June 27, 2017]**

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	<a href="http://www.sourcenext.co.jp/">http://www.sourcenext.co.jp/</a>
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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 StatementsThe Consolidated Financial Statements and the Non-consolidated Financial Statements that were audited by Accounting Auditors and 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	<a href="http://www.web54.net">http://www.web54.net</a>
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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 smartphone**

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 smartphone, you may access the website for exercising voting rights by scanning the “QR Code” with the bar-code scanning function of your smartphone or mobile phone.

- 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**

**Proposal 1: Appropriation of Surplus**

Details pertaining to the appropriation of surplus are as follows.

**Matters relating to year-end dividends**

The Company believes that improving performance into the future will increase corporate value and result in meeting the expectations of shareholders. The basic dividend policy is to implement the distribution of profits with comprehensive consideration of performance, the dividend payout ratio and the amount of investment required for medium- and long-term corporate growth. Based on this policy, the Company hopes to implement the following, taking into consideration performance trends in the fiscal year under review, future business development, and other factors.

Type of dividends	Cash
Dividend amount to be allocated	Per share of common stock: ¥6.19 (of which, an ordinary dividend is ¥5.19 and a commemorative dividend for the 20th anniversary is ¥1) Total dividends: ¥191,642,363
Effective date of dividends from surplus	June 29, 2017

**Proposal 2: Election of Seven (7) Directors**

The term of office of all seven (7) Directors will expire at the conclusion of this Annual Shareholders Meeting. Accordingly, the election of seven (7) Directors is proposed.  
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 <u>Reappointment</u>	Noriyuki Matsuda (May 28, 1965)	Apr. 1989 Joined IBM Japan Sep. 1993 Established AAA, Ltd., Representative Director and President, AAA, Ltd. Aug. 1996 Established the Company, President and CEO, the Company (current position) Sep. 2012 President & CEO, SOURCENEXT Inc. (current position) Dec. 2016 President and CEO, MIXA Co., Ltd. (current position)	8,666,400 shares	No
2 <u>Reappointment</u>	Satomi Matsuda (Jul. 5, 1965)	Aug. 1990 Joined KITAGAWA INDUSTRIES CO., LTD. Jan. 1992 Joined TFC Corporation Jan. 1994 Joined AAA, Ltd., Senior Managing Director, AAA, Ltd. Aug. 1996 Senior Managing Director, the Company May 2002 Executive Managing Director, the Company Sep. 2012 Secretary, SOURCENEXT Inc. (current position) Jun. 2014 Executive Vice President, the Company (current position)	924,000 shares	No
3 <u>Reappointment</u>	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) May 2017 Managing Director, FUEMAME CO., LTD. (current position)	22,300 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 Reappointment	Fumihiko Aoyama (Aug. 3, 1967)	<p>Oct. 1991 Joined Deloitte Touche Tohmatsu (currently 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>Jan. 2009 Executive Director, the Company</p> <p>Jun. 2012 Managing Director, the Company (current position)</p> <p>May 2017 Managing Director, FUEMAME CO., LTD. (current position)</p>	55,500 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 Reappointment	Masaharu Ikuta (Jan. 19, 1935)	<p>Apr. 1957 Joined Mitsui Steamship Co., Ltd. (currently Mitsui O.S.K. Lines, Ltd.)</p> <p>Jun. 1994 Representative Director and President, Mitsui O.S.K. Lines, Ltd.</p> <p>Jun. 2000 Representative Director and Chairman, Mitsui O.S.K. Lines, Ltd.</p> <p>Apr. 2003 President, Japan Post (currently Japan Post Group)</p> <p>Mar. 2007 Resigned as President, Japan Post</p> <p>Apr. 2007 Corporate Advisor, Mitsui O.S.K. Lines, Ltd.</p> <p>Jun. 2008 Outside Director, Terumo Corporation</p> <p>Outside Director, the Company (current position)</p> <p>May 2009 Outside Director, Aeon Co., Ltd.</p> <p>Feb. 2010 Senior Counselor, Mitsui O.S.K. Lines, Ltd.</p> <p>Jun. 2014 President, Nagoya Port Terminal Corporation (current position)</p>	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 Reappointment	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</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) Outside Governor, Tokyo Stock Exchange Regulation (currently Japan Exchange Regulation)</p> <p>Jun. 2014 Outside Director, the Company (current position)</p> <p>Apr. 2015 Professor, Toin Law School (current position)</p>	5,300 shares	Yes See 2) in Note 3.

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 New appointment	Kunitake Ando (Jan. 1, 1942)	<p>Apr. 1969 Joined Sony Corporation</p> <p>Aug. 1979 Representative Director and Managing Executive Officer, Sony Prudential Life Insurance Co., Ltd.</p> <p>Apr. 1990 President, Sony Corporation of America President, Sony Engineering and Manufacturing of America</p> <p>Jun. 1994 Member of the Board, Sony Corporation</p> <p>Apr. 2000 Representative Director and President, Sony Corporation</p> <p>Jun. 2005 Chairman, Representative Director, Sony Financial Holdings Inc.</p> <p>Jun. 2007 Chairman, Director, Sony Life Insurance Co., Ltd.</p> <p>Jun. 2011 Honorary Chairman, Sony Life Insurance Co., Ltd.</p> <p>Mar. 2012 Director, Japan Center for International Exchange (current position)</p> <p>Jul. 2013 Executive Director, Japan Innovation Network (current position)</p> <p>Oct. 2014 Outside Director, BJIT Inc. (current position)</p>	0 shares	Yes See 2) in Note 3.

- (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. The reasons for nomination of the above candidates as Internal Director are as follows.
    - 1) Noriyuki Matsuda is the founder of the Company. Since its establishment, he has long supervised business of the entire group of the Company and has wealth of experience, track record, and knowledge concerning the industry trends and corporate management. The Company has therefore resolved to nominate him as a candidate for Director.
    - 2) Satomi Matsuda has been engaged in corporate management since establishment of the Company, and has wealth of experience, track record, and knowledge concerning administration departments including human resources, general affairs and legal affairs. The Company has therefore resolved to nominate her as a candidate for Director.
    - 3) Tomoaki Kojima is well versed in sales and planning operations centering on marketing, and has considerable experience, track record, and knowledge concerning corporate strategy in general. The Company has therefore resolved to nominate him as a candidate for Director.
    - 4) Fumihiko Aoyama has abundant professional insights in finance and accounting as well as considerable experience, track record, and knowledge concerning corporate strategy in general. The Company has therefore resolved to nominate him as a candidate for Director.
  3. Matters concerning candidates for Outside Director are as follows.
    - 1) Masaharu Ikuta, Hideaki Kubori, and Kunitake Ando 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 nine years as Outside Director of the Company.

Reasons for Hideaki Kubori's candidacy for re-election as Outside Director include his many years of experience as an attorney and the expectation that his specialized knowledge and extensive skill concerning corporate law will be applied to the Company's management and will 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. At the conclusion of this Annual Shareholders Meeting, Hideaki Kubori will have served three years as Outside Director of the Company.

Kunitake Ando has held various posts including serving as Representative Director and President of Sony Corporation, and we expect that he will contribute to further strengthening the Company's corporate governance by reflecting his wealth of experience and broad knowledge as a business manager. The Company has therefore resolved to nominate him as a candidate for Outside Director. The candidate is an Outside Director of BJIT Inc. BJIT and the Company have concluded a license agreement for software for consumers owned by BJIT.
    - 3) A summary of the contract for limitation of liability with Outside Directors is as follows.

Under the provisions of Article 29, 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 Hideaki Kubori as provided for in Article 423, paragraph 1 of the Companies Act. The maximum amount of the liability for damages based on the said contracts shall be the minimum amount prescribed in applicable laws and regulations. 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 Hideaki Kubori are set to continue if the re-election of the candidates is approved.

If this proposal is approved, the Company intends to conclude a contract with Kunitake Ando for limitation of liability provided for in Article 423, paragraph 1 of the Companies Act, under the provisions of Article 29, 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 the said contract shall be the minimum liability amount prescribed in applicable laws and regulations. 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.
    - 4) Matters concerning notification of Outside Directors as independent directors and/or auditors are as follows.

The Company plans to designate Masaharu Ikuta and Kunitake Ando as independent directors if the re-election of Masaharu Ikuta and the election of Kunitake Ando are approved.

### Proposal 3: Election of One (1) Auditor

The election of one (1) new Auditor is proposed to enhance the audit system.  
The Board of Auditors consented to the proposal of this resolution.  
The candidate for Auditor is as follows.

Name (Date of Birth)	Career Summary, Position in the Company and Important Concurrent Positions		Company Shares Held	Special Interest in the Company
Masaaki Hirose  (Aug. 26, 1948) <u>New</u> <u>appointment</u>	Apr. 1971	Joined Suruga Bank Ltd.	0 shares	No
	Apr. 2005	Managing Executive Officer, Suruga Bank Ltd.		
	Jun. 2008	Audit & Supervisory Board Member (Full-time), Suruga Bank Ltd.		
	Jun. 2016	Senior Executive Advisor, Suruga Bank Ltd.		

- (Notes)
1. Reasons for Masaaki Hirose's candidacy for Auditor include his considerable experience, track record, and knowledge concerning finance and accounting, and the Company has judged that he can audit the Directors' execution of duties from an objective and fair perspective.
  2. If this proposal is approved, the Company intends to conclude a contract with Masaaki Hirose for limitation of liability provided for in Article 423, paragraph 1 of the Companies Act, under the provisions of Article 39, 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 the said contract shall be the minimum liability amount prescribed in applicable laws and regulations. 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 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 Board of Auditors consented to the proposal of this resolution.

The candidate for Substitute Auditor is as follows.

Name (Date of Birth)	Career Summary, Position in the Company and Important Concurrent Positions	Company Shares Held	Special Interest in the Company
Ryo Tsuchida (Registered name: Ryo Teranishi)  (Jul. 4, 1968)	Apr. 1992 Part-time instructor, Tokyo Training Institute, National Tax College	0 shares	No
	Apr. 1998 Assistant, Faculty of Law, Sophia University		
	Apr. 2000 Full-time instructor, Faculty of Law, University of East Asia		
	Apr. 2002 Assistant Professor, Faculty of Law, University of East Asia		
	Apr. 2003 Assistant Professor, Faculty of Law, Meijo University  Part-time instructor, Division of Laws, Total Academic Graduate Course, Correspondence Graduate School, University of East Asia (current position)		
	Apr. 2007 Part-time instructor, Nagoya University of Foreign Studies		
	Oct. 2007 Part-time instructor, Judicial Affairs Course, Omiya Law School		
	Apr. 2008 Associate Professor, Judicial Affairs Course, Omiya Law School  Part-time instructor, Faculty of Law, Meijo University		
	Jan. 2010 Registered as Attorney-at-Law (Daini Tokyo Bar Association)  Joined Frontier-Law		
	Apr. 2011 Professor, Judicial Affairs Course, Omiya Law School		
	Apr. 2012 Part-time instructor, Meiji Gakuin University Graduate Law School		
	Apr. 2014 Professor, Department of Law, School of Law, Senshu University (current position)  Part-time instructor, Judicial Affairs Course, Omiya Law School		
	Apr. 2015 Part-time lecturer, Faculty of Law, Komazawa University (current position)		
	Jun. 2015 Outside Auditor, Resona Bank, Limited (current position)		

- (Notes)
1. Ryo Tsuchida is a candidate for Substitute Outside Auditor.
  2. Reasons for Ryo Tsuchida'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, if he assumes the office of Auditor, although the candidate does not have experience contributing to company management outside the roles of Outside Director and Outside Auditor.
  3. In view of his experience and performance as an attorney and university professor, as well as his ample knowledge of company audit tasks, Ryo Tsuchida has been deemed able to suitably execute the role of Outside Auditor, if he assumes the office of Auditor.

4. If Ryo Tsuchida engages in work as Outside Auditor, 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 39, 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 the said contract shall be the minimum liability amount prescribed in applicable laws and regulations. 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 5: Approval of Merger Agreement Between the Company and MIXA Co., Ltd.**

1. Reason for executing the merger

The Company made MIXA Co., Ltd. a wholly-owned subsidiary on December 16, 2016. With the aim of consolidating the management resources, the Company determined to merge MIXA in an absorption-type merger with the Company, with the Company as the surviving company. Since this merger is likely to result in the Company incurring a loss from the merger transaction, the Company proposes conclusion of the absorption-type merger agreement for approval for the said merger in accordance with the proviso to Article 796, paragraph 2 of the Companies Act, and the provision of Article 795, paragraph 2, item 1.

2. Contents of the merger agreement

The contents of the merger agreement entered into between the Company and MIXA Co., Ltd. are as follows:

Absorption-Type Merger Agreement

SOURCENEXT Corporation (Address: 1-5-2 Higashi-Shimbashi, Minato-ku, Tokyo; hereinafter “Party A”) and MIXA Co., Ltd. (Address: 1-5-2 Higashi-Shimbashi, Minato-ku, Tokyo; hereinafter “Party B”) do hereby enter into this Absorption-Type Merger Agreement (hereinafter this “Agreement”) to provide as follows:

Article 1 (Method of merger)

Party A and Party B shall be merged with Party A as the surviving company and Party B as the absorbed company (hereinafter the “Merger”).

Article 2 (Consideration, etc. for the merger)

1. Upon the Merger, Party A shall not deliver to shareholders of Party B any monetary or other consideration as a substitute for the shares owned by the shareholders.  
2. Party A shall not increase its capital stock, legal capital surplus, or legal retained earnings through the Merger.

Article 3 (Effective date)

The Merger shall become effective on July 1, 2017 (hereinafter the “effective date”); provided, however, that Party A and Party B may change such date by agreement through mutual consultation where necessary, depending on the progress of formalities or for other reasons.

Article 4 (Duty of due care of a prudent manager)

From the day of the execution of this Agreement until the effective date, Party A and Party B shall conduct their respective businesses and manage their respective assets and liabilities with the due care of a prudent manager. Any act which may have a material impact on the property and rights and obligations shall only be performed after obtaining prior consent of the other party.

Article 5 (Treatment of employees)

Party A shall continue to hire all employees of Party B as employees of Party A if there are any remaining employees on the effective date.

Article 6 (Changes of terms and conditions of the merger and cancellation of the merger agreement)

During the period between the execution of this Agreement and the effective date, Party A and Party B may change the terms and conditions of this Agreement or cancel this Agreement upon mutual consultation between Party A and Party B in the event of any material change in the status of assets or management of Party A or Party B due to a natural disaster or other event.

Article 7 (Matters requiring consultation)

Party A and Party B will, upon mutual consultation between Party A and Party B, set forth any matter provided in this Agreement or any other matter that is required to effect the Merger in accordance with the spirit of this Agreement.

IN WITNESS WHEREOF, two (2) originals of this Agreement are hereby executed and each party shall retain one (1) original thereof.

May 12, 2017

Party A: 1-5-2 Higashi-Shimbashi, Minato-ku, Tokyo  
SOURCENEXT Corporation

Noriyuki Matsuda, President and CEO (seal)

Party B: 1-5-2 Higashi-Shimbashi, Minato-ku, Tokyo  
MIXA Co., Ltd.

Noriyuki Matsuda, President and CEO (seal)

3. Overview of the contents of the items set forth in items of Article 191 of Ordinance for Enforcement of the Companies Act

(1) Matters related to the fairness of consideration

Since the Company already owns all the issued shares of MIXA, no shares, cash or other consideration will be delivered through the Merger. There will also be no increase in amounts of capital stock and legal capital surplus of the Company by the Merger.

(2) Events after the last day of the fiscal year of the parties for the Merger that would have a material impact on the status of company property

No items to report.