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June 9, 2014

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## Re: The Execution of Voting Form at the Shareholder's Meeting

To Shareholders of INES Corporation (TSE Code :9742)

Japan-Up α Japanese Limited Partnership  
Japan-Up β Japanese Limited Partnership  
General Partner of both Partnership  
The Strategic Capital, Inc.  
CEO Tsuyoshi Maruki

As Strategic Capital, Inc. (hereinafter referred to as "Strategic Capital") informed you last month, on April 2<sup>nd</sup>, 2014, it notified INES Corporation (hereinafter referred to as "INES") of its execution of the shareholders' right to propose at the shareholder meeting held in this June. We expect you have received the notice to call the abovementioned shareholder meeting with the reference documents and the voting form, which were sent from INES.

You can see our shareholder's proposal (Bill No.4) and the opinion of the board of INES on our proposal in the reference documents. We expect you would support our proposal upon due consideration. Today, for your reference, we attach two documents; "How to fill out the voting form" and "Regarding the opinion of board of INES on shareholder's Proposal".

Since we believe that our proposal would lead to improve the shareholder's value, your precious support on it would be greatly appreciated.

Thank you very much for taking your precious time. We look forward to seeing you at the coming shareholder meeting.

June 2014

How to fill out the voting form  
in case you are “For” shareholder’s proposal

The Strategic Capital, Inc.

Please fill the voting form as below if you agree to our shareholder’s proposal.

Proposal from INES					
Bill No. 1		Bill No .2		Bill No. 3	
For	<b>Against</b>	For	Against	For	Against

Proposal from Strategic capital	
Bill No .4	
<b>For</b>	Against

Bill No. 1: Re: Dividend Distribution proposed by INES

Please vote “Against” on this bill.

Bill No.2: Re: Election of Directors

We do not have any suggestions on this bill.

Bill No. 3: Re: Election of reserve Auditor

We do not have any suggestions on this bill.

Bill No. 4: Re: Dividend Distribution proposed by the Strategic Capital

Please vote “For” on this bill.

We truly appreciate your support on our proposal in advance.

June 2014

Regarding the opinion of board of INES on the shareholder's proposal

The Strategic Capital, Inc.

The board of INES announced its opinion on our shareholder's proposal in the reference documents of annual shareholder's meeting. We'd like to express our view on the opinion of the board of INES.

First, the opinion of the board mentions that “ • • it is of importance and high necessity to keep the stable balance sheet • • ” (in the second paragraph). We, however, believe that "keeping the stable balance sheet" would not be contrary to our shareholder proposal. Our proposal is just to distribute almost all of the net profit in the last fiscal year, not to reduce the retained earnings. Even when our proposal is passed, the retained earnings of INES wouldn't be reduced and its balance sheet would be kept stable as before.

Second, the opinion of the board mentions that ” ...INES would invest its retained earnings in order to develop new products... “ and “ ...make other investments to grow in the future...” (in the third paragraph) and “...INES expect its operating fund to increase...”and “...its cash and deposits in its balance sheet is not excessive...” (in the fourth paragraph).

Frankly speaking, we are uncomfortable on these opinions. It sounds like INES is planning huge amounts of investments that exceed its annual operating cash flow. If the board has such intention, it is a big change of its management policy and the board shall explain to the shareholders the amount of the intended investments, the purpose of the investments and the impact on its business result in the future (especially, the improvement of shareholders value).

Last, the opinion of the board explains the acquisition of its new headquarter building and the investment securities (in the seventh paragraph).

We are not convinced by the explanation of the board for the necessity of the acquisition of the building instead of leasing it. We believe that leasing is enough for its operation. Furthermore, we are neither convinced by the explanation of the board for the acquisition of investment securities in order to maintain and enforce the relationship with financial institutions which

are clients of INES. We are keen to have explanation of the board why acquisition of equities of financial institutions leads to maintain and enforce the relationship with them. We believe that the acquisition of such unnecessary assets leads to its low ROE (2.4%)