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(Stock Exchange Code 9717)  
February 4, 2019

**To Shareholders with Voting Rights:**

Noboru Nakatani  
Representative Director, President and CEO  
JASTEC Co., Ltd.  
3-5-23, Takanawa, Minato-ku, Tokyo

## **NOTICE OF CONVOCATION OF THE 48TH ORDINARY GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

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

You are cordially invited to attend the 48th Ordinary General Meeting of Shareholders of JASTEC Co., Ltd. (the “Company”). The meeting will be held for the purposes as described below.

If you are unable to attend the meeting, you may exercise your voting rights in writing. Please review the attached Reference Documents for the General Meeting of Shareholders, indicate your vote for or against the proposals on the enclosed Voting Rights Exercise Form, and return it so that it is received by 6:00 p.m. Japan time on Tuesday, February 26, 2019.

- 1. Date and Time:** Wednesday, February 27, 2019 at 10:00 a.m. Japan time  
(Reception starts at 9:00 a.m.)
- 2. Venue:** Daigo East banquet hall at Sheraton Miyako Hotel Tokyo  
1-1-50, Shirokanedai, Minato-ku, Tokyo, Japan
- 3. Meeting Agenda:**  
**Matters to be reported:** The Business Report and Non-consolidated Financial Statements for the 48th term (December 1, 2017 - November 30, 2018)

**Proposals to be resolved:**

- |                    |   |
|--------------------|---|
| <b>Proposal 1:</b> | Distribution of Surplus   |
| <b>Proposal 2:</b> | Election of Six Directors Who Are Not Members of the Audit & Supervisory Committee  |
| <b>Proposal 3:</b> | Election of One Substitute Director Serving as Audit & Supervisory Committee Member   |
| <b>Proposal 4:</b> | Stock Acquisition Rights to Be Issued as Stock Options to Directors Who Are Not Members of the Audit & Supervisory Committee and Employees of the Company |
| <b>Proposal 5:</b> | Payment of Retirement Bonuses to Retiring Director  |

- ◎ When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk. If attending the meeting by proxy, the proxy shall be another shareholder of the Company having voting rights. In that case, please note that a document evidencing the proxy's power of representation needs to be submitted.

You are kindly asked to bring this Notice as meeting materials to save resources.

- ◎ The following documents of the Appendix are posted on the Company's website (<http://www.jastec.co.jp>) in accordance with provisions of laws and regulations as well as Article 15 of the Company's Articles of Incorporation and therefore are not provided in the Appendix of this Notice.
  - Systems for Ensuring the Appropriateness of Business Operation (Basic Policy for Establishing Internal Control System) and Implementation Status of the Systems for Ensuring the Appropriateness of Business Operation in the Business Report
  - Notes to Non-consolidated Financial Statements

The Business Report and Non-consolidated Financial Statements provided in the Appendix are part of the Business Report and the Non-consolidated Financial Statements audited by the Accounting Auditor and the Audit & Supervisory Committee in preparing the Accounting Audit Report and Audit Report, respectively.

- ◎ Any changes to the Appendix and Reference Documents for the General Meeting of Shareholders attached to this Notice of Convocation of the 48th Ordinary General Meeting of Shareholders will be posted on the Company's website (<http://www.jastec.co.jp>).

# Reference Documents for the General Meeting of Shareholders

## Proposal 1: Distribution of Surplus

The Company determines its dividend policy with a comprehensive view to factors such as the dividend payment ratio as well as maintaining stable dividends corresponding to revenue and profit while keeping internal reserves needed for the future expansion of management base.

The year-end dividend for the 48th term is proposed as follows by taking into consideration the operating results of the current term and future business development while maintaining stable dividends.

(1) Type of dividend property

Cash

(2) Items related to the allocation of dividend property and its total amount

30 yen per common share; total of 509,597,940 yen

(3) Date the distribution of surplus comes into effect:

February 28, 2019

## Proposal 2: Election of Six Directors Who Are Not Members of the Audit & Supervisory Committee

The terms of office of all seven Directors who are not members of the Audit & Supervisory Committee will expire at the conclusion of this General Meeting. Accordingly, the election of six Directors who are not members of the Audit & Supervisory Committee is proposed.

The candidates are as follows.

Ms. Shoko Kuroki will retire as Director who is not member of the Audit & Supervisory Committee at the conclusion of this Ordinary General Meeting of Shareholders.

With regard to this Proposal, the Audit & Supervisory Committee has expressed its opinion that there are no matters of note in accordance with the Companies Act regarding the election of Directors who are not members of the Audit & Supervisory Committee.

No.	Name (Date of birth)	Career summary, positions, responsibilities, and important concurrent positions		Number of shares of the Company held
1	Shigeru Kamiyama (October 19, 1936)  [Reappointment]	July 1971  February 2010	Founded JASTEC Co., Ltd. Representative Director, President and CEO Chairman of the Board (to present)	2,953,600
	[Reason for nomination] Mr. Shigeru Kamiyama pursued the realization of an ideal software company as Representative Director, President and CEO for 40 years since the Company's founding, holding as his life's work the production management of software development and obtaining patents in Japan and overseas to establish globally superior and unrivaled technologies in the industry. The Company nominates him as a candidate for Director as it expects him to continue such initiatives in the future.			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and important concurrent positions	Number of shares of the Company held
2	Noboru Nakatani (January 16, 1964)  [Reappointment]	April 1987      Joined Canon Inc. September 2001      Joined Deloitte & Touche LLP (currently Deloitte LLP) January 2003      Joined the Company February 2008      Director February 2010      Representative Director, President and Chief Executive Officer (to present)	73,100
	[Reason for nomination] Mr. Noboru Nakatani assumed the office of Representative Director, President and CEO in 2010 after serving as President of the Company's U.S. and French subsidiaries. He continued the Company's management philosophy and conducted management aiming to make the Company a globally superior company by executing not only expansion of the domestic businesses but also promotion of overseas businesses. The Company nominates him as a candidate for Director as it expects him to continue to be a management leader.		

No.	Name (Date of birth)	Career summary, positions, responsibilities, and important concurrent positions	Number of shares of the Company held
3	Shinji Miyamoto (February 20, 1962)  [Reappointment]	April 1986      Joined the Company February 2013      Director; Vice President; Deputy Chief Product Officer and Technology Officer December 2014      Director; Vice President; Chief Product Officer and Technology Officer December 2015      Director; Vice President; Chief Product Officer and Education Officer April 2016      Director; Vice President; Chief Product Officer and Education Officer; in charge of System Administration February 2017      Director; Vice President; Chief Product Officer and Education Officer December 2018      Director; Vice President; Chief Product Officer, Education Officer, Recruitment Officer and Information Security Management Officer (to present)	16,900
	[Reason for nomination] Mr. Shinji Miyamoto served as the person responsible for the software development and technology sections after engaging in software development for customers in various industries as a manager of software development. The Company nominates him as a candidate for Director as it expects that he will serve as the person responsible for the security enhancement in the development section and for recruitment through education in the human resources related sections as well as continue to serve as the person responsible for the software development section.		

No.	Name (Date of birth)	Career summary, positions, responsibilities, and important concurrent positions	Number of shares of the Company held
4	Hidetoshi Muranaka (April 25, 1964)  [Reappointment]	<p>April 1988      Joined the Company</p> <p>February 2012      Director; Vice President; Chief Product Officer and System Administration Officer</p> <p>December 2012      Director; Vice President; Chief Product Officer, Recruitment Officer and System Administration Officer</p> <p>December 2013      Director; Vice President; Chief Product Officer and System Administration Officer</p> <p>December 2014      Director; Vice President; Deputy Chief Product Officer and System Administration Officer</p> <p>June 2015      Director; Vice President; Deputy Chief Product Officer</p> <p>December 2015      Director; Vice President; Quality Management System Officer and Information Security Management Officer</p> <p>December 2018      Director; Vice President; Chief Financial Officer and Administration and Human Resources Officer (to present)</p>	12,100
<p>[Reason for nomination]</p> <p>Mr. Hidetoshi Muranaka engaged in various software development initiatives as a manager, mainly for financial institutions, subsequently serving as the person responsible for the software development section, internal information system, and personnel recruitment, as well as management system for quality, environment and information security. The Company nominates him as a candidate for Director as it expects that he will serve as the person responsible for general affairs, human resources, and accounting operations sections in the future, drawing on his management experience in software development and management system administration.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and important concurrent positions	Number of shares of the Company held
5	Hideo Gozu (July 9, 1970)  [Reappointment]	<p>April 1993      Joined the Company</p> <p>April 2016      Procurement Officer and System Administration Officer</p> <p>February 2017      Director; Vice President; Procurement Officer and System Administration Officer (to present)</p>	5,500
<p>[Reason for nomination]</p> <p>After engaging in development of core financial systems, Mr. Hideo Gozu sought new contractors and conducted ordering and progress management as the person responsible for procurement of partner companies that can partially undertake software development. Additionally, he served as the person responsible for human resources allocation and the internal information system section. The Company nominates him as a candidate for Director as it expects him to continue to serve as the person responsible for procurement operations section.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and important concurrent positions	Number of shares of the Company held
6	Takamitsu Tani (July 23, 1971)  [Reappointment]	April 1994      Joined the Company December 2008      Product Officer December 2010      Deputy Chief Marketing Officer December 2015      Chief Marketing Officer February 2017      Director; Vice President; Chief Marketing Officer (to present)	4,600
	[Reason for nomination] While engaging in software development for financial institutions and manufacturers, Mr. Takamitsu Tani participated in the launch of a base in the Kansai region and has worked to obtain new customers and expand relationships with partner companies as the person responsible for the base. In the marketing section, he served as the person responsible for the section that maintained an innovative marketing approach. The Company nominates him as a candidate for Director as it expects him to continue to serve as the person responsible for the marketing operations section.		

(Notes)

1. Candidates for Directors who are not members of the Audit & Supervisory Committee are determined at the Board of Directors by comprehensively taking into account such factors as an ability to carry out duties they are in charge of, in addition to their ability and knowledge to offer advice and proposals regarding overall business.
2. There are no special interests between the candidates for Directors who are not members of the Audit & Supervisory Committee and the Company.

**Proposal 3: Election of One Substitute Director Serving as Audit & Supervisory Committee Member**

In order to prepare for cases where a vacancy results in a shortfall in the number of Directors serving as Audit & Supervisory Committee Members prescribed by laws and regulations, the election of one Substitute Director serving as Audit & Supervisory Committee Member is proposed. The Audit & Supervisory Committee has agreed to this Proposal.

The candidate is as follows.

Name (Date of birth)	Career summary, positions, responsibilities, and important concurrent positions	Number of shares of the Company held
Shingo Miyazono (Name on the family register: Shingo Kawamura) (February 5, 1979)	December 2001    Joined Shin Nihon & Co. (currently Ernst & Young ShinNihon LLC) June 2003        Joined KPMG AZSA & Co. (currently KPMG AZSA LLC) October 2005    Joined RISA Partners, Inc. September 2007    Joined J-Will Partners Co., Ltd. April 2011        Opened Miyazono Accounting Office Head (to present) July 2013        Outside Corporate Auditor of astamuse company, ltd. (to present)	0
[Reason for nomination] Mr. Shingo Miyazono has considerable knowledge regarding finance and accounting as a Certified Public Accountant and Licensed Tax Accountant. The Company nominates him as a candidate for Substitute Outside Director serving as Audit & Supervisory Committee Member as it believes that he will conduct his duties as Outside Director properly.		

(Notes)

1. There are no special interests between the candidate and the Company.
2. Mr. Shingo Miyazono is a candidate for Substitute Outside Director serving as Audit & Supervisory Committee Member. In the event that he assumes his office as Outside Director of the Company, the Company plans to submit a notification of his appointment as Independent Director in accordance with the stipulations of the Tokyo Stock Exchange.
3. Overview of limited liability agreement  
In the event that Mr. Shingo Miyazono assumes his office as Outside Director serving as Audit & Supervisory Committee Member of the Company, the Company plans to enter into an agreement with Mr. Shingo Miyazono in accordance with Article 427, Paragraph 1 of the Companies Act and Article 27, Paragraph 2 of the Company's Articles of Incorporation to limit his liabilities pursuant to Article 423, Paragraph 1 of the Companies Act. The maximum amount of liability pursuant to the agreement is the minimum amount stipulated by Article 425, Paragraph 1 of the Companies Act.

**Proposal 4: Stock Acquisition Rights to Be Issued as Stock Options to Directors Who Are Not Members of the Audit & Supervisory Committee and Employees of the Company**

Pursuant to the provisions of Articles 236, 238 and 239 of the Companies Act, the Company requests approval for the issuance of stock acquisition rights as stock options to the Company's Directors (excluding Directors serving as Audit & Supervisory Committee Members; the same applies hereinafter in this Proposal) and employees and delegation of determination of subscription requirements to the Board of Directors.

**1. Reason for Necessity of Offering Subscription of the Stock Acquisition Rights Under Particularly Favorable Conditions**

The Company plans to issue the stock acquisition rights free of charge without cash payment to Directors and employees of the Company with the aim of further enhancing motivation and morale to lead to growth in business performance.

**2. Outline of Issuance of the Stock Acquisition Rights**

**(1) Persons Eligible for the Allotment**

Directors and employees of the Company

**(2) Class and Number of Shares Subject to the Stock Acquisition Rights**

The number shall not exceed 285,500 common shares of the Company (of which the number of shares allotted to Directors shall be 52,000).

In the event that the Company conducts a stock split of the Company's common shares (including a gratis allotment of common shares; the same applies hereinafter) or reverse stock split after the date on which stock acquisition rights are allotted (hereinafter the "Allotment Date"), the number of subject shares shall be adjusted based on the following formula. Such adjustment shall be made to the number of those shares to which the stock acquisition rights have not been exercised at the time of such stock split and any fraction less than one share generated as a result of the adjustment shall be rounded down.

$$\begin{array}{ccccc} \text{Post-adjustment number of} & & & & \\ \text{shares granted} & = & \text{Pre-adjustment number} & \times & \text{Ratio of stock split or} \\ & & \text{of shares granted} & & \text{reverse stock split} \end{array}$$

In addition, if any unavoidable event arises where the number of the shares granted must be adjusted after the Allotment Date, the Company may adjust the number of such shares granted to a reasonable extent.

**(3) Total Number of Stock Acquisition Rights**

The total number of stock acquisition rights shall not exceed 2,855 (of which, the number of stock acquisition rights allotted to Directors shall be 520).

The number of shares subject to one stock acquisition right (hereinafter the "Number of Granted Shares") shall be 100, provided however, that when the number of shares prescribed in (2) has been adjusted, the same adjustment shall be made to the Number of Granted Shares.

**(4) Cash to Be Paid in Exchange for the Stock Acquisition Rights**

No cash payment in exchange for the stock acquisition rights shall be required.

**(5) Value of Assets to be Contributed upon the Exercise of Stock Acquisition Rights or Calculation Formula Thereof**

The value of assets to be contributed upon the exercise of each stock acquisition right shall be the amount to be paid for each share that may be issued upon the exercise of the stock acquisition rights (hereinafter the "Exercise Price"), multiplied by the number of shares granted.

The Exercise Price is the amount obtained by either the average of the closing prices of common shares of the Company in ordinary transactions at the Tokyo Stock Exchange (hereinafter the "Closing Price") on each day (excluding any day on which no trade is executed) of the month prior to the month of the Allotment Date (excluding any day without a Closing Price) or the Closing Price on the Allotment Date (on the date immediately preceding the Allotment Date, if no Closing Price exists on the Allotment Date), whichever is higher.



In the event that any of the following events occur after the Allotment Date, the Exercise Price shall be adjusted.

- 1) If the Company conducts a stock split or reverse stock split of the common shares of the Company, the Exercise Price shall be adjusted using the following formula and any fraction less than one yen arising from such adjustment shall be rounded up.

$$\text{Post-adjustment Exercise Price} = \text{Pre-adjustment Exercise Price} \times \frac{1}{\text{Ratio of stock split or reverse stock split}}$$

- 2) If the Company issues new common shares or disposes of its treasury shares at a price lower than the market value (excluding the case upon exercise of stock acquisition rights), the Exercise Price shall be adjusted using the following formula and any fraction less than one yen arising from such adjustment shall be rounded up.

$$\text{Post-adjustment Exercise Price} = \text{Pre-adjustment Exercise Price} \times \frac{\frac{\text{Number of outstanding shares} + \frac{\text{Number of shares newly issued} \times \text{Amount paid per share}}{\text{Market value}}}{\text{Number of outstanding shares} + \text{Number of shares newly issued}}$$

The “number of outstanding shares” in the above formula shall be the total number of shares issued by the Company less the total number of treasury shares held by the Company. In the case of disposal of treasury shares, the “number of shares newly issued” shall read as “number of treasury shares to be disposed of.”

- 3) If any unavoidable event such as a capital reduction, merger, or corporate split of the Company arises where the Exercise Price must be adjusted, the Company may adjust the Exercise Price to a reasonable extent by considering conditions, etc., of such capital reduction, merger, or corporate split.

(6) Exercise Period for Stock Acquisition Rights

April 1, 2021 to March 31, 2026

(7) Matters Regarding the Capital Stock and Capital Surplus to Be Increased When Issuing Shares by Exercising the Stock Acquisition Rights

- 1) The amount of capital stock to be increased when shares are issued as a result of the exercise of the stock acquisition rights shall be half the maximum amount of increase in capital stock, etc., to be calculated in accordance with Article 17, Paragraph 1 of the Rules of Corporate Accounting. Any fraction less than one yen as a result of the calculation shall be rounded up.
- 2) The amount of capital surplus to be increased when shares are issued as a result of the exercise of the stock acquisition rights shall be the amount obtained by deducting the amount of capital stock to be increased as set forth in 1) above.

(8) Restrictions on the Acquisition of Stock Acquisition Rights by Transfer

The acquisition of stock acquisition rights by transfer shall require approval by the Board of Directors.

(9) Grounds and Conditions for Acquisition of the Stock Acquisition Rights

- 1) In the event that a stock acquisition right holder cannot exercise his/her rights because he/she no longer fulfills conditions for the exercise mentioned in (11) or waives his/her rights, the Company shall be able to acquire the stock acquisition rights free of charge.
- 2) In the event that the following proposals are approved by the Company’s General Meeting of Shareholders (or by resolution of the Board of Directors of the Company if resolution of the General Meeting of Shareholders is not required), the Company shall be able to acquire the stock acquisition rights free of charge.
  - a) Proposals regarding approval of a merger agreement under which the Company will become extinct
  - b) Proposals regarding approval of an absorption-type company split agreement or an incorporation-type corporate split plan under which the Company will become a split company

- c) Proposals regarding approval of a share exchange agreement or plans for a share transfer under which the Company will become a wholly-owned subsidiary
- (10) Rounding down of fraction
  - Any fraction less than one share to be issued to the stock acquisition right holders shall be rounded down.
- (11) Conditions for the Exercise of the Stock Acquisition Rights
  - 1) Each stock acquisition right may not be partially exercised.
  - 2) A successor of a stock acquisition right holder shall not take over or exercise the relevant stock acquisition right.
- (12) Details for (2) to (11) above and any matters not described in (2) to (11) above shall be determined by resolution of the Board of Directors.

### 3. Amount of Stock Option Remuneration for Directors

The Company requests approval for the amount of remuneration regarding the stock acquisition rights issued to Directors as stock options to be 20 million yen or less per year during the period from the conclusion of this Ordinary General Meeting of Shareholders until the commencement of the next Ordinary General Meeting of Shareholders, with the aim of further enhancing motivation and morale to lead to the growth in business performance. The amount of remuneration as stock options shall be the fair value per stock acquisition right that is calculated on the Allotment Date of stock acquisition rights by multiplying the total number of stock acquisition rights to be allotted.

If Proposal 2 “Election of Six Directors Who Are Not Members of the Audit & Supervisory Committee” is approved as originally proposed, the number of Directors eligible for remuneration will be six.

With regard to this Proposal, the Audit & Supervisory Committee has expressed its opinion that there are no matters of note in accordance with the Companies Act regarding the remuneration for Directors who are not members of the Audit & Supervisory Committee.

**Proposal 5: Payment of Retirement Bonuses to Retiring Director**

As of the conclusion of this Ordinary General Meeting of Shareholders, Ms. Shoko Kuroki will retire as Director due to expiration of her term of office. The Company proposes the payment of retirement bonuses within an appropriate range for her service while in office, in line with specified standards of the Company. The Company requests that specific amounts, timing of payment, methods, etc., be delegated to the Board of Directors.

With regard to this Proposal, the Audit & Supervisory Committee has expressed its opinion that there are no matters of note in accordance with the Companies Act regarding the remuneration for Directors who are not members of the Audit & Supervisory Committee.

The career summary of retiring Director is as follows:

Name	Career summary
Shoko Kuroki (Name on the family register: Shoko Chida)	February 2017    Director; Vice President of the Company December 2018    Director (to present)