

Code No. 1662  
June 2, 2016  
Osamu Watanabe, President  
**Japan Petroleum Exploration Co., Ltd. (JAPEX)**  
1-7-12 Marunouchi, Chiyoda-ku, Tokyo

To All Shareholders:

**Notification of the Convocation to  
the 46<sup>th</sup> Ordinary General Meeting of the Shareholders**

The 46<sup>th</sup> Ordinary General Meeting of the Shareholders of Japan Petroleum Exploration Co., Ltd. (hereinafter referred to as the “JAPEX”) will be held according to the details below, and we kindly ask for your attendance.

If you are unable to attend the meeting, you may exercise your voting rights through a written document (Voting Rights Exercise Form) or by electronic means (via the Internet). Please read the attached “Reference Documents for Shareholders Meeting,” and exercise your voting rights after referring to “4. Guidance on the Exercise of Voting Rights” on the following page, prior to 5:35 p.m., Thursday, June 23, 2016.

Thank you very much for your attention and cooperation.

Details:

1. Date and Time: 10:00 a.m., June 24, 2016 (Friday)
  2. Location: Station Conference Tokyo “Sapia Hall” (Sapia Tower 5F)  
1-7-12 Marunouchi, Chiyoda-ku, Tokyo
  3. Agenda:  
Announcements:
    - 1) Business report and consolidated financial report of the 46<sup>th</sup> Term (from April 1, 2015 to March 31, 2016), and audit reports from the accounting auditor and Board of Corporate Auditors on the consolidated financial report
    - 2) Financial report of the 46<sup>th</sup> Term (from April 1, 2015 to March 31, 2016)
- Resolution items:
- Item 1: Appropriation of Surplus
  - Item 2: Election of Five (5) Directors
  - Item 3: Revision to Remuneration for Directors
  - Item 4: Payment of Bonuses to Directors and Corporate Auditors

**NOTE:** This document is an abridged translation of the Japanese “Notification of the Convocation to the 46<sup>th</sup> Ordinary General Meeting of the Shareholders” “Reference Documents for Shareholders Meeting” and “Financial Report” of JAPEX. This translation is intended for reference and convenience purposes only. In the event of any discrepancy between this translation and the Japanese original, the original shall prevail. JAPEX does not guarantee the accuracy and/or the completeness of this translation and shall have no liability for any errors or omissions therein.

#### 4. Guidance on the Exercise of Voting Rights

##### [Exercise of Voting Rights in Writing (Voting Rights Exercise Form)]

Please indicate your approval or disapproval of each proposition on the enclosed Voting Rights Exercise Form and then send it back so that it reaches us no later than 5:35 p.m., Thursday, June 23, 2016.

##### [Exercise of Voting Rights by Electronic Means (via the Internet)]

- (1) To exercise your voting rights via the Internet, you must use the following voting service website (<http://www.it-soukai.com/>) designated by the Company. You are cordially requested to exercise your voting rights via the Internet prior to 5:35 p.m., Thursday, June 23, 2016.
- (2) Please register your approval or disapproval of each proposition, by using the code and password provided on your Voting Rights Exercise Form enclosed herewith and following the directions on the screen. Please check the “Guidance on the Exercise of Voting Rights via the Internet” shown on page 12 of this notice for the details.

##### [Treatment of Voting Rights Exercised Repeatedly]

- (1) If you exercise your voting rights both in writing and via the Internet, we will only accept the exercise of your voting rights via the Internet as valid.
- (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 valid.

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\*Upon your arrival at the Ordinary General Meeting of Shareholders, please submit the enclosed Voting Rights Exercise Form to the venue reception. Thank you.

\*In case the Reference Documents for Shareholders Meeting, or business report, financial report or consolidated financial report is modified, such modification shall be posted on the JAPEX website. (<http://www.japex.co.jp/>)

## Reference Documents for Shareholders' Meeting

### Item 1: Appropriation of Surplus

JAPEX employs the basic policy of long-term, stable distribution of dividends in considering the retained earnings for investment in new oil and gas reserves inside and outside Japan and the improvement and expansion of supply infrastructure, etc., as well as respecting the return of profits to our shareholders.

The year-end dividends for the 46<sup>th</sup> term will be as follows:

Details Concerning the Year-End Dividends

- (1) Type of dividend property: Money
- (2) Distribution and total amount of dividend property:  
25 yen per share of common stock  
Total amount of dividends: 1,428,815,925 yen
- (3) Effective date of distribution of surplus: June 27, 2016

### Item 2: Election of Five (5) Directors

Upon closing of this general meeting of shareholders, Directors Yuji Tanahashi, Shigeru Mitsuya, and Motofumi Hyodo will resign, and therefore in order to fill their vacancies three (3) Directors will be elected, along with addition of two (2) new Directors, including one (1) Outside Director, to strengthen the management structure. We kindly ask our shareholders to elect a total of five (5) new Directors. According to the Articles of Incorporation of the Company, the term of office of the newly elected Directors shall be until the expiration of the term of other Directors currently in office.

The candidates for Director are as listed below:

Candidate No.	Name (Date of birth)	Brief history, Position and responsibilities in JAPEX or Significant positions concurrently held	JAPEX shares owned
1	Hideichi Okada (October 15, 1951)	April 1976    Joined The Ministry of International Trade and Industry (hereinafter referred to as the "MITI") July 2010    Vice-Minister for International Affairs, Ministry of Economy, Trade and Industry (hereinafter referred to as the "METI") July 2014    Senior Executive Vice President at NEC Corporation April 2016    Advisor to President at JAPEX May 2016    Advisor (up to the present date) <Significant position concurrently held> Outside Director at The Yokohama Rubber Co., Ltd.	—
[Reasons for nomination as a candidate for Director] Hideichi Okada has extensive administrative experience in government positions and management career in the private sector, as well as distinguished insights from an international perspective. We expect JAPEX management will benefit from his experience and insights, and have therefore nominated him as a candidate for Director.			
2	Takahisa Inoue (April 18, 1955)	April 1980    Joined JAPEX March 2009    General Manager of Operations Dept., Development Division July 2010    Vice President of Development Division June 2011    Executive Officer, General Manager of Hokkaido District Office, Domestic Project Division June 2014    Managing Executive Officer, General Manager of Hokkaido District Office, Domestic Project Division June 2015    Managing Executive Officer, Vice President of Domestic Project Division (up to the present date)	1,500 shares
[Reasons for nomination as a candidate for Director] In addition to specializing in oil and gas field development and production and operations management in Japan and overseas, Takahisa Inoue has extensive experience and knowledge of our domestic project division. We expect JAPEX management will benefit from his experience and knowledge, and have therefore nominated him as a candidate for Director.			

Candidate No.	Name (Date of birth)	Brief history, Position and responsibilities in JAPEX or Significant positions concurrently held	JAPEX shares owned	
3	Hajime Ito (May 27, 1957)	April 1980	Joined MITI	300 shares
		July 2006	Deputy Director-General, METI	
		Oct. 2010	Advisor to President at JAPEX	
		June 2012	Executive Officer, Vice President of Americas & Russia Project Division and Advisor to President of Canada Oil Sands Project Dept.	
		June 2015	Managing Executive Officer, Vice President of Americas & Russia Project Division and Advisor to President of Canada Oil Sands Project Dept. (up to the present date)	
[Reasons for nomination as a candidate for Director] Hajime Ito has international experience in government positions, as well as extensive experience and knowledge of energy administration in government offices and our overseas project divisions. We expect JAPEX management will benefit from his experience and knowledge, and have therefore nominated him as a candidate for Director.				
4	Hirotaka Tanaka (March 19, 1955)	April 1978	Joined JAPEX	1,200 shares
		Feb. 2009	General Manager of Kangean Project Dept.	
		June 2012	Executive Officer	
		Oct. 2013	Executive Officer, Vice President of Asia & Oceania Project Division	
		June 2015	Managing Executive Officer, Vice President of Asia & Oceania Project Division (up to the present date)	
[Reasons for nomination as a candidate for Director] In addition to being a specialist in drilling technology in the oil and mining industries, Hirotaka Tanaka has extensive experience and knowledge of our overseas project divisions. We expect JAPEX management will benefit from his experience and knowledge, and have therefore nominated him as a candidate for Director.				
5	Tetsuo Ito (March 15, 1948)	April 1975	Appointed prosecutor	—
		June 2001	Head of Special Investigation Force, The Tokyo District Public Prosecutors Office	
		Jan. 2009	Deputy Prosecutor-General, Supreme Public Prosecutors Office	
		April 2011	Recorded attorney (Daiichi Tokyo Bar Association) (up to the present date)	
		April 2011	Of Counsel at Nishimura & Asahi (up to the present date) <Significant positions concurrently held> Of Counsel at Nishimura & Asahi Outside Corporate Auditor at UNIZO Holdings Company, Limited Outside Corporate Auditor at Takasago Thermal Engineering Co., Ltd. Outside Corporate Auditor at Asahi Kasei Corp.	
[Reasons for nomination as a candidate for Outside Director] Although Tetsuo Ito has no previous experience in being directly involved in corporate management, he has extensive knowledge and experience as a legal specialist. We expect him to supervise and provide wide-ranging proposals for JAPEX management, and have therefore nominated him as a candidate for Outside Director.				

- (Notes)
- All the candidates above are newly appointed candidates for Director.
  - Hideichi Okada will assume the position of President of JAPEX Garraf Ltd., with which JAPEX is engaged in crude oil transactions. In addition, he will assume the position of President of Japex Offshore, Ltd., with which JAPEX is entrusted funds via the cash management system.  
No significant interest-based relationship exists between other candidates for Director and JAPEX.
  - Tetsuo Ito is a candidate for Outside Director. We will submit to the Tokyo Stock Exchange a report that we appointed him as an Independent Officer.
  - Tetsuo Ito has held the office of Outside Corporate Auditor at Takasago Thermal Engineering Co., Ltd. since June 2014. In November 2014, the company and its former employees were respectively fined and given a suspended jail sentence for violation of the Antimonopoly Act. In addition to these sanctions, in January 2015, the Ministry of Land, Infrastructure, Transport and Tourism (MLIT) ordered the company to suspend its

operations for 60 days; in October of the same year, the Japan Fair Trade Commission issued cease and desist orders and surcharge payment orders.

Meanwhile, regarding Asahi Kasei Corp., for which he has served as Outside Corporate Auditor since June 2015, its subsidiary received administrative dispositions in January 2016 by MLIT for the violation of the Construction Business Act. MLIT ordered to suspend business for 15 days and business improvement, together with an instruction to take steps to prevent recurrence of the violation.

He was not involved in any of the above operations that were subject to reprimand and he successfully fulfilled his duties by making opinions to prevent recurrence of a similar event.

5. When Item 2 is approved and resolved as proposed and the election of Tetsuo Ito is approved, JAPEX plans to enter into a limited liability agreement with him in accordance with the provision of Article 427, Paragraph 1, of the Companies Act, to limit his liability as stipulated in Article 423, Paragraph 1, of the Companies Act. The amount of liability under the agreement is limited to the amount provided by laws and regulations.

### **Item 3: Revision to Remuneration for Directors**

The amount of remuneration for Directors of JAPEX was resolved at the 45th Ordinary General Meeting of Shareholders held on June 24, 2015 to be within 50 million yen per month (within 3 million yen of that amount per month for Outside Directors). This amount has remained the same to date. However, in light of the fact that the number of Outside Directors will increase when Item 2 is approved and resolved as proposed, JAPEX proposes to revise the amount of Outside Directors' portion of remuneration for Directors to 4 million yen per month.

Remuneration for Directors (including that for Outside Directors) shall be within 50 million yen per month, and shall not include the portion of remuneration as employees for Directors who also serve as employees, as has been in the past.

The number of Directors is currently fourteen (14) (including two (2) Outside Directors). When Item 2 is approved and resolved as proposed, the number will be sixteen (16) (including three (3) Outside Directors).

### **Item 4: Payment of Bonuses to Directors and Corporate Auditors**

In view of the amounts paid in the past and the business performance of the fiscal year ended March 31, 2016, a total bonus amount of 49,157,455 yen (44,357,455 yen for Directors and 4,800,000 yen for Corporate Auditors) will be paid to fifteen (15) Directors (two (2) Outside Directors are not included) and five (5) Corporate Auditors tenured during the fiscal year ended March 31, 2016.

## Consolidated Balance Sheet

(As of March 31, 2016)

(Unit: millions of yen)

Accounting titles (Assets)	Amount	Accounting titles (Liabilities)	Amount
<b>Current assets</b>	<b>173,638</b>	<b>Current liabilities</b>	<b>32,290</b>
Cash and deposits	104,359	Notes and accounts payable-trade	8,585
Notes and accounts receivable-trade	24,642	Provision for directors' bonuses	67
Securities	23,551	Other	23,637
Merchandise and finished goods	4,414	<b>Non-current liabilities</b>	<b>179,994</b>
Work in process	29	Long-term loans payable	130,030
Raw materials and supplies	4,135	Deferred tax liabilities	24,267
Deferred tax assets	1,078	Provision for directors' retirement benefits	88
Short-term loans receivable	28	Net defined benefit liability	3,574
Other	11,430	Asset retirement obligations	17,811
Allowance for doubtful accounts	(30)	Other	4,221
<b>Non-current assets</b>	<b>533,963</b>	<b>Total liabilities</b>	<b>212,284</b>
<b>Property, plant and equipment</b>	<b>336,218</b>		
Buildings and structures	41,802	<b>(Net assets)</b>	
Wells	34,046	<b>Shareholders' equity</b>	<b>360,109</b>
Machinery, equipment and vehicles	20,116	<b>Capital stock</b>	<b>14,288</b>
Mineral resources	40,935	<b>Capital surplus</b>	<b>157</b>
Land	13,719	<b>Retained earnings</b>	<b>345,674</b>
Construction in progress	179,420	<b>Treasury shares</b>	<b>(10)</b>
Other	6,177	<b>Accumulated other comprehensive income</b>	<b>60,899</b>
<b>Intangible assets</b>	<b>9,698</b>	<b>Valuation difference on available-for-sale securities</b>	<b>50,554</b>
Other	9,698	<b>Deferred gains or losses on hedges</b>	<b>3</b>
<b>Investments and other assets</b>	<b>188,046</b>	<b>Foreign currency translation adjustment</b>	<b>10,087</b>
Investment securities	135,261	<b>Remeasurements of defined benefit plans</b>	<b>253</b>
Long-term loans receivable	16,522	<b>Non-controlling interests</b>	<b>74,308</b>
Deferred tax assets	3,575	<b>Total net assets</b>	<b>495,317</b>
Net defined benefit asset	888	<b>Total liabilities and net assets</b>	<b>707,601</b>
Other	34,705		
Allowance for doubtful accounts	(58)		
Allowance for overseas investment loss	(2,847)		
<b>Total assets</b>	<b>707,601</b>		

(Amounts truncated to millions of yen)

## Consolidated Statement of Income

〔 From April 1, 2015  
To March 31, 2016 〕

(Unit: millions of yen)

Accounting titles	Amount	
<b>Net sales</b>		<b>240,302</b>
<b>Cost of sales</b>		<b>193,022</b>
<b>Gross profit</b>		<b>47,279</b>
<b>Exploration expenses</b>		<b>6,516</b>
<b>Selling, general and administrative expenses</b>		<b>32,426</b>
<b>Operating income</b>		<b>8,336</b>
<b>Non-operating income</b>		
Interest income	1,470	
Dividend income	2,498	
Gain on sales of securities	0	
Share of profit of entities accounted for using equity method	1,624	
Other	1,121	6,715
<b>Non-operating expenses</b>		
Interest expenses	784	
Loss on sales of securities	1	
Loss on valuation of derivatives	29	
Share issuance cost	0	
Foreign exchange losses	8,805	
Other	778	10,399
<b>Ordinary income</b>		<b>4,652</b>
<b>Extraordinary income</b>		
Gain on sales of non-current assets	82	82
<b>Extraordinary losses</b>		
Loss on retirement of non-current assets	121	
Impairment loss	3,098	
Other	5	3,225
<b>Profit before income taxes</b>		<b>1,508</b>
Income taxes-current	3,633	
Income taxes-deferred	2,755	6,388
<b>Loss</b>		<b>4,879</b>
Loss attributable to non-controlling interests		6,970
<b>Profit attributable to owners of parent</b>		<b>2,090</b>

(Amount truncated to millions of yen)

## Consolidated Statement of Changes in Equity

( From April 1, 2015  
To March 31, 2016 )

(Unit: millions of yen)

	Shareholders' equity					Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	14,288	—	346,441	(10)	360,719	86,174	3	12,980	521	99,678	80,249	540,647
Changes of items during period												
Dividends of surplus			(2,857)		(2,857)							(2,857)
Profit attributable to owners of parent			2,090		2,090							2,090
Changes in treasury shares of parent arising from transactions with non-controlling shareholders		157			157							157
Net changes of items other than shareholders' equity						(35,619)	0	(2,892)	(267)	(38,779)	(5,941)	(44,721)
Total changes of items during period	—	157	(767)	—	(609)	(35,619)	0	(2,892)	(267)	(38,779)	(5,941)	(45,330)
Balance at end of current period	14,288	157	345,674	(10)	360,109	50,554	3	10,087	253	60,899	74,308	495,317

(Amount truncated to millions of yen)



## Balance Sheet

(As of March 31, 2016)

(Unit: millions of yen)

Accounting titles (Assets)	Amount	Accounting titles (Liabilities)	Amount
<b>Current assets</b>	<b>95,276</b>	<b>Current liabilities</b>	<b>32,305</b>
Cash and deposits	50,454	Accounts payable-trade	5,841
Accounts receivable-trade	13,843	Lease obligations	434
Securities	19,019	Accounts payable-other	1,746
Merchandise and finished goods	4,309	Accrued expenses	6,129
Raw materials and supplies	3,035	Income taxes payable	137
Advance payments-trade	9	Advances received	0
Prepaid expenses	592	Deposits received	131
Deferred tax assets	1,075	Deposits received from subsidiaries and associates	17,314
Accrued income	51	Provision for directors' bonuses	49
Short-term loans receivable	1	Asset retirement obligations	518
Short-term loans receivable from subsidiaries and associates	553	Other	2
Accounts receivable-other	273	<b>Non-current liabilities</b>	<b>52,084</b>
Advances paid	840	Long-term loans payable	15,521
Other	1,217	Lease obligations	2,768
<b>Non-current assets</b>	<b>354,402</b>	Deferred tax liabilities	18,507
<b>Property, plant and equipment</b>	<b>64,995</b>	Provision for retirement benefits	3,358
Buildings	7,918	Provision for loss on business of subsidiaries and associates	223
Structures	14,969	Asset retirement obligations	11,005
Wells	489	Other	698
Machinery and equipment	13,740	<b>Total liabilities</b>	<b>84,390</b>
Vessels	0		
Vehicles	8	<b>(Net assets)</b>	
Tools, furniture and fixtures	1,256	<b>Shareholders' equity</b>	<b>314,723</b>
Land	11,181	<b>Capital stock</b>	<b>14,288</b>
Leased assets	3,042	<b>Retained earnings</b>	<b>300,445</b>
Construction in progress	12,063	Legal retained earnings	3,572
Wells in progress	327	Other retained earnings	296,873
<b>Intangible assets</b>	<b>1,544</b>	Reserve for overseas investment loss	5,225
Leasehold right	164	Reserve for mine prospecting	22,694
Software	971	Reserve for special depreciation	432
Other	408	Reserve for advanced depreciation of non-current assets	211
<b>Investments and other assets</b>	<b>287,861</b>	Reserve for exploration	47,246
Investment securities	96,817	General reserve	171,600
Shares of subsidiaries and associates	175,064	Retained earnings brought forward	49,463
Long-term loans receivable	1,051	<b>Treasury shares</b>	<b>(10)</b>
Long-term loans receivable from subsidiaries and associates	17,515	<b>Valuation and translation adjustments</b>	<b>50,565</b>
Long-term prepaid expenses	2,377	<b>Valuation difference on available-for-sale securities</b>	<b>50,567</b>
Prepaid pension cost	1,320	<b>Deferred gains or losses on hedges</b>	<b>(1)</b>
Other	3,026	<b>Total net assets</b>	<b>365,288</b>
Allowance for doubtful accounts	(16)	<b>Total liabilities and net assets</b>	<b>449,679</b>
Allowance for overseas investment loss	(9,294)		
<b>Total assets</b>	<b>449,679</b>		

(Amount truncated to millions of yen)

## Statement of Income

〔 From April 1, 2015  
To March 31, 2016 〕

(Unit: millions of yen)

Accounting titles	Amount	
<b>Net sales</b>		<b>181,378</b>
<b>Cost of sales</b>		<b>142,406</b>
<b>Gross profit</b>		<b>38,972</b>
<b>Exploration expenses</b>		<b>3,211</b>
<b>Selling, general and administrative expenses</b>		<b>23,914</b>
<b>Operating income</b>		<b>11,845</b>
<b>Non-operating income</b>		
Interest income	947	
Interest on securities	17	
Dividend income	4,914	
Other	942	6,821
<b>Non-operating expenses</b>		
Interest expenses	144	
Loss on valuation of shares of subsidiaries and associates	481	
Provision for overseas investment loss	930	
Foreign exchange losses	735	
Loss on valuation of derivatives	29	
Other	581	2,903
<b>Ordinary income</b>		<b>15,764</b>
<b>Extraordinary income</b>		
Gain on sales of non-current assets	82	82
<b>Extraordinary losses</b>		
Loss on retirement of non-current assets	89	
Loss on sales of non-current assets	5	
Impairment loss	2,407	2,501
<b>Profit before income taxes</b>		<b>13,344</b>
Income taxes-current	729	
Income taxes-deferred	2,304	3,033
<b>Profit</b>		<b>10,310</b>

(Amount truncated to millions of yen)

## Statement of Changes in Equity

( From April 1, 2015  
To March 31, 2016 )

(Unit: millions of yen)

	Shareholders' equity											
	Capital Stock	Retained earnings									Treasury shares	Total shareholders' equity
		Legal retained earnings	Other retained earnings							Total retained earnings		
			Reserve for overseas investment loss	Reserve for mine prospecting	Reserve for special depreciation	Reserve for advanced depreciation of non-current assets	Reserve for exploration	General reserve	Retained earnings brought forward			
Balance at beginning of current period	14,288	3,572	5,255	21,455	498	218	47,246	171,600	43,144	292,992	(10)	307,270
Changes of items during period												
Provision of reserve for overseas investment loss			58						(58)	—		—
Reversal of reserve for overseas investment loss			(89)						89	—		—
Provision of reserve for mine prospecting				4,570					(4,570)	—		—
Reversal of reserve for mine prospecting				(3,332)					3,332	—		—
Provision of reserve for special depreciation					4				(4)	—		—
Reversal of reserve for special depreciation					(71)				71	—		—
Provision of reserve for advanced depreciation of non-current asset						2			(2)	—		—
Reversal of reserve for advanced depreciation of non-current assets						(9)			9	—		—
Dividends of surplus									(2,857)	(2,857)		(2,857)
Profit									10,310	10,310		10,310
Net changes of items other than shareholders' equity												
Total changes of items during period	—	—	(30)	1,238	(66)	(7)	—	—	6,319	7,453	—	7,453
Balance at end of current period	14,288	3,572	5,225	22,694	432	211	47,246	171,600	49,463	300,445	(10)	314,723

	Valuation and translation adjustments			Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Total valuation and translation adjustments	
Balance at the end of current period	86,167	—	86,167	393,437
Changes of items during period				
Provision of reserve for overseas investment loss				—
Reversal of reserve for overseas investment loss				—
Provision of reserve for mine prospecting				—
Reversal of reserve for mine prospecting				—
Provision of reserve for special depreciation				—
Reversal of reserve for special depreciation				—
Provision of reserve for advanced depreciation of non-current asset				—
Reversal of reserve for advanced depreciation of non-current assets				—
Dividends from surplus				(2,857)
Profit				10,310
Net changes of items other than shareholders' equity	(35,599)	(1)	(35,601)	(35,601)
Total changes of items during period	(35,599)	(1)	(35,601)	(28,148)
Balance at the end of current period	50,567	(1)	50,565	365,288

(Amounts truncated to millions of yen)

## Guidance on the Exercise of Voting Rights via the Internet

### 1. Matters to be acknowledged when exercising voting rights via the Internet

When exercising voting rights via the Internet, please acknowledge the following matters before exercising the rights.

- (1) Exercise of voting rights via the Internet is only possible by accessing the website (see URL shown below) designated by the Company for the purpose of exercising voting rights. Please note that a code for the exercise of voting rights and a password provided on your Voting Rights Exercise Form enclosed with the convocation notice are necessary for exercising voting rights via the Internet.
- (2) The code for the exercise of voting rights and password provided this time are effective only for this General Meeting of Shareholders. For the next General Meeting, a new code and a password will be issued.
- (3) If you exercise your voting rights both in writing and via the Internet, we will only accept the exercise of your voting rights via the Internet as valid.
- (4) If you exercise your voting rights more than once via the Internet, we will only accept the last exercise of your voting rights as valid.
- (5) Any access charge to be paid to a service provider, communication charge to telecommunications carriers, or other costs relating to the Internet shall be borne by shareholders.

### 2. Instructions for exercising voting rights via the Internet

- (1) Access <http://www.it-soukai.com/>.
- (2) Enter your code for the exercise of voting rights and password, and click the “Login” button.  
The code for the exercise of voting rights and password are provided on your Voting Rights Exercise Form enclosed with the convocation notice.
- (3) Exercise your voting rights by following the guidance on the screen and registering your approval or disapproval of each proposition prior to 5:35 p.m., Thursday, June 23, 2016.

### 3. Security

You may exercise your voting rights safely due to the encryption technology (SHA-2) used to prevent your voting information from being tampered with or spoofing.

The code for the exercise of voting rights and password provided on your Voting Rights Exercise Form are important to verify that the person voting is a genuine shareholder. Please maintain them as strictly confidential. In no event will the Company ask you your password.

### 4. Inquiries

If you have any questions about the exercise of voting rights via the Internet, please contact the transfer agent, Stock Transfer Agency Department of Mizuho Trust & Banking Co., Ltd. (see below)

- (1) For exclusive inquiries about how to exercise your voting rights via the Internet, etc.  
Phone: 0120-768-524 (toll free)  
Hours: 9:00 a.m. to 9:00 p.m., excluding Saturdays, Sundays and national holidays
- (2) For inquiries other than those above (1).  
Phone: 0120-288-324 (toll free)  
Hours: 9:00 a.m. to 5:00 p.m., excluding Saturdays, Sundays and national holidays

[To Institutional Investors]

Institutional investors may use the electronic platform for the exercise of voting rights operated by ICJ Inc. if you apply in advance.

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