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(Securities Code 4436)
June 10, 2019

To Shareholders with Voting Rights:

KEN URYU
President & CEO
MINKABU THE INFONOID, Inc.
3-29-1 Kandajimbocho Chiyoda-ku, Tokyo
101-0051, Japan

NOTICE OF THE 13TH ANNUAL GENERAL SHAREHOLDERS' MEETING

Dear Shareholders:

You are cordially invited to attend the 13th Annual General Meeting of Shareholders of MINKABU THE INFONOID, Inc. (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 by submitting the Voting Rights Exercise Form, or via the Internet. Please refer to the documents for the General Shareholders' Meeting (described hereinafter) and exercise your voting rights by JST 17:00, Tuesday, June 25, 2019.

1. **Date and Time:** Wednesday, June 26, 2019 at 10:00 a.m. (Japan time)
2. **Venue:** Chiyoda First Building, BELLESALLE Jimbocho (Tokyo, Japan)
3. **Meeting Agenda:**
Matters to be Reported:
Report of business, non-consolidated financial statements for the 13th fiscal year (from April 1, 2018 to March 31, 2019)

Proposals to be Resolved:

- | | |
|--------------------|--|
| Proposal 1: | Election of three (3) Directors of the Board (excluding directors who are Audit and Supervisory Committee Members) |
| Proposal 2: | Election of two (2) Directors of the Board who are Audit and Supervisory Committee Members |
| Proposal 3: | Election of one (1) Alternative Director of the Board who is Audit and Supervisory Committee Members |

Information on Exercise of Voting Rights:

Exercise of Voting Rights by Attending the Meeting

Please submit the enclosed Voting Rights Exercise Form at the reception.

Exercise of Voting Rights in Writing

Please indicate your vote for or against the proposals on the enclosed Voting Rights Exercise Form and return it so that it is received by 5 p.m. on Tuesday, June 25, 2019 JST.

Exercise of Voting Rights via the Internet

To vote via the Internet, please visit the Company's designated voting website and vote for or against the proposals by 5 p.m. on Tuesday, June 25, 2019 JST.

(1) If you vote both in writing on the Voting Rights Exercise Form and via the Internet, only your vote placed via the Internet will be valid.

(2) If you submit your vote multiple times via the Internet, only the last vote will be valid.

Notes:

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- Any updates to the Reference Documents for the General Meeting of Shareholders and the Appendix will be posted on the Company's website at the following URL: <https://minkabu.co.jp/ir>
- Pursuant to provision of laws and regulations as well as Article 14 of the Articles of Incorporation, following information is posted on the Company's website (<https://minkabu.co.jp/ir>), it is not presented in this Appendix. Accordingly, this Appendix presents a part of those audited by the Audit and Supervisory Committee Members and Accounting Auditor when they prepared the Audit and Supervisory Committee's Audit Report and Accounting Auditor's Audit Report, respectively.

Stock Acquisition Rights of the Company (Business Report)

Statement of Shareholders' Equity/Notes (Financial Statements)

- After the close of the General Meeting of Shareholders, the voting results will be posted on the Company's website at <https://minkabu.co.jp/ir>, in lieu of sending a written notice to shareholders.
- Thank you for your understanding that there are no souvenir to any attendance to the General Meeting of Shareholders.

Reference Material for the General Shareholders' Meeting

Business Report for the Fiscal Year ended March 31, 2019

1. Business Overview

(1) Business Conditions and Results

MINKABU THE INFONOID, Inc. (the "Company") was listed on the Tokyo Stock Exchange Mothers market on March 19, 2019. We would like to express our gratitude for the support of all of our stakeholders. We will establish an appropriate system as a listed company and meet the expectations of our stakeholders through further business growth and increased corporate value.

① Business Performance

The Company's business activities are based on its proprietary core technology of automated content generation using Artificial Intelligence (AI) and consensus information generation utilizing crowd input of posting and viewing of internet users. Currently, the Company is developing the B2C media business and B2B solution business utilizing this core technology to financial/economic information fields.

During the fiscal year ended March 2019 ("this Fiscal Year"), in the media business, the Company expanded the coverage in financial information fields with insurance and real estate information sites being released, in addition to stable growth of existing websites. In the solution business, the Company expanded the client base by releasing new services for regional financial institutions and business corporations, in addition to promote the sale of existing products.

As a result, sales rose 48.3% YoY to JPY2,032.5 million (a 20.9% increase compared with unaudited consolidated external sales of the previous fiscal year ended March 2018 ("previous Fiscal Year")) and operating income rose 80.1% to JPY256.9 million (a 132.2% increase compared with unaudited consolidated figures of the previous Fiscal Year). EBITDA (calculated as operating income + depreciation + amortization of goodwill), an important indicator of sustainable growth we see, was JPY494.2 million, a 78.8% increase YoY (a 69.7% up compared with unaudited consolidated figures for the previous Fiscal Year). Please note that the Company had no consolidated subsidiaries at the end of the previous Fiscal Year as a result of group reorganization during the previous Fiscal Year. Therefore, consolidated balance sheet as of the end of the previous Fiscal Year is not available, and hence these figures are unaudited.

For non-operating items, the Company recognized JPY57.0 million non-operating losses including IPO preparation related expenses in addition to interests on interest bearing debt. The Company also recognized JPY4.6 million extra ordinary losses including disposal of fixed assets related to expansion of floor space of headquarters. In addition, with an establishment of stable profitable structure, the Company expected the recoverability of tax assets in the future and recognized negative corporate tax adjustment with an amount of JPY54.4 million.

As a result, recurring income was JPY208.4 million (91.2% increase YoY, 192.5% increase compared with unaudited consolidated figures of the previous Fiscal Year), and net income was JPY253.1 million (JPY126.7 million loss for the previous Fiscal Year, JPY200.2 million unaudited consolidated loss for the previous Fiscal Year).

Performance by business segment:

The media business records advertisement revenue from internet services of financial information we provide such as "Minna-no Kabushiki," and "Kabutan", and from services that the Company operates through business alliances. The media business also records as paid services revenue provided at some sites.

During this Fiscal Year, the Company expanded the coverage in financial information fields with insurance and real estate information sites being released, in addition to adding features and contents to existing websites. The traffic of websites the Company operates continued to

grow during this Fiscal Year, which led to an average monthly unique user increase by 510 thousand to 5.77 million, and that of visitors increased by 3.2 million to 18.7 million from the previous Fiscal Year.

Advertising revenues grew steadily in line with the expansion of the user base, and stable contribution of the paid service of “Kabutan Premium” launched in the previous Fiscal Year, was confirmed.

As a result, sales for this Fiscal Year increased 25.2% from the previous Fiscal Year to JPY953.5 million (an increase of 24.9% from unaudited consolidated external sales for the previous Fiscal Year) and operating income for the media segment was JPY294.7 million (79.4% YoY (an increase of 108.6% from unaudited consolidated external sales for the previous Fiscal Year).

The solution business includes revenues from AI driven software content utilized the know-how of the media business and initial and monthly fee of ASP services providing information based fintech solution content assembled from crowd inputs of media sites the Company operates. This Fiscal Year, in addition to providing the existing B2B2C solution, the Company launched a B2B solution named “MINKABU Corporate-Cue,” a real-time information service which provides analysis and reports of public companies at competitive low price mainly for business use. The Company also launched a white-label product of “Minna-no Insurance,” as a solution mainly for regional financial institutions. In addition to promoting sales of existing products, the Company expanded initial sales of new products and related monthly usage fees thereafter.

As a result, solution sales increased 77.3% YoY to JPY1,078.9 million (17.6% increase from unaudited consolidated external sales for the previous Fiscal Year) and segment income was JPY340.8 million (36.2% increase YoY (43.5% increase from unaudited consolidated figures for the previous Fiscal Year).

Sales by business segment

Business segment	FY2018/03 (Term12)		FY2019/03 (Term13)		YoY Change	
	Amount (JPY 000s)	%	Amount (JPY 000s)	%	Amount (JPY 000s)	%
Media	761,883	55.6	953,550	46.9	191,666	25.2
Solution	608,491	44.4	1,078,982	53.1	470,490	77.3
Total	1,370,375	100.0	2,032,532	100.0	662,157	48.3

② Capital Investment

Capital investment during this Fiscal Year totaled JPY511.3 million, which includes both intangible and tangible fixed assets.

Business segment	Capital Investment (JPY 000s)	Major items
Media	260,661	Software development
Solution	183,240	Software development, network server facilities
Corporate	67,481	Office fixtures, furniture and equipment
Total	511,383	

③ Financing

The Company procured JPY1,501.9 million by issuing new shares. This is mainly due to the initial public offering to Tokyo Stock Exchange Mothers market and the third-party allotment related to the sale of over-allotment issuance, in addition to the third-party allotment executed in September 2018 for the purpose of strengthen business partnership.

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④ Transfer of Business, Absorption-type Company Split or Incorporation-type Company Split
Not applicable.

⑤ Acquisition of Business of Other Companies
Not applicable.

⑥ Succession of Rights and Obligations Concerning the Business of Other Juridical Persons, etc. through an Absorption-Type Merger or Absorption-Type Split
Not applicable.

⑦ Acquisition or Disposition of Shares or Other Equity Interests or Share Options, etc. of Other Companies
Not applicable.

(2) Trends of financial position

		FY2016/03 (Term10)	FY2017/03 (Term11)	FY2018/03 (Term12)	FY2019/03 (Term13)
Sales	(JPY000s)	978,739	1,049,656	1,370,375	2,032,532
Recurring Income	(JPY000s)	84,428	80,213	109,022	208,434
Net income	(JPY000s)	66,890	-1,322,302	-126,731	253,141
Net income per share	(JPY)	7.31	-143.78	-11.51	22.04
Total Asset	(JPY000s)	1,980,672	2,522,755	1,985,701	3,926,779
Net Asset	(JPY000s)	1,078,673	775,915	918,897	2,686,839
Book value per share	(JPY)	117.35	-26.55	-10.49	207.03

Note:

- The Company conducted a 100-for-1 stock split of its common stock on January 16, 2019. Net income per share and net assets per share is calculated as if this stock split took place at the beginning of the 10th fiscal year.
- Per share indications are related to shares outstanding with voting rights.
- Net income per share is calculated based on the average number of shares outstanding. Since Class B Preferred Stock was outstanding for the 11th and 12th fiscal periods, the Company calculated the number of shares calculated based on the conversion of assumption method for Class B Preferred Stock, in addition to the average number of shares of common stock during the fiscal year, and calculated the net income per share for the fiscal year.
- The amount of net assets per share for the 11th and 12th fiscal years are calculated by deducting the amount of distribution of residual assets to the Class B Preferred Stockholders.

(3) Information on Principal Parent Company and Principal Subsidiaries

① Principal Parent Company
Not applicable.

② Principal subsidiaries
Not applicable.

(4) Issue to be addressed

In order for the Company to achieve sustainable growth, issues to be addressed are as the following.

① Quality of services provided

The Company's services are mainly provided through internet for both Media and Solution businesses. The Company recognize stable operation of those system is essential and maintenance and improvement of service quality is a management issue, such as providing an environment that enables users to use it anytime and anywhere with no stress, and the quickness, completeness, and accuracy of the content provided. The Company continues to invest in system development and training of engineers in response to technological innovation in order to address related issues.

② Strengthen of revenue base

Although sales continue to show steady growth for both media and solution businesses, the Company recognizes that further strengthening of the revenue base is a management issue. In its media business, the Company seeks to create new profit opportunities with further expansion of user base, as well as strengthen partnership utilizing such sizable user base, and to increase per user profit by introducing premium paid services. In the solution business, the Company also seeks to provide various fintech solution content to meet the needs of wide range of financial institutions. The Company will continue to engage in various efforts to diversify and stabilize its revenue base, at times with external partnerships where appropriate.

③ Optimal allocation and efficient operation of management resources

The Company conducts cross-organization and utilizes a centralized management system to leverage its limited management resource, in addition to secure staffing along with the business expansion. As a result, there may be situations that can negatively affect its business operations in case some failure in organization management. The Company recognizes the challenge to deal with the various types of business risks under limited management resources. To cope with these challenges, the Company establishes and maintains its internal rules and regulations to seek optimal allocation of management resources and improve operational efficiency.

④ Development of HR

To achieve self-sustained growth, the Company recognize the importance of recruiting and retaining talented personnel who are sympathetic to our philosophy and highly motivated, as well as the development of such talented personnel. To this end, we will continue to promote the creation of an environment in which employees can work with high motivation, such as the establishment of diverse working styles and the enhancement of welfare and in-house education systems.

⑤ Strengthening governance and internal control systems

The Company recognizes there needs to be a balance between business execution and governance, and to improve its internal governance structure to properly identify control management risks appropriately in order to achieve sustainable growth. As such, the Company will put efforts into improve its reporting system to outside directors and members of the Audit and Supervisory Committee, promote effective three-way audits by the Audit and Supervisory Committee, the Internal Auditor and the Accounting Auditor. At the same time, we will raise awareness among individuals through compliance training for directors and employees, in addition to conduct periodic audits by the Internal Auditor.

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(5) Main Business (as of March 31, 2019)

Business segment	Business
Media	B2C service Media business operates internet media directly to individual investors, namely “Minna-no Kabushiki,” “Kabutan,” “Minkabu FX” and also provide information of crypt currencies, foreign exchange, commodity futures, investment trusts, and insurance.
Solution	B2B services Develop information content and applications developed for the media business into solutions for B2B2C use by financial institutions. In addition, we will develop B2B services that provide financial information content utilizing AI and cloud solutions for internal use by financial institutions and business corporations.

(6) Main Office (as of March 31, 2019)

Head Office	Chiyoda-ku, Tokyo, JAPAN
Branch	Fukuoka Branch: Chuo-ku, Fukuoka-City, Fukuoka Prefecture, JAPAN

(7) Employees (as of March 31, 2019)

Business Segment	Number of employees		YoY Changes	
Media	22	(2)	+9	(+2)
Solution	45	(1)	+5	(-)
Corporate	18	(2)	-	(+2)
Total	85	(5)	+14	(+4)

Note:

- The number of employees indicates full-time employees (excluding persons who were transferred to other companies and including persons who were transferred to the Company). The number of temporary employees (including part-timers and employees dispatched) is shown in parentheses as the average number of employees during this Fiscal Year.
- The average years of service aggregated the Company's group reorganization is 3.6 years, and the average age is 42.6 years.

(8) Borrowings outstanding (as of March 31, 2019)

Borrower	Borrowings outstanding (JPY000s)
Resona Bank, Limited	511,660
Sumitomo Mitsui Banking Corporation	227,522
Japan Finance Corporation	156,140
The Bank of Yokohama, Ltd.	67,500

Note:

- Borrowings from Resona Bank, Ltd. include series 1 and 2 unsecured bonds for qualified institutional investors guaranteed by Resona Bank, Ltd. totaling JPY120 million.
- The Company have entered into commitment line contracts and special overdraft agreements with financial institutions to ensure flexible funding for working capital and other purposes. The outstanding balance at the end of this Fiscal Year based on these contracts is as follows.

Contracted maximum total amount	JPY400 million
Executed amount	JPY400 million

(9) Other significant matters regarding the current status of the Company

On November 1, 2018, the Company has changed our trade name to MINKABU THE INFONOID, Inc.

On September 28, 2018, the Company announced a capital and business alliance with NTT DATA CORPORATION.

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2. Shares (as of March 31, 2019)

(1) **Total number of shares authorized** 46,000,000

Note:

- Due to a partial amendment to the Articles of Incorporation resolved at the extraordinary shareholders meeting on January 15, 2019, the total number of shares authorized was increased from 333,000 to 460,000 shares on January 16, 2019.
- The Company conducted a 100-for-1 stock split of its common stock on January 16, 2019, and the total number of shares authorized was changed to 46 million shares from 460,000, accordingly with an amendment of the Articles of Incorporation.

(2) **Total Number of shares outstanding** 12,977,900

Note:

- The number of shares outstanding increased by 12,864,480. This is due to the issuance of new shares for the third-party allotment on September 28, 2018, the initial public offering to the Tokyo Stock Exchange Mothers market on March 19, 2019, the over-allotment to the lead manager upon the Company's IPO, exercises of stock acquisition rights, and the implementation of a 100-for-1 stock split on January 16, 2019.
- The Company adopted a share unit system with 100 shares per unit as of January 16, 2019, with a resolution of an extraordinary shareholders meeting on January 15, 2019.

(3) **Number of shareholders** 4,652

(4) **Top 10 shareholders**

Name of shareholder	Number of shares owned	Ownership(%)
FinTech Business Innovation ILP.	1,020,000	7.85
Sony Network Communications Inc.	980,300	7.55
The Asahi Shimbun Company	850,000	6.54
Ken Uryu	730,000	5.62
Entrepreneur Investment ILP. NO.2	619,500	4.77
Entrepreneur Investment ILP. NO.1	540,000	4.16
MIC Innovation No.3 ILP	501,900	3.86
MSIVC2008V ILP	500,000	3.85
GOLDMAN SACHS INTERNATIONAL	410,300	3.16
BRAV GO.,LTD.	325,000	2.50

Note:

- The Company has no treasury stocks.

3. Board Members

(1) Directors (as of March 31, 2019)

Position	Name	Assignments and major concurrent positions
Representative Director, President	Ken Uryu	
Senior Executive Director	Ryutaro Takada	
Director	Masayuki Ban	
Director (Audit & Supervisory Committee member)	Shinya Hamano	
Director (Audit & Supervisory Committee member)	Shozo Ishibashi	Ishibashi Tanzan Memorial Foundation Representative Director Kurimoto Educational Institute Director Keizai Club General Incorporated Association Director EDION Corporation
Director (Audit & Supervisory Committee member)	Toru Ishibashi	Japan Education Exchanges and Services Director Kameda Medical Center Auditor Kameda College of Health Sciences Auditor

Note:

- Shinya Hamano, Shozo Ishibashi, and Toru Igarashi are outside directors as stipulated in Article 2, Clause 15 of the Company Law.
- The Audit & Supervisory Committee is structured with members of Shinya Hamano, Shozo Ishibashi and Toru Igarashi.
Shinya Hamano serves as a full-time member which improve the auditing effectiveness
- The Company has designated and registered all outside directors as independent directors stipulated by the Tokyo Stock Exchange.
- Ken Uryu, Ryutaro Takada and Masayuki Ban concurrently act as operating officers.

(2) Summary of agreement on limitation of liability

In accordance with the provisions of the Article 427, Paragraph 1 of the Companies Act, the Company and its external directors have concluded an agreement that limits liabilities for damages prescribed in Paragraph 1, Article 423 of the Companies Act to the higher of a prefixed amount exceeding 1 million JPY or the amount set by law.

(3) Total amount of compensation for directors

① Total amount of compensation for directors for this fiscal year

	Number of Directors paid	Compensation (JPY000s)
Director (non-Audit and Supervisory Committee member) (outside director)	3 (-)	89,943 (-)
Director (Audit and Supervisory Committee member) (outside director)	3 (3)	8,400 (8,400)
Total (outside director)	6 (3)	98,343 (8,400)

Note:

- At the Extraordinary Meeting of Shareholders on September 1, 2016, a resolution was adopted to establish an upper limit of 200 million JPY and 50 million JPY per year on compensation to Directors excluding Audit and Supervisory Committee members and Directors of Audit and Supervisory Committee members, respectively.
- The amount in the table above includes the Company's contribution to the defined contribution pension plan.

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② Retirement benefit for directors paid in this Fiscal Year
Not applicable.

③ Amount of Compensation for Outside Directors provided from Parent Company or Subsidiaries
Not applicable.

(4) Matters concerning external directors

① Relationship between significant officers concurrently held and the company
Shozo Ishibashi, Director and Audit and Supervisory Committee member, serves as the Representative Director of Ishibashi Tanzan Memorial Foundation, Director of Kurimoto Educational Institute, Director of Keizai Club General Incorporated Association and Director of EDION Corporation. The Company has no special relationship with these corporations.

Toru Igarashi, Director and Audit and Supervisory Committee member, serves as Director of Japan Education Exchanges and Services, Auditor of Kameda Medical Center and Auditor of Kameda College of Health Sciences. The Company has no special relationship with these corporations

② Major Activities

Position	Name	Attendance of the meetings
Director (Audit and Supervisory Committee member)	Shinya Hamano	Attended 22 out of 22 meeting of the Board of Directors, and 14 out of 14 meetings of the Audit and Supervisory Committee held during the period of Mr. Hamano's tenure. At the Board of Directors meetings and Audit and Supervisory Committee meetings, he made appropriate statements with his considerable experience and extensive knowledge as a business manager on the back of years of experience as a senior executive at a leading company in Japan
Director (Audit and Supervisory Committee member)	Shozo Ishibashi	Attended 22 out of 22 meeting of the Board of Directors, and 14 out of 14 meetings of the Audit and Supervisory Committee held during the period of Mr. Ishibashi's tenure. At the Board of Directors meetings and Audit and Supervisory Committee meetings, he made appropriate statements with his considerable experience and extensive knowledge as a business manager on the back of experiences of executive positions at several corporations including listed companies
Director (Audit and Supervisory Committee member)	Toru Igarashi	Attended 22 out of 22 meeting of the Board of Directors, and 14 out of 14 meetings of the Audit and Supervisory Committee held during the period of Mr. Igarashi's tenure. At the Board of Directors meetings and Audit and Supervisory Committee meetings, he made appropriate statements with his considerable experience and extensive knowledge as a business manager on the back of executive positions at several corporations

4. Accounting Auditor

(1) Designation of Accounting Auditor

Ernst & Young ShinNihon LLC

Note:

- On July 1, 2018, ShinNihon LLC, our independent auditor, changed its name to EY Ernst & Young ShinNihon LLC

(2) Amount of remuneration

	Amount of remuneration
Accounting Auditor's Compensation for the fiscal year ended March 31, 2019	JPY 20 million
Total of cash and other profits payable by the Company to Accounting Auditor	JPY 22 million

Note:

- The audit agreement between the Accounting Auditor and the Company does not separately stipulate audit remunerations based on the Companies Act or pursuant to the Financial Instruments and Exchange Act, and such distinction is for all intents and purposes impossible.
- Audit and Supervisory Committee agrees the amount of remuneration with appropriate monitoring and verification of the performance of the duties of Accounting Auditor's performance as well as assumptions for the estimation of the amount of remuneration.

(3) Non-audit services

The Company paid to the Accounting Auditor for the work of comfort letter to the lead manager of the Company's IPO to Tokyo Stock Exchange Mothers market.

(4) Policy on dismissal or non-reappointment of accounting auditor

In the event that the Accounting Auditor is deemed to have met any of the grounds set forth in the clauses of Article 340, Paragraph 1 of the Companies Act, the Audit and Supervisory Committee shall terminate the appointment of the Accounting Auditor subject to the unanimous consent of the Audit and Supervisory Committee Members.

In addition, should the Accounting Auditor be deemed unable to execute its duties properly, the Audit and Supervisory Committee shall determine the proposal for the General Meeting of Shareholders to terminate or not reappoint the Accounting Auditor. In such case, the Audit and Supervisory Committee shall report the dismissal of accounting auditor and the reason for that at the General Shareholders Meeting.

5. System to ensure proper business execution and Activities

(1) System to ensure proper business execution

As part of directors' due diligence, the Company developed the following internal control system based on the Clause 4 sixth, Article 362 of the Companies Act Companies Act and its enforcement regulations to ensure that all company practices comply with regulations and are executed in an efficient manner.

- ① Creation of a structure to ensure directors perform their duties in accordance with laws and regulations
 - a. Introduce "compliance policy" and ensure full awareness of and commitment from directors and employees
 - b. Establish a compliance committee which acts to disseminate compliance policy and prevent unlawful and non-compliance matters
 - c. Conduct internal audit checks regularly to prevent illegal activities and ensure compliance
 - d. Comply with the Public Interest Protection Law and strengthen consultation function for compliance matters in accordance with the "whistleblower policy."
- ② Information Management and Archiving

- a. Management and archiving of documents and information such as the minutes from board meetings is recorded appropriately and conducted in accordance with "document management rules."
- ③ Risk Management
 - a. Takes appropriate actions to minimize risks depending on the magnitude of risk and its probabilities.
 - b. Introduce "risk management rules" to prevent risks and minimize losses of the Company. For unexpected situations, emergency task force headed by CEO engages to avoid further damage.
- ④ Creation of a structure to ensure directors perform efficiently
 - a. The board meeting shall be held monthly with attendance of directors to discuss important matters. Directors should coordinate to monitor business execution
 - b. Develop business plan for the fiscal year and for the mid-term based on "organization rules", "rules of roles and responsibilities" and "administrative authority rules" to clarify the responsibilities of directors and employees and enhance business efficiency.
 - c. Adopt Operating Officer system and delegating authority, we will clarify the operational execution system and build a flexible and efficient management system.
 - d. As an advisory body to the Board of Directors, the Company has established the Compensation Committee, which consists of at least half of independent outside directors. The purpose of this committee is to improve the transparency and objectivity of the compensation decision-making process for directors (excluding directors who are Audit and Supervisory Committee members).
- ⑤ Creation of a structure to maintain appropriate group business practices
 - a. Introduce "management control rule for subsidiaries"
 - b. Internal audit checks regularly to consolidated subsidiaries. Directors (Audit and Supervisory Committee member) should conduct audit if necessary, and maintain the system to ensure appropriate duties.
- ⑥ Assignment of assistant for Audit and Supervisory Committee
 - a. Assign an employee with the consent of Audit and Supervisory Committee to provide assistance. Consider the details (organization, numbers of assistance, etc.) as appropriate.
 - b. Evaluation for such employee shall be based on the opinion of the Audit and Supervisory Committee. Audit and Supervisory Committee has right to order and secure independence of that employee from other directors.
- ⑦ Creation of a structure to ensure non-Audit and Supervisory Committee directors and employees report to Audit and Supervisory Committee
 - a. Audit and Supervisory Committee members inspect evidence and important documents and request detailed explanation to directors if needed
- ⑧ Creation of a structure to ensure Audit and Supervisory Committee members audit effectively
 - a. Regular meetings between CEO and Audit and Supervisory Committee members to enhance communication
 - b. Internal auditor to cooperate with Audit and Supervisory Committee members
 - c. Exchange views between Audit and Supervisory Committee members and accounting auditors
- ⑨ Policy and Framework for the Eradication of Antisocial Forces
 - a. The Company takes a firm stand against antisocial forces based on "compliance policy"
 - b. Create a structure to ensure to avoid any relationship with antisocial forces with association with the help of the police and other relevant authorities

(2) Corporate governance activities during this Fiscal Year

① Directors

Within the fiscal year, board meetings were held 22 times to discuss and decide important management matters. Introduced “regulations of board of directors” and other internal rules

② Audit and Supervisory Committee members

Within the fiscal year, Audit and Supervisory Committee were held 14 times to exchange opinions and information among members. Attended the board and other important meetings and exchanged information with accounting and internal auditors, to effectively monitor board member business conduct.

③ Risk management and compliance

Enhanced risk management system with risk management rules being introduced and compliance meetings being held regularly, to contain risk and prevent issues.

6. Basic policy regarding the Company’s control

The Company believes that those who decide the Company’s financial and business policies should concentrate management resources with the aim for sustainable growth, maximize the corporate value and to expand returns to shareholders. No specific defensive measure in the event of a tender or acquisition offer is introduced.

7. Policy on distribution of surplus

The Company regards the distribution of profits to shareholders as one of the important management issues and believes that to attain sufficient retained earnings and invest in strengthening the revenue base and expand the revenue will lead to the greatest return of profit to shareholders. Based on this, no dividend has been paid to-date, and for the time being we strive to improve our internal reserve, which is to be devoted to the investment in strengthening the revenue base including improvement of financial position, personnel development and business expansion. In the future, the Company will consider stable and continuous return of profits to shareholders taking into consideration the sufficiency of internal reserves and the business environment surrounding the Company but possibility as well as time to implement of dividend are not yet decided.

Balance Sheets

As of March 31, 2019

(Thousand JPY)

Accounts Title	Amount	Accounts Title	Amount
ASSETS		LIABILITIES	
Current Assets:	2,395,877	Current liabilities:	958,100
Cash and deposit	2,045,173	Accounts payables	139,030
Account receivables	305,040	Short-term loans	400,000
Work in process	101	Current portion of bond	50,000
Supplies	1,107	Current portion of long-term debt	230,982
Prepaid expenses	39,056	Accrued expense	72,233
Others	6,757	Income tax payable	26,309
Allowance for doubtful accounts	-1,359	Accrued business office taxes	664
Fixed Asset:	1,530,901	Accrued consumption taxes	6,190
Tangible Asset	89,325	Deposit	18,062
Buildings and accompanying facilities	39,694	Deferred revenues	11,411
Accm. depreciation of building & facilities	-8,109	Allowance for loss on business restructuring	3,216
Equipment and fixtures	113,921	Fixed liabilities:	281,840
Accum. depreciation of equipments&fixtures	-56,181	Bonds	70,000
Intangible fixed assets:	1,251,919	Long-term liabilities	211,840
Goodwill	52,934	Total liabilities	1,239,940
Trademark	17,568	EQUITY	
Clients asset	194,138	Equity	2,686,592
Technology assets	101,204	Capital stock	1,558,228
Software	683,964	Capital surplus	3,581,469
Software in progress	193,222	Capital reserve	758,228
Others	8,886	Other capital reserve	2,823,241
Investments and other assets:	189,656	Retained earnings:	-2,453,104
Investments in securities	35,884	Other retained earnings	-2,453,104
Investment in affiliates	0	Retained earnings carried forward	-2,453,104
Bankruptcy credit	4,621	Valuation and translation adjustments	246
Long-term prepaid expenses	15,591	Valuation difference on available-for sale securities	246
Deferred tax assets	58,177	Total Equity	2,686,839
Guarantee deposits	90,749	Total liabilities and equity	
Allowance for doubtful accounts	-15,367		
Total assets	3,926,779		3,926,779

Statements of Income

From April 1, 2018 to March 31, 2019

(Thousand JPY)

Accounts Title	Amount	
Net sales		2,032,532
Cost of Sales		1,090,182
Gross Profit		942,349
Selling, general and administrative expenses		685,405
Operating profit		256,944
Non-operating income		
Interest income	12	
Dividend income	665	
Reversal of allowance for doubtful accounts	7,401	
Reversal of allowance of loss on business restructuring	369	
Other income	63	8,511
Non-operating expenses		
Interest expense	10,520	
Stock issuance expenses	16,380	
IPO related expense	20,966	
Foreign exchange loss	315	
Others	8,838	57,021
Ordinary income		208,434
Extraordinary profit		
Gain on sales of investment securities	30	30
Extraordinary loss		
Loss on disposal of fixed assets	4,482	
Loss on impairment	163	4,645
Income before income taxes		203,819
Income taxes (Corporate, residential, enterprise taxes)	5,132	
Income tax adjustment	-54,454	-49,322
Net income		253,141

The Company received the Independent Auditor's Report and the Audit Report by the Audit Committee for the fiscal year ended March 31, 2019 (from April 1, 2018 to March 31, 2019) pursuant to the Companies Act of Japan. These are provided only in Japanese.

Reference Material for the Annual Shareholders Meeting

Proposal 1:

Election of three (3) Directors of the Board (excluding directors who are Audit and Supervisory Committee Members)

The term of the current three (3) directors expires at the conclusion of this general meeting of shareholders. Accordingly, we ask shareholders to elect three (3) directors excluding directors serving on the Audit and Supervisory Committees. Audit and Supervisory Committee of the Company has determined all candidates are qualified.

Candidates for director (excluding directors serving on the Audit and Supervisory Committee) are as follows:

	Name (Date of Birth)	Past experience, positions, responsibilities and significant concurrent positions	# of Co's shares held
1	Ken Uryu (1974.10.30)	Jul 1997 NTT DOCOMO, Inc. Oct 2000 Merrill Lynch (Japan) Jan 2003 Goldman Sachs (Japan) Oct 2005 Goldman Sachs (Japan) Advisor Jul 2006 Masstune, Inc. (currently the Company) Founder and Representative Director (current)	730,000
2	Ryutaro Takada (1975.03.07)	Oct 1998 Hamahira Tax & Accounting Office Jan 2002 Square Co., Ltd Apr 2003 Square-Enix Holding Co., Ltd May 2012 Minkabu, Inc. (currently the Company) GM of Admin & Corporate Planning Division Jun 2013 Director Apr 2016 Senior Executive Director (current)	73,000
3	Masayuki Ban (1977.07.12)	Apr 2001 SCSK Corporation Oct 2005 CSK Securities Apr 2015 Minkabu, Inc. (currently the Company) Oct 2017 Director	—

Note:

- There are no conflicts of interest between the Company and any of the above candidates

Proposal 2

Election of two (2) Directors of the Board who are Audit and Supervisory Committee Members

At the conclusion of this general meeting of shareholders, the term of Mr. Hamano expires, and Mr. Igarashi retires by resignation. Accordingly, we ask shareholders to elect two (2) directors who serve Audit and Supervisory Committee Members.

This Proposal is for the purpose of rejuvenate to Mr. Yoshimura from Mr. Igarashi and has received prior consent from the Audit and Supervisory Committee.

The candidates for Directors who serve Audit and Supervisory Committee Members are as follows.

	Name (Date of Birth)	Past experience, positions, responsibilities and significant concurrent positions	# of Co's shares held
1	Shinya Hamano (1957.07.29)	<p>Apr 1981 Mitsui & Co., Ltd.</p> <p>Sep 2003 Head of MITSUI & CO. (U.S.A.), INC., Washington D.C. Office</p> <p>Oct 2007 MITSUI & CO., LTD., Director of public relations</p> <p>Jul 2011 Mitsui & Co. Global Strategic Studies Institute, Executive Vice President and Director of Global Department.</p> <p>Apr 2017 Mitsui & Co. Global Strategic Studies Institute, Director Special research fellow</p> <p>Oct 2017 Director (Audit and Supervisory Committee Member) (current)</p>	—
2	Sadahiko Yoshimura* (1947.10.18)	<p>Apr 1972 Dai-ichi Kangyo Bank, Limited. (Mizuho Bank, Ltd.)</p> <p>Oct 1973 Auditing firm Ota Tetsuzo office (Ernst & Young ShinNihon LLC)</p> <p>Aug 1978 Registered as certified public accountant</p> <p>May 2002 Executive Director</p> <p>Aug 2004 Senior Executive Director</p> <p>Aug 2008 Senior Advisor</p> <p>Mar 2009 Retired from ShinNihon LLC</p> <p>Mar 2009 Shoei Co. Ltd (Hulic Co., Ltd.), Director</p> <p>Apr 2010 Aoyama Gakuin University Graduate School of Professional Accountancy, Special Professor</p> <p>Jun 2010 JAFco Co., Ltd, Auditor</p> <p>Jun 2012 JAFco Co., Ltd, Full-time Auditor</p> <p>Apr 2015 Aoyama Gakuin University Graduate School of Professional Accountancy, Guest professor (current)</p> <p>Jun 2015 JAFco Co., Ltd Director/Audit & Supervisory Committee member (currently, the term of office expires in June 2019)</p>	—

Note:

- The Nominee with an asterisk (*) is a new candidate
- There are no conflicts of interest between the Company and any of the above candidates.
- Mr. Hamano and Mr. Yoshimura are both candidates for Outside Directors.
- Mr. Hamano has served as Outside Director of the Company for 1 year and 8 months at the conclusion of this General Shareholders Meeting.
- Reasons for the selection of candidate for outside director are:
Mr. Hamano has ample experience as an executive at a large corporate in corporate management and operations. The Company believes he can provide advices and opinions which benefit to the Company's management
Mr. Yoshimura has extensive experience and expertise as a certified public accountant at a large accounting firm. The Company believes he can provide advices and opinions which benefit to the Company's management.
- The Company has entered into a limited liability agreement with Mr. Hamano, in accordance with Article 427, Paragraph 1 of the Companies Act, the Company and its external directors have

concluded an agreement that limits liabilities for damages prescribed in Paragraph 1, Article 423 of the Companies Act to the higher of a prefixed amount exceeding JPY 1 million or the amount set by law. The Company will renew the same agreement with Mr. Hamano in case the proposition is approved, and will enter the same agreement with Mr. Yoshimura in case the proposition is approved.

- The Company has designated and registered Mr. Hamano as independent directors stipulated by the Tokyo Stock Exchange. The Company will designate and register Mr. Yoshimura as independent directors stipulated by the Tokyo Stock Exchange. Mr. Yoshimura had stood at executive position at the Company's Accounting Auditor but more than decade has passed since his retirement and therefore the Company believes independence is ensured.

Proposal 3

Election of one (1) Alternative Director of the Board who is Audit and Supervisory Committee Members

The Company proposes to appoint in advance one (1) substitute Director who serves Audit and Supervisory Committee for the purpose of ensuring the number of Directors who serve Audit and Supervisory Committee Members not to below the minimum number required by law. The Company has received prior consent from the Audit and Supervisory Committee.

The candidate for a substitute Director who serves Audit and Supervisory Committee Member is as follows.

Name (Date of Birth)	Past experience, positions, responsibilities and significant concurrent positions	# of Co's shares held
Toru Igarashi (1942.05.24)	Mar 1961 Ministry of Finance	—
	Jul 1996 Finance Bureau of the Ministry of Finance Director	
	Aug 1997 Smaller Enterprise Retirement Allowance Mutual Aid Office, Managing Director	
	Aug 2000 Association of International Education Japan, Managing Director	
	Apr 2004 Tokyo Medical and Dental University, Auditor	
	Apr 2004 Japan Educational Exchanges and Services, Director(current)	
	Jun 2008 Medical Corporation Tesshokai, Kameda Medical Center, Auditor(current)	
	Oct 2011 Tessyokan (Kameda University of Health Sciences), Auditor (current)	
	Jun 2013 Company's Auditor	
	Sep 2016 Retired from the Company's Auditor	
	Mar 2017 Director (Audit and Supervisory Committee Member)(current)	

Note:

- There are no conflicts of interest between the Company and the candidate
- Mr. Igarashi has served as Outside Director of the Company for 2 years at the conclusion of this General Shareholders Meeting. Mr. Igarashi had served as outside corporate auditor of the Company in the past.
- Reasons for the selection of candidate for substitute of outside director is that the Company believes Mr. Igarashi can properly execute the duties even the assumption of office at unexpected situations. Mr. Igarashi will retire for the purpose of rejuvenate of the Audit and Supervisory Committee of the Company, but has performed as an outside director of the Company to date.
- The Company will conclude a limited liability agreement which is in accordance with Article 427 Paragraph 1 of the Companies Act, with Mr. Igarashi when he becomes Director (Audit and Supervisory Committee Member) of the Company. The agreement limits liabilities for damages prescribed in Paragraph 1, Article 423 of the Companies Act to the higher of JPY 1 million or the minimum amount set by law.

END