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(Stock Exchange Code 7552)
May 31, 2018

To Shareholders with Voting Rights:

Seiichi Enomoto
President and Representative Director
HAPPINET CORPORATION
2-4-5, Komagata, Taito-ku, Tokyo

**NOTICE OF
THE 50th 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 50th Ordinary General Meeting of Shareholders of HAPPINET 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 no later than 6:00 p.m. on Wednesday, June 20, 2018, Japan time.

1. Date and Time: Thursday, June 21, 2018 at 10:00 a.m. Japan time

2. Place: Akihabara Convention Hall (Akihabara Dai Building, 2F)
1-18-13, Sotokanda, Chiyoda-ku, Tokyo
(Please refer to the “Guide Map to the Venue of the General Meeting of Shareholders” at the end of the document.)

3. Meeting Agenda:

- Matters to be reported:**
1. The Business Report, Consolidated Financial Statements for the Company’s 50th Fiscal Year (April 1, 2017 - March 31, 2018) and results of audits by the accounting auditor and the Board of Auditors of the Consolidated Financial Statements
 2. Non-consolidated Financial Statements for the Company’s 50th Fiscal Year (April 1, 2017 - March 31, 2018)

Proposals to be resolved:

- Proposal 1:** Distribution of Surplus
Proposal 2: Election of Eight (8) Directors
Proposal 3: Payment of Bonuses to Directors

1. When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk.
2. Please note that persons who are not shareholders with voting rights, such as proxies who are not shareholders and accompanying persons, are not able to enter the venue.
3. We will not distribute any gifts at the General Meeting of Shareholders. Thank you for your understanding.
4. Of the documents to be provided with this Notice, the “Status of Subscription Rights to Shares, etc.,” “System to Ensure Proper Business Execution and its Operational Status,” “Notes to Consolidated Financial Statements,” and “Notes to Non-consolidated Financial Statements” are posted on the Company’s website below, and therefore are not included in the provided documents relating to matters to be reported, in accordance with the provisions of laws and regulations as well as Article 16 of the Company’s Articles of Incorporation.
Furthermore, the Business Report, Consolidated Financial Statements, and Non-consolidated Financial Statements provided with this Notice constitute part of the Business Report, Consolidated Financial Statements, and Non-consolidated Financial Statements audited by the accounting auditor and Auditors when preparing the Accounting Audit Report and Audit Reports.
5. In the event of revisions to the Reference Documents for the General Meeting of Shareholders, Business Report, Consolidated Financial Statements, or Non-consolidated Financial Statements, the revised versions will be posted on the Company’s website.

The Company’s website:
<http://www.happinet.co.jp>

Proposal 1: Distribution of Surplus

The Company proposes a distribution of surplus as follows.

Matters regarding the Year-end Dividend

The Company's basic policy is to comprehensively take into consideration factors such as business performance in the fiscal year under review, the business environment surrounding the Group, internal reserves for future business development, and the maintenance of stable dividends when distributing year-end dividends.

In regard to the year-end dividend for the 50th fiscal year, the Company proposes to add a special dividend and distribute as follows, taking into consideration the return of profits to shareholders in accordance with business performance for the fiscal year under review.

(1) Type of dividend property

Cash

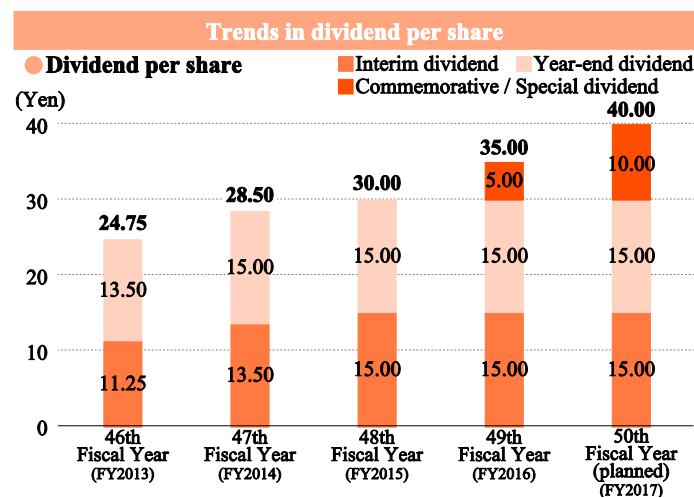
(2) Items related to the allocation of dividend property and its total amount

25 yen per share of common stock (including an ordinary dividend of 15 yen, and a special dividend of 10 yen)

The total amount of dividend in this case will be 544,423,750 yen.

(3) Effective date of distribution of surplus

June 22, 2018



Proposal 2: Election of Eight (8) Directors

The terms of office of all eight (8) Directors will expire at the conclusion of this year's Ordinary General Meeting of Shareholders. Accordingly, the election of eight (8) Directors is proposed.

The candidates for Director are as follows:

No.	Name (Date of birth)	Past experience, positions and responsibilities in the Company	
1	Kazuhiko Note (Date of Birth, Apr. 3, 1954)	Oct. 1976 May 1994 Jul. 1995 Apr. 1999 Jun. 2001 Apr. 2011 Jun. 2015 Jun. 2016	Joined Tosho Ltd. (currently HAPPINET CORPORATION) Director, Manager of the Sales Strategy Office Managing Director, Manager of the Sales Strategy Department President and Representative Director Representative Director, President and Chief Operating Officer Representative Director, President and Chief Operating Officer President and Representative Director, Happinet Pictures & Music Corporation Chairman and Representative Director Representative Director, Chairman and Chief Executive Officer (Current Position)
	[Number of shares of the Company held] 215,000	[Significant concurrent positions] Mr. Kazuhiko Note does not hold any significant concurrent positions.	
	[Reappointment]	[Reason for nomination as candidate for Director] Mr. Kazuhiko Note has participated in management at the Company over many years as Representative Director, and possesses abundant experience and achievements regarding management. In order for his experience and achievements as a manager thus far to be further reflected in enhancing governance, the Company proposes his reelection as Director. Furthermore, Mr. Note is expected to take the role of Chairman, as Chief Executive Officer, after his election as Director. (Note) There are no special interests between the candidate and the Company.	
2	Tetsuo Ishikawa (Date of Birth, Aug. 20, 1954)	Apr. 1980 Apr. 2000 Jun. 2001 Apr. 2004 Apr. 2012 Dec. 2014 Jun. 2015 Jun. 2016	Joined Tosho Ltd. (currently HAPPINET CORPORATION) Executive Officer, Head of the Multimedia Business Division Director, Executive Officer, Head of the Multimedia Business Division Director, Managing Executive Officer, Head of the Software Division Director, Executive Vice President, Head of the Information Systems Division President and Representative Director, Happinet Vending Service Corporation Director, Executive Vice President, Chief Information Officer, Head of the Amusement Division President and Representative Director Director, Executive Vice Chairman and Chief Strategy Officer (Current Position)
	[Number of shares of the Company held] 82,200	[Significant concurrent positions] Mr. Tetsuo Ishikawa does not hold any significant concurrent positions.	
	[Reappointment]	[Reason for nomination as candidate for Director] Mr. Tetsuo Ishikawa has participated in management at the Company over many years as Director, and as Chief Information Officer and Chief Strategy Officer, and possesses abundant experience and achievements regarding management. In order for his experience and achievements as a manager thus far to be further reflected in enhancing governance, the Company proposes his reelection as Director. Furthermore, Mr. Ishikawa is expected to take the role of Executive Vice Chairman, as Chief Strategy Officer, after his election as Director. (Note) There are no special interests between the candidate and the Company.	

No.	Name (Date of birth)	Past experience, positions and responsibilities in the Company	
3	<p>Seiichi Enomoto (Date of Birth Apr. 23, 1960)</p> <p>[Number of shares of the Company held] 15,800</p> <p>[Reappointment]</p>	<p>Oct. 1991 Joined HAPPINET CORPORATION</p> <p>Jul. 2003 Manager of the Sales Department of the Multimedia Business Division</p> <p>Apr. 2008 Executive Officer, Head of the Video Game Division</p> <p>Nov. 2009 Managing Executive Officer, Head of the Video Game Division</p> <p>Apr. 2013 Managing Executive Officer, Head of the Convenience Store Business Division</p> <p>Jun. 2014 Director, Managing Executive Officer, Head of Business Division #1</p> <p>Apr. 2016 Director, Managing Executive Officer, Head of Business Division</p> <p>Jun. 2016 Representative Director, President and Chief Operating Officer (Current Position)</p>	<p>[Significant concurrent positions]</p> <p>Mr. Seiichi Enomoto does not hold any significant concurrent positions.</p> <p>[Reason for nomination as candidate for Director]</p> <p>Mr. Seiichi Enomoto has participated in business promotion at the Company as manager of business departments over many years, in addition to participating in management as Chief Operating Officer, and possesses abundant experience and achievements.</p> <p>In order for his experience and achievements as a manager thus far to be further reflected in enhancing governance, the Company proposes his reelection as Director.</p> <p>Furthermore, Mr. Enomoto is expected to take the role of President, as Chief Operating Officer, after his election as Director.</p> <p>(Note) There are no special interests between the candidate and the Company.</p>
4	<p>Shigeki Suzuki (Date of Birth Dec. 19, 1964)</p> <p>[Number of shares of the Company held] 8,200</p> <p>[Reappointment]</p>	<p>Mar. 1985 Joined Toyokuni Corporation (currently HAPPINET CORPORATION)</p> <p>Apr. 2009 President and Representative Director, Happinet Marketing Corporation</p> <p>Jun. 2013 Director, Executive Officer, Head of the Toy & Hobby Division</p> <p>Apr. 2015 Director, Executive Officer, Head of Business Division #2</p> <p>Jun. 2015 Director, Managing Executive Officer, Head of Business Division #2</p> <p>Apr. 2016 Director, Managing Executive Officer, Head of the Content Division</p> <p>Apr. 2017 Director, Managing Executive Officer, Head of the Digital Business Division</p> <p>Mar. 2018 Vice President and Representative Director, Seikodo Marketing Corporation (Current Position)</p>	<p>Apr. 2018 Director, Managing Executive Officer, Head of the Visual & Audio Content Division (Current Position)</p> <p>[Significant concurrent positions]</p> <p>Vice President and Representative Director, Seikodo Marketing Corporation</p> <p>[Reason for nomination as candidate for Director]</p> <p>Mr. Shigeki Suzuki has participated in business promotion at the Company as manager of business departments over many years, and possesses abundant experience and achievements.</p> <p>In order for his experience thus far to be further reflected in enhancing governance, the Company proposes his reelection as Director.</p> <p>(Note) There are no special interests between the candidate and the Company.</p>

No.	Name (Date of birth)	Past experience, positions and responsibilities in the Company	
5	Junichi Ishigaki (Date of Birth Jun. 1, 1958) [Number of shares of the Company held] 17,200 [Reappointment]	Feb. 1984 Apr. 2001 Apr. 2005 Nov. 2009 Apr. 2013 Oct. 2013 Jun. 2016	Joined Tosho Ltd. (currently HAPPINET CORPORATION) Manager of the Area Control Department of the Toy & Life Business Division Executive Officer, Manager of the Sales Department #1 of the Happinet Toys Division Managing Executive Officer, Head of the Toy & Hobby Division President and Representative Director, Happinet Vending Service Corporation Managing Executive Officer, Head of the Amusement Division Director, Managing Executive Officer, Head of the Amusement Division (Current Position) [Significant concurrent positions] Mr. Junichi Ishigaki does not hold any significant concurrent positions. [Reason for nomination as candidate for Director] Mr. Junichi Ishigaki has participated in business promotion at the Company as manager of business departments over many years, and possesses abundant experience and achievements. In order for his experience thus far to be further reflected in enhancing governance, the Company proposes his reelection as Director. (Note) There are no special interests between the candidate and the Company.
6	Toru Shibata (Date of Birth Nov. 12, 1959) [Number of shares of the Company held] 7,400 [Reappointment]	Apr. 1996 Apr. 2000 Oct. 2008 Dec. 2011 Apr. 2012 Jun. 2016	Joined HAPPINET CORPORATION Manager of the Financial team of the Financial & Accounting Department of the Corporate Management Division Manager of the Management Strategy Department of the Corporate Management Division Head of the Corporate Management Division Executive Officer, Head of the Corporate Management Division Director, Executive Officer, Head of the Corporate Management Division (Current Position) [Significant concurrent positions] Mr. Toru Shibata does not hold any significant concurrent positions. [Reason for nomination as candidate for Director] Mr. Toru Shibata possesses abundant experience and achievements, as manager of administrative departments engaged in accounting and financial operations, and other areas, at the Company over many years. In order for his experience thus far to be further reflected in enhancing governance, the Company proposes his reelection as Director. (Note) There are no special interests between the candidate and the Company.
7	Mariko Tokuno (Date of Birth Oct. 6, 1954) [Number of shares of the Company held] 2,900 [Reappointment] [Outside] [Independent]	Apr. 1978 Jan. 1994 Mar. 2004 Aug. 2010 Jun. 2013 Sep. 2013 Oct. 2014 Jun. 2016 Jun. 2017	Joined The Bank of Tokyo, Ltd. (currently MUFG Bank, Ltd.) Joined Louis Vuitton Japan KK Vice President, Tiffany & Co. Japan Inc. Representative Director and President, Christian Dior Japan KK Outside Director, HAPPINET CORPORATION (Current Position) President and CEO, Ferragamo Japan KK Representative Director, President and CEO, Ferragamo Japan KK Outside Director, Mitsubishi Materials Corporation (Current Position) Outside Director, YAMATO HOLDINGS CO., LTD. (Current Position) [Significant concurrent positions] Outside Director, Mitsubishi Materials Corporation Outside Director, YAMATO HOLDINGS CO., LTD. [Reason for nomination as candidate for Outside Director] Ms. Mariko Tokuno has participated in corporate management over many years, and possesses abundant experience and achievements regarding management. In order to further enhance the governance of the Company through objective supervision of the execution of duties by Executive Officers, etc. from an independent position, the Company proposes her reelection as Outside Director. (Note) There are no special interests between the candidate and the Company.

No.	Name (Date of birth)	Past experience, positions and responsibilities in the Company	
8	Shin Nagase (Date of Birth Mar. 13, 1950) [Number of shares of the Company held] 700 [Reappointment] [Outside] [Independent]	Apr. 1972	Joined All Nippon Airways CO., Ltd.
		Jun. 2004	Member of the Board of Directors, Corporate Executive Officer, All Nippon Airways CO., Ltd.
		Apr. 2009	Member of the Board of Directors, Senior Executive Vice President, All Nippon Airways CO., Ltd.
		Apr. 2012	President, CEO, ANA Strategic Research Institute Co., Ltd.
		Apr. 2016	Senior Advisor, ANA HOLDINGS INC.
		Jun. 2016	Outside Director, HAPPINET CORPORATION (Current Position)
		Jun. 2016	Outside Director, Mitsubishi Estate Co., Ltd. (Current Position)
		Jul. 2016	Outside Director, TOSHIBA TEC CORPORATION (Current Position)
			[Significant concurrent positions] Outside Director, Mitsubishi Estate Co., Ltd.
			Outside Director, TOSHIBA TEC CORPORATION
	[Reason for nomination as candidate for Outside Director] Mr. Shin Nagase has participated in corporate management over many years, and possesses abundant experience and achievements regarding management. In order to further enhance the governance of the Company through objective supervision of the execution of duties by Executive Officers, etc. from an independent position, the Company proposes his reelection as Outside Director. (Note) There are no special interests between the candidate and the Company.		

- (Notes) 1. Candidates for Director Ms. Mariko Tokuno and Mr. Shin Nagase are candidates for Outside Director. Furthermore, the Company has designated Ms. Tokuno and Mr. Nagase as Independent Directors pursuant to the provisions of the Tokyo Stock Exchange, and has registered them with the Exchange. If the reelections of Ms. Tokuno and Mr. Nagase are approved, the Company intends for both candidates to be Independent Directors.
2. To ensure that Outside Directors may sufficiently execute the roles expected of them, the Company sets forth in its existing Articles of Incorporation that it may enter into contracts with Outside Directors to limit their liability for damages to the Company to a certain range. Accordingly, the Company has entered into such liability limitation agreements with Ms. Mariko Tokuno and Mr. Shin Nagase. If the reelections of Ms. Tokuno and Mr. Nagase are approved, the Company intends to continue these agreements with both candidates.
Furthermore, an overview of the content of these agreements is as follows.
- In the event that an Outside Director is liable for damages to the Company owing to negligence of his or her duties, his or her liability shall be limited to the minimum amount of liability provided for in Article 425, Paragraph 1 of the Companies Act.
 - The above limitation of liability shall only apply in cases when the execution of duties that was the cause of the liability by the Outside Director was in good faith, and there was no gross negligence.
3. Ms. Mariko Tokuno was appointed Outside Director of Mitsubishi Materials Corporation in June 2016 and has served in this position to the present, but while she has been in office, issues were identified at consolidated subsidiaries of Mitsubishi Materials Corporation, whereby products were shipped that deviated from customer standards or internal company specifications, etc. due to misconduct, including the rewriting of data. Ms. Tokuno was not aware of these issues until they were identified, but she had made statements from the perspective of strengthening governance systems at meetings of the Board of Directors, etc. of Mitsubishi Materials Corporation on a regular basis. Since these issues were identified, she has endeavored to further strengthen governance systems, including investigating the facts of these issues, uncovering the causes, and providing suggestions on measures to prevent reoccurrence, as Chairperson of the Special Investigation Committee.
4. Ms. Mariko Tokuno and Mr. Shin Nagase are currently Outside Directors of the Company, and their terms of office as Outside Directors will be five (5) years and two (2) years, respectively, at the conclusion of this General Meeting of Shareholders.

Proposal 3: Payment of Bonuses to Directors

Taking into consideration business performance in the fiscal year under review, and other factors, the Company proposes to pay bonuses to Directors totaling 75 million yen, to seven (7) Directors (excluding Outside Directors) as of the end of the fiscal year under review.

Furthermore, the Company proposes that the amount to be paid to each Director be determined by the Board of Directors.