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(Stock Exchange Code 2428)
September 4, 2018

To Shareholders with Voting Rights:

Kazuhiro Miyazawa
President and Representative Director

WELLNET CORPORATION
1-1-7 Uchisaiwai-cho, Chiyoda-ku,
Tokyo, Japan

**NOTICE OF
THE 36TH ANNUAL 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 36th Annual General Meeting of Shareholders of WELLNET CORPORATION (the "Company"). The meeting will be held for the purposes as described below. If you are unable to attend the meeting, you can exercise your voting rights in writing or via the Internet. Please review the attached Reference Documents for the General Meeting of Shareholders and exercise your voting rights by 6:00 p.m. on Wednesday, September 26, 2018, Japan time.

- 1. Date and Time:** Thursday, September 27, 2018 at 2:00 p.m. Japan time
* The Management Briefing Session will be held at 1:00 p.m. prior to the General Meeting of Shareholders.
- 2. Place:** Hall D5, Tokyo International Forum located at
3-5-1 Marunouchi, Chiyoda-ku, Tokyo, Japan
- 3. Meeting Agenda:**
Matter to be reported: The Business Report and Financial Statements for the Company's 36th Fiscal Year (July 1, 2017 - June 30, 2018)
Proposals to be resolved:
Proposal 1: Partial Amendments to the Articles of Incorporation
Proposal 2: Election of Two (2) Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)
- 4. Guidance for Exercising Voting Rights:**
Please refer to [Guidance for Exercising Voting Rights] on page 3.

Management Briefing Session

The Company will hold the Management Briefing Session for shareholders as an opportunity to explain the details of its business activities and strategies to the shareholders. The Management Briefing Session will be held at 1:00 p.m. at the same venue prior to the General Meeting of Shareholders. We would appreciate if you could also attend this session.

- Reception is scheduled to open at 12:30 p.m. on the day of the meeting.
- We decided to discontinue distribution of gifts to shareholders, who attend the General Meeting of Shareholders and the Management Briefing Session, from the 33rd Annual General Meeting of Shareholders. We would like to ask for your kind understanding.
- When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk.
- Based on the provisions of the relevant laws and the Company's Articles of Incorporation, the accompanying documents noted below are posted on the Company's website (<http://www.well-net.jp/ir/event/meeting.html>) (Japanese only), and are therefore not included in the documents provided with this convocation notice.

Status of Stock Acquisition Rights

Internal Control System (System to Ensure Appropriateness of Operations)

Statement of Changes in Equity

Notes to Financial Statements

Accordingly, the documents provided here comprise a portion of the Financial Statements audited by the accounting auditor when preparing the accounting audit report and a portion of the Business Report and Financial Statements audited by the Audit and Supervisory Committee when preparing the audit report.

- If there are revisions to the Reference Documents for the General Meeting of Shareholders, Business Report or Financial Statements, the revised information will be announced and posted on the Company's website (<http://www.well-net.jp/>) (Japanese only).
- The Company, at the Board of Directors' meeting held on August 17, 2018, passed a resolution to pay a dividend of surplus of ¥50 per share, with starting date of payment of September 28, 2018.

[Guidance for Exercising Voting Rights]

1. Exercising Voting Rights in Writing

Please indicate your vote for or against each proposal on the enclosed Voting Rights Exercise Form and return it so that it is received by 6:00 p.m. on Wednesday, September 26, 2018, Japan time.

2. Exercising Voting Rights via the Internet

(1) Instructions for exercising voting rights via the Internet

- 1) You may exercise your voting rights via the Internet only by accessing the following website designated by the Company through your PC, smartphone or mobile phone (i-mode, EZweb, Yahoo! Keitai service*). (Services are unavailable between 2:00 a.m. and 5:00 a.m. every day.)

[Website for exercising voting rights] <https://evote.tr.mufg.jp/> (Japanese only)

* i-mode, EZweb, and Yahoo! are trademarks or registered trademarks of NTT DOCOMO, INC., KDDI CORPORATION, and Yahoo! Inc. (U.S.A.), respectively.

- 2) To exercise your voting rights via the Internet, please use the login ID and temporary password indicated on the enclosed Voting Rights Exercise Form, and enter your vote for each proposal according to the instructions on the screen. The deadline for exercising your voting rights is 6:00 p.m. on Wednesday, September 26, 2018, Japan time.
- 3) To prevent illegal access to the voting system by a person other than the shareholder (impersonation) as well as to avoid falsification of voting data, you will be asked to change your temporary password on the site for exercising voting rights.
- 4) The login ID and temporary password given are only effective for this General Meeting of Shareholders.

(2) About the website for exercising voting rights

- 1) You may not be able to exercise your voting rights through your PC or smartphone depending on the network environment for your Internet connection, for example, if the firewall is set for the Internet connection, if any anti-virus software is installed, if a proxy server is used, or if TLS encryption is not used.
- 2) When exercising your voting rights through your mobile phone, please use either i-mode, EZweb or Yahoo! Keitai service. Please note that, for security reasons, the voting system does not support a model without TLS encrypted communication or incapable of sending mobile phone data.
- 3) Exercise of voting rights via the Internet will be accepted until 6:00 p.m. on Wednesday, September 26, 2018, Japan time. Please exercise your voting rights at your earliest convenience. If there are any questions, please contact the Help Desk.
- 4) The costs incurred for the access to the website for exercising voting rights (such as Internet connection charge and phone charge) shall be borne by the shareholder. Packet communication and other fees are charged for the usage of smartphone or mobile phone, which shall also be borne by the shareholder.

(3) Handling of voting rights exercised in duplicate

- 1) If you exercise your voting rights in duplicate in writing and via the Internet, your vote via the Internet will be treated as valid.
- 2) If you exercise your voting rights more than once via the Internet, or multiple times through PC, smartphone or mobile phone, your last vote will be treated as valid.

(4) Inquiries regarding exercise of voting rights via the Internet

If you have any questions regarding the exercise of voting rights via the Internet, please contact the Help Desk below.

Mitsubishi UFJ Trust and Banking Corporation, Stock Transfer Agency Division (Help Desk)

Tel: 0120-173-027 (Business hours: 9:00 a.m. to 9:00 p.m.; toll free) (within Japan only)

(Provided document)

Business Report

(From July 1, 2017 to June 30, 2018)

1. Current Status of the Company

(1) Status of business during the fiscal year ended June 30, 2018

1) Progress and results of business

During the fiscal year ended June 30, 2018, the markets on which the Company's business is grounded have entered a period of significant change with the progression of FinTech, etc. in addition to the spread of smartphones. Under these circumstances, the Company announced the "Medium Term Five-Year Management Plan (July 2016 - June 2021)" in August 2016 to actively and boldly take on new business opportunities, and has conducted activities to promote "Response to the age of electronic money," "Promotion of Bus IT Promotion Solution Project" and "Service support for consumers from the business operator side" as priority measures.

For the fiscal year ended June 30, 2018, the second year of the Medium Term Plan, the Company reported net sales of ¥9,783 million (down 4.6% year-on-year), operating profit of ¥677 million (down 38.3% year-on-year), ordinary profit of ¥708 million (down 42.9% year-on-year) and profit of ¥495 million (down 43.1% year-on-year).

2) Status of capital investment

The total amount of capital investment conducted by the Company during the fiscal year ended June 30, 2018 was ¥884 million and the Company invested in mainly the software for information processing service, server equipment and its auxiliary equipment.

3) Status of fund procurement

There is no relevant information.

(2) Issues to be addressed

[New Medium Term Five-Year Management Plan] (July 2016 - June 2021)

The Company's business domain is the non-face-to-face payment market and its peripheral market. The non-face-to-face payment market is expected to continue achieving a certain level of growth in the future. During the period of the New Medium Term Five-Year Management Plan, we are pursuing a growth strategy aimed at achieving the target of ¥5.0 billion in ordinary profit in the final fiscal year by actively turning the major changes in environment, such as the expectation of the rapid progression of FinTech and others, into new business opportunities.

A. Current status of WELLNET's "FinTech service," *Shiharai-Hisho*

On August 3, 2017, we began the commercial service of *Shiharai-Hisho*, an electronic money service compatible with the increasingly cashless society expected in the future, with our first client, The Kansai Electric Power Co., Inc. The smartphone application *Shiharai-Hisho* is an electronic money service managed on servers with functions including the following:

- 1) Electronic money can be immediately charged from an affiliated bank (can be charged also from other receiving agencies).
- 2) The reminder function of the *Shiharai-Hisho* prevents one from "carelessly forgetting" payment, thereby improving the collection rate.
- 3) Costs will be reduced as a result of a shift from the issuance of invoices by mail to *Shiharai-Hisho*.

In addition to Sumitomo Mitsui Banking Corporation, which we have been affiliated with since the beginning of this project, we have completed connections with JAPAN POST BANK Co., Ltd., The Mie Bank, Ltd., The Daisan Bank, Ltd., The Chiba Kogyo Bank, Ltd., and THE TAIKO BANK, LTD. We expect to become affiliated with more banks going forward. However, in part due to the banks' requests for a stronger level of security, we have developed and implemented security functions requiring considerable investment, including biometric authentication and real-time monitoring functions for settlement information. Now that these steps have been completed, we will work with the affiliated financial institutions to popularize the application and increase the volume of settlement transactions.

In addition to The Kansai Electric Power Co., Inc., our first client to introduce this service, Kyushu

Electric Power Co., Inc. and Hokkaido Electric Power Co., Inc., also began offering this service, and we expect to expand it to other power companies going forward. We will also begin activities on a full scale encouraging businesses that have already introduced our Multi Payment Services to also adopt this service. We will begin development efforts this fiscal year to more closely tie *Bus Mori!*, one of our strengths, to *Shiharai-Hisho*, as this will increase the convenience of *Bus Mori!* as well as the settlement volume for *Shiharai-Hisho*.

B. Actively promoting Bus IT Promotion Project, *Bus Mori!* SERIES

The number of routes that are compatible with the smartphone application *Bus Mori!* introduced in August 2016 increased to over 250. In addition to the usual smartphone tickets and commuter tickets, this fiscal year we developed a coupon ticket function and *Denshi Mogiri*, which allows users to complete authentication with their smartphones, as well as free passes. These functions are steadily expanding, with coupon tickets and *Denshi Mogiri* adopted for the Hinokunigo Bus running from Fukuoka and Kumamoto and the bus line for the New Chitose Airport.

We are raising recognition for this application by sponsoring the *BUSTABIST* FM radio program, which conveys the appeal of bus travel, on the JFN38 channel, particularly the key TOKYO FM station, every Sunday afternoon. According to the most recent ratings survey, each broadcast reaches 1,700,000 people, and the number of active users (number of unique users who activate the application once or more per month) has exceeded 15,000. We will continue to vigorously promote *Bus Mori!* as a service which allows consumers to “buy a highway bus ticket with your smartphone.”

C. Stable system operation

The effect of our investments in stable operations over the past few years is apparent in the fact that there were no major accidents in the 36th fiscal year. We also formed Quality Management Team, expanded our Internal Auditing Unit and posted full-time employees to the Sapporo Office. We are actively hiring engineers, including both new graduates and mid-career hires to further reinforce the system of the Sapporo Office, which is responsible for system development and stable operations. We will optimize cost performance by making the revenue structure for each service visible on the premise of stable operations in the future.

D. R&D for the future

In an effort to capture the huge waves of “IoT” and “FinTech,” we are forming affiliations with universities, etc. with diverse knowledge and technologies and choosing the right course for R&D. We will become further involved with investment in development related to new security and the automation of system operations. We have completed our preparations for establishing a corporate venture capital business.

E. Governance

1) WELLNET Arete

The Company defines its *raison d’être* and action guidelines for employees in WELLNET Arete (Virtue) with a view to implementing effective governance. Although the product may change, we provide education of the Company’s core action philosophy to employees.

(WELLNET Arete)

Contribute to society by continuously making “systems that would be handy to have.”

Proposing and spreading such “systems” to the whole world.

Distributing the profit gained from this to employees, shareholders and our next investment.

(WELLNET Employee Arete)

I will avoid the pitfalls of stereotypes and think freely.

I will first think on my own, and then propose the best solution for all.

I will promote open discussions while “the one who should decide” will decide and the organization will put it into action.

I will always clearly define “who” will do “what” by “when.”

I will repeatedly validate the execution result and improve thereon.

I will make honest, accurate and quick reports.

I will conduct business after documenting services to be provided and compensation to be received.

I will hold rectitude as my motto and accept neither entertainment nor gifts.

2) Board of Directors in which Outside Directors make up majority

Guided by the management policy of actively and boldly taking on challenges of significantly

expanding business opportunities, the Company made a transition to a “company with an audit and supervisory committee” in September 2017, to enhance transparency in the decision-making process and with an awareness of the corporate governance code.

The majority of the members of the Board of Directors are Outside Directors, with two Internal Directors (of which one is a woman) and three Outside Directors. All members participate in vigorous discussions in every meeting.

F. Activities contributing to local communities

As part of our social contribution, we provided support to many students this year through our WELLNET Scholarship, established to help financially struggling students at colleges of technology in Hokkaido. Many letters of gratitude were received from these students, which motivated our employees. We will continue with these activities.

In April 2017, we opened the “WELLNET Morino Childcare Center,” an in-office childcare center established to give employees at the Sapporo Office peace of mind. As part of our social contribution activities, we have begun accepting children in the surrounding neighborhood as well.

G. Revenue Forecast and Return to Shareholders (Four Years from July 2017) (July 2017 - June 2021)

We will not disclose the initial financial forecast for the fiscal year ending June 30, 2019 so that we can continue with our management policy of embracing large and swift investment in the face of large business opportunities currently available as stated above.

Meanwhile, we will set the dividend payout ratio at 50% or more until the fiscal year ending June 30, 2021 and pay a dividend of ¥50 even when dividend per share is less than ¥50, as consideration for shareholders and in order to encourage shareholders to make long-term investment with peace of mind.

Going forward, we will seek to become a company that is loved by our customers, employees and shareholders with high expectations as we work to improve our corporate value. We hope that you look forward to the active and bold challenges we take on in the future.

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal 1: Partial Amendments to the Articles of Incorporation

1. Reasons for the proposal

As the Act for Partial Amendment of the Banking Act, etc. (Act No. 49 of 2017), came into effect on June 1, 2018, and a part of the Company's existing business falls under electronic payment service, an addition shall be made to the business purposes set forth in Article 2 (Purpose) of the current Articles of Incorporation, and the subsequent items shall be renumbered in conjunction with the addition of said item.

2. Description of amendments

Description of amendments is as follows:

(Amended parts are underlined.)

Current Articles of Incorporation	Proposed amendments
(Purpose) Article 2. The purpose of the Company shall be to engage in the following business activities: 1. - 11. (Omitted) (Newly established) <u>12.</u> - <u>18.</u> (Omitted)	(Purpose) Article 2. (Unchanged) 1. - 11. (Unchanged) <u>12. Electronic payment service</u> <u>13.</u> - <u>19.</u> (Unchanged)

Proposal 2: Election of Two (2) Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

The terms of office of all two (2) Directors (excluding Directors who are Audit and Supervisory Committee Members; applicable to the rest of this proposal) will expire at the conclusion of this meeting.

Accordingly, the Company proposes the election of two (2) Directors.

Further, this proposal has been reviewed by the Audit and Supervisory Committee, and in consideration of the business performance situation, etc., in the fiscal year ended June 30, 2018, the opinion has been received that each candidate for Directors would be appropriate as a Director of the Company.

The candidates for Directors are as follows:

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions		
1	Kazuhiro Miyazawa (February 24, 1960) Reappointed	March 1983 March 1996 September 1996 September 2009	Joined TOYO KEIKI CO., LTD. Joined ICHITAKA TAKAHASHI CO., LTD. Director, General Manager of Sales Division of the Company President and Representative Director of the Company (to present)	Number of shares of the Company held 471,395 Attendance at the Board of Directors' meetings: 19/19
	[Reason for nomination as a candidate for Director] Mr. Kazuhiro Miyazawa had served as Director, General Manager of Sales Division of the Company since September 1996 and had designed, promoted and expanded the Company's present core business scheme. In addition, after his appointment as President and Representative Director in September 2009, he has been striving for the expansion of the Company's business results by making appropriate management decisions. The Company has appointed Mr. Miyazawa as a candidate for Director as he is also leading the New Medium Term Five-Year Management Plan, which is currently in progress, with his strong leadership.			
2	Shizuyo Takahashi (February 24, 1962) Reappointed	April 1985 December 1990 October 1994 January 2004 January 2016 July 2017 September 2017	Joined Chase Manhattan Bank, Tokyo Branch Joined Chuo Coopers & Lybrand Consulting Co., Ltd. Joined Future System Consulting Corp. (currently Future Architect, Inc.) Executive Officer of Future System Consulting Corp. Joined Business Brain Showa-Ota Inc. Joined the Company, Acting General Manager of Administrative Division Director, General Manager of Administrative Division (to present)	Number of shares of the Company held 1,633 Attendance at the Board of Directors' meetings: 13/13
	[Reason for nomination as a candidate for Director] Ms. Shizuyo Takahashi has countless achievements in solving the issues of various companies in accounting firms and IT consulting firms by utilizing her consulting skills as well as through the development and establishment of specific IT solutions. She has extensive experience in budgeting, organizational administration and management from having served as Project Manager, Business Unit General Manager, and she has assumed the position of Executive Officer of a company listed in the First Section of the Tokyo Stock Exchange. Furthermore, as General Manager overseeing human resources, she is experienced in promoting reforms in the personnel system as well as advancing measures to reinforce human resources including hiring, training and performance evaluations. The Company has appointed Ms. Takahashi as a candidate for Director as since joining the Company, and since being appointed as a Director in September 2017, she has demonstrated leadership, and as General Manager of Administrative Division, has been involved mainly in general business such as finance, IR, and human resources. Furthermore, she is expected to be capable of contributing to the adoption of management accounting, the automation of in-house business processes and development of these relational databases, and the reinforcement of human resources through reforms of the personnel system.			

(Notes)

1. There are no special interests between candidates for Directors and the Company.
2. "Number of shares of the Company held" refers to the number of shares held as of June 30, 2018.
3. In addition to the number of the Board of Directors' meetings above, there was a written resolution of the Board of Directors deemed passed in accordance with the provisions of Article 370 of the Companies Act and Article 27 of the Company's Articles of Incorporation.