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Securities identification code: 9603

January 4, 2019

To our shareholders:

Hideo Sawada
Chairman and President
H.I.S. Co., Ltd.
6-8-1 Nishishinjuku,
Shinjuku-ku, Tokyo, JAPAN

NOTICE OF THE 38TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

You are cordially invited to attend the 38th Ordinary General Meeting of Shareholders of H.I.S. Co., Ltd. (the “Company”), which will be held as described below.

If you are unable to attend the meeting in person, you may exercise your voting rights by postal mail. Please indicate your approval or disapproval of the proposals on the enclosed voting form after reviewing the attached Reference Documents for the General Meeting of Shareholders, and return it by postal mail to reach us no later than 6:30 p.m., Thursday, January 24, 2019 (Japan Standard Time).

Meeting Details

- 1. Date and time:** Friday, January 25, 2019, at 10:00 a.m. (Japan Standard Time)
- 2. Venue:** Hilton Tokyo
Meeting room “Kiku” (“Kikuyo”/”Kikka”) on the fourth floor
6-6-2 Nishishinjuku, Shinjuku-ku, Tokyo, Japan

3. Purposes:

Items to be reported:

1. Business Report and Consolidated Financial Statements for the 38th Term (from November 1, 2017 to October 31, 2018), as well as the results of audit of the Consolidated Financial Statements by the Accounting Auditor and the Audit and Supervisory Committee
2. Non-Consolidated Financial Statements for the 38th Term (from November 1, 2017 to October 31, 2018)

Items to be resolved:

- Proposal 1:** Appropriation of surplus
- Proposal 2:** Partial amendments to the Articles of Incorporation
- Proposal 3:** Election of seven (7) Directors (excluding Directors who are Audit and Supervisory Committee Members)
- Proposal 4:** Election of one (1) Director who is an Audit and Supervisory Committee Member
- Proposal 5:** Payment of Directors’ and Audit and Supervisory Committee Members’ bonuses for the 38th Term

Reference Documents for the General Meeting of Shareholders

Proposal 1: Appropriation of surplus

The Company proposes the appropriation of surplus as follows.

Matters related to the 38th Term year-end dividend

The Company considers return of profits to shareholders to be an important operational policy, and aims to conduct stable and continuous profit sharing according to the results, while striving to increase dividend levels, giving overall consideration to strengthening business structure and maintaining internal reserves for future business expansion.

Based on this basic policy of profit-sharing, the year-end dividend for the 38th Term shall be as follows.

(1) Type of dividend property

Cash

(2) Allocation of dividend property and total amount thereof

The Company proposes to pay a dividend of 29 yen per common share of the Company.

Total amount of dividend: 1,669,631,384 yen

(3) Effective date of appropriation of surplus (Starting date of payment for the year-end dividend)

Monday, January 28, 2019

Proposal 2: Partial amendments to the Articles of Incorporation

1. Reason for amendments

In order to prepare for diversification of business activities and future business expansion throughout the Company and Group companies, additions have been made to the business purpose expressed in Article 2 (Purpose) of the current Articles of Incorporation.

2. Date that amendments to the Articles of Incorporation will come into effect

Changes to the Articles of Incorporation under this proposal will take effect as of the conclusion of this meeting.

3. Details of proposed amendments

The details of the changes are as follows.

(Amended parts are underlined)

Current Articles of Incorporation	Proposed amendments
<p>Article 2 (Purpose) The purposes of the Company shall be to engage in the following businesses: Article 1 to Article 38(Omitted) (Newly established) (Newly established) (Newly established) (Newly established) (Newly established) (Newly established) 39 (Omitted) 40 (Omitted)</p>	<p>Article 2 (Purpose) The purposes of the Company shall be to engage in the following businesses: Article 1 to Article 38(Unchanged) 39 <u>Telecommunications business as specified in the Telecommunications Business Act</u> 40 <u>Development, manufacture, sales and leasing of equipment related to telecommunications</u> 41 <u>Management of residential facilities business for foreign nationals in National Strategic Special Zones, residential accommodation business, traditional Japanese inn business, and rental business</u> 42 <u>Consigned operation of public facilities under the designated manager system, in accordance with Local Autonomy Act</u> 43 <u>Business related to education</u> 44 (Unchanged) 45 (Unchanged)</p>

Proposal 3: Election of seven (7) Directors (excluding Directors who are Audit and Supervisory Committee Members)

At the conclusion of this meeting, the terms of office of all seven (7) Directors (excluding Directors who are Audit and Supervisory Committee Members) will expire. Therefore, the Company proposes to elect seven (7) Directors (excluding, however, Directors who are Audit and Supervisory Committee Members).

Note that the Audit and Supervisory Committee has deemed the contents of this proposal to be appropriate.

Candidates for Directors (excluding Directors who are Audit and Supervisory Committee Members) are as follows.

No.	Name (Date of birth)	Career summary, position and responsibilities (Significant concurrent positions)	Number of the Company's shares owned
1	<div style="border: 1px solid black; display: inline-block; padding: 2px;">For reelection</div> Hideo Sawada (February 4, 1951)	December 1980 Establishment of the Company; Representative Director and President March 1999 President of H.S. SECURITIES Co. Ltd. (currently Sawada Holdings Co., Ltd.) March 2003 Director and Chairman of Agricultural Bank of Mongolia LLC (currently Khan Bank LLC) (present position) June 2004 Chairman-Director of the Company December 2009 Chairman-Representative Director March 2010 President and CEO of Huis Ten Bosch Co., Ltd. (present position) September 2012 Chairman of Public Interest Incorporated Foundation Tokyo Symphony Orchestra (present position) November 2016 Chairman and President-Representative Director, Chief Executive Officer (CEO) of the Company Chairman of Sawada Holdings Co., Ltd. (present position) November 2017 Representative Director, Chairman and President of H.I.S. Hotel Holdings Co., Ltd. (present position) January 2018 Chairman and President Executive Officer-Representative Director, Group Chief Executive Officer (CEO) of the Company (present position) [Significant concurrent positions] Chairman of Sawada Holdings Co., Ltd. President and CEO of Huis Ten Bosch Co., Ltd. Representative Director, Chairman and President of H.I.S. Hotel Holdings Co., Ltd. Director and Chairman of Khan Bank LLC	19,138 thousand shares

No.	Name (Date of birth)	Career summary, position and responsibilities (Significant concurrent positions)	Number of the Company's shares owned
		<p>Reasons for nomination as candidate for Director, etc.</p> <p>Hideo Sawada served as Representative Director and President of the Company from its establishment in December 1980 until May 2004. During this period, he played a leading role in the Company's development while shaping and fostering the Company's culture, including thinking of the customer, valuing speed, and maintaining the spirit of venture capitalism. After assuming the role of Chairman-Director, Sawada was involved with education concerning development of business strategy widely throughout the Group, and he took personal responsibility in setting a good example as leader during the business restoration of Huis Ten Bosch Co., Ltd.</p> <p>In the reorganization of the management execution structure implemented in November 2016, taking into consideration a pure holding company function aimed at achieving aggressive governance, Sawada was appointed as Chief Executive Officer (CEO) concurrent with his position as Representative Director. In this position, Sawada has done his utmost to ensure the development of the Group in view of the Company's 40th anniversary.</p> <p>Sawada has been nominated as a Candidate for Director for his accomplishments and experience as a manager, as well as the good judgment and network of personal connections that he has developed, which continue to be valuable to the decision-making of the Board of Directors, while also being beneficial to the Group's augmentation of its business domains and global expansion, as well as sustainable growth and improvement in corporate value.</p> <p>Furthermore, the Company, Huis Ten Bosch Co., Ltd. and H.I.S. Hotel Holdings Co., Ltd., of which Sawada remains President and CEO, are in a business relationship involving primarily the purchase of travel materials.</p>	

No.	Name (Date of birth)	Career summary, position and responsibilities (Significant concurrent positions)	Number of the Company's shares owned
2	<div style="border: 1px solid black; display: inline-block; padding: 2px;">For reelection</div> Tatsuya Nakamori (August 4, 1967)	November 1986 Joined the Company January 2010 Director responsible for Overall Control of West Japan Region Operations, Manager of Kansai Operations Headquarters February 2014 Director responsible for Overall Control of West Japan Region Operations March 2014 Managing Director responsible for Airline Ticket Purchasing and Arrangement, and Online Travel Business April 2014 Managing Director responsible for Airline Ticket Purchasing and Arrangement, and Online Travel Business Control, Manager of Head Office Purchasing Headquarters November 2016 Managing Director, President of H.I.S. Japan January 2018 Director, Senior Managing Executive Officer, President of H.I.S. Japan (present position)	14 thousand shares
<p>Reasons for nomination as candidate for Director</p> <p>Tatsuya Nakamori has extensive business experience in the Company's marketing and sales sectors, and has leveraged his track record in the procurement and planning sectors to participate in the management of the Company.</p> <p>In the reorganization of the management execution structure implemented in November 2016, Nakamori was appointed as President of H.I.S. Japan, a quasi-in-house company, and serves as the overall supervisor for the business departments handling overseas travel departing from Japan and domestic travel within Japan, and he has been engaged in the management of the Company.</p> <p>Nakamori has been nominated as a Candidate for Director for his experience and accomplishments, which are expected to continue to aid the decision-making of the Board of Directors, while contributing to the Group's augmentation of its business domains and global expansion, as well as sustainable growth and improvement in corporate value.</p>			

No.	Name (Date of birth)	Career summary, position and responsibilities (Significant concurrent positions)	Number of the Company's shares owned
3	<div style="border: 1px solid black; display: inline-block; padding: 2px;">For reelection</div> Masayuki Oda (January 1, 1966)	June 1996 Joined the Company March 2014 Officer, Manager of Kansai Operations Headquarters January 2016 Director responsible for Kansai, Chugoku, Shikoku, Kyushu Operations and Global Product Marketing, Manager of Kansai Operations Headquarters November 2016 Director, Vice President of H.I.S. Japan, Manager of Domestic Travel Operations Headquarters January 2018 Director, Senior Executive Officer, Vice President of H.I.S. Japan, Manager of Domestic Travel Operations Headquarters February 2018 Director, Managing Executive Officer responsible for Business Planning Headquarters, Overseas Business Strategy Headquarters and Overseas System Development Headquarters, Manager of Affiliated Company Headquarters November 2018 Director, Managing Executive Officer responsible for Business Planning Headquarters and Overseas Business Strategy Headquarters, Manager of Affiliated Company Headquarters (present position)	1 thousand shares
<p>Reasons for nomination as candidate for Director</p> <p>Masayuki Oda has extensive business experience in marketing and sales sectors of the Company, and has participated in the management of the Company since January 2016 as a Director.</p> <p>In the reorganization of the management execution structure implemented in November 2016, Oda was appointed as Vice President of H.I.S. Japan, a quasi-in-house company, and serves as the supervisor of domestic travel section for H.I.S. Japan, which handles overseas travel departing from Japan and domestic travel within Japan. Now he has also been responsible for Business Planning Headquarters, Overseas Business Strategy Headquarters, and Manager of Affiliated Company Headquarters.</p> <p>Oda has been nominated as a Candidate for Director for his experience and accomplishments, which are expected to continue to aid the decision-making of the Board of Directors, while contributing to the Group's augmentation of its business domains and global expansion, as well as sustainable growth and improvement in corporate value.</p>			

No.	Name (Date of birth)	Career summary, position and responsibilities (Significant concurrent positions)	Number of the Company's shares owned
4	<div style="border: 1px solid black; display: inline-block; padding: 2px;">For reelection</div> Shigeru Nakatani (October 19, 1948)	<p>July 2010 Joined the Company; Senior Officer responsible for Accounting and Finance</p> <p>January 2012 Director responsible for Accounting and Finance, Manager of Head Office Accounting Headquarters</p> <p>November 2016 Director responsible for Consolidated Finance, Accounting, Legal Affairs, Internal Control, and Compliance, Manager of Head Office Accounting Headquarters / Corporate Funding Screening Office, Chief Financial Officer (CFO)</p> <p>November 2017 Director responsible for Consolidated Finance, Accounting, Legal Affairs, Internal Control, and Compliance, Manager of Corporate Funding Screening Office, Chief Financial Officer (CFO)</p> <p>January 2018 Director, Senior Executive Officer responsible for Consolidated Finance, Accounting, Legal Affairs, Internal Control, and Compliance, Manager of Corporate Funding Screening Office, Chief Financial Officer (CFO) (present position)</p>	7 thousand shares
<p>Reasons for nomination as candidate for Director</p> <p>Since entering Matsushita Electric Industrial Co., Ltd. (currently Panasonic Corporation), Shigeru Nakatani has held positions of authority within the group. He was appointed as a Senior Executive Officer upon entering the Company in July 2010, and has leveraged his extensive experience in accounting and finance and his accomplishments as a management executive to contribute to the global expansion of the Company's businesses.</p> <p>Nakatani has participated in the management of the Company since January 2012 as a Director, and in the reorganization of the management execution structure implemented in November 2016, Nakatani was appointed as the Chief Financial Officer (CFO) responsible for consolidated finance and accounting, accounting, legal affairs, internal control, and compliance, and he has been engaged in the management of the Company.</p> <p>Nakatani has been nominated as a Candidate for Director based on his abundant experience and knowledge up until now, which are expected to continue to contributing to the Group's augmentation of its business domains and global expansion, as well as sustainable growth and improvement in corporate value.</p>			

No.	Name (Date of birth)	Career summary, position and responsibilities (Significant concurrent positions)	Number of the Company's shares owned
5	<div style="border: 1px solid black; padding: 2px; display: inline-block; margin-bottom: 5px;">For reelection</div> Katsuhiko Sakaguchi (April 30, 1955)	<p>December 2014 Joined the Company</p> <p>March 2015 Senior Officer responsible for HR strategy (domestic and overseas)</p> <p>January 2016 Director responsible for HR strategy (domestic and overseas)</p> <p>November 2016 Director responsible for Consolidated HR, CS/ES, HR and Labor Relations, General Affairs, CSR, and Chief Human Resource Officer (CHO)</p> <p>August 2017 Director responsible for Consolidated HR, CS/ES, HR and Labor Relations, General Affairs, CSR, Chief Human Resource Officer (CHO), and Manager of Head Office HR Headquarters</p> <p>January 2018 Director, Senior Executive Officer responsible for Consolidated HR, CS/ES, HR and Labor Relations, General Affairs, CSR, Chief Human Resource Officer (CHO), and Manager of Head Office HR Headquarters (present position)</p>	10 thousand shares
<p>Reasons for nomination as candidate for Director</p> <p>After entering Unicharm Corporation, Katsuhiko Sakaguchi held positions of authority, developing extensive knowledge in the planning, human resources, and general affairs sectors. He also served at that company in the roles of Director and Senior Executive Officer, and has experience as a management executive.</p> <p>After entering the Company as a Senior Executive Officer, Sakaguchi was appointed as the Director responsible for HR strategy (domestic and overseas) in January 2016, and in the reorganization of the management execution structure implemented in November 2016, Sakaguchi was appointed as the Director responsible for consolidated HR, CS/ES, HR and Labor Relations, General Affairs, CSR, and the Chief Human Resource Officer (CHO), and he has been engaged in the management of the Company. Sakaguchi has been nominated as a Candidate for Director for his experience and accomplishments, which are expected to continue to contribute to the Group's augmentation of its business domains and global expansion, as well as sustainable growth and improvement in corporate value.</p>			

No.	Name (Date of birth)	Career summary, position and responsibilities (Significant concurrent positions)	Number of the Company's shares owned
6	<div style="border: 1px solid black; display: inline-block; padding: 2px;">For reelection</div> Atsushi Yamanobe (March 18, 1970)	April 1993 Joined the Company March 2014 Officer, Manager of Kanto Sales Business Department, Manager of Kanto WEB Business Department, Manager of Special Office Business for Kanto Corporation and Group January 2016 Director responsible for East Japan Region Operations, Manager of Kanto Overseas Travel Operations Headquarters November 2016 Director, Vice President of H.I.S. Japan, Manager of Kansai Operations Headquarters January 2018 Director, Senior Executive Officer, Vice President of H.I.S. Japan, Manager of Kansai Operations Headquarters March 2018 Director, Senior Executive Officer, Vice President of H.I.S. Japan, Manager of Corporate Travel Operations Headquarters (present position)	1 thousand shares
<p>Reasons for nomination as candidate for Director</p> <p>Atsushi Yamanobe has extensive business experience in marketing and sales sectors of the Company, and has participated in the management of the Company since January 2016 as a Director.</p> <p>In the reorganization of the management execution structure implemented in November 2016, Yamanobe was appointed as Vice President of H.I.S. Japan, a quasi-in-house company, and serves as the supervisor in the west Japan area for H.I.S. Japan West, which handles overseas travel departing from Japan and domestic travel within Japan. Since March 2018, he has also served as Manager of Corporate Travel Operations Headquarters, and has also controlled the corporate client business.</p> <p>Yamanobe has been nominated as a Candidate for Director for his experience and accomplishments, which are expected to continue to aid the decision-making of the Board of Directors, while contributing to the Group's augmentation of its business domains and global expansion, as well as sustainable growth and improvement in corporate value.</p>			

No.	Name (Date of birth)	Career summary, position and responsibilities (Significant concurrent positions)	Number of the Company's shares owned
7	<div style="border: 1px solid black; display: inline-block; padding: 2px;">For reelection</div> Mutsumi Gomi (June 6, 1968)	April 1992 Joined the Company May 2010 Manager of East Japan FIT Business Department September 2012 Temporarily assigned to PT. HARUM INDAH SARI TOURS & TRAVEL, President and Director of PT. HARUM INDAH SARI TOURS & TRAVEL, Branch Manager in charge of Overall Control of Jakarta January 2016 Officer of the Company, temporarily assigned to PT. HARUM INDAH SARI TOURS & TRAVEL, President and Director of PT. HARUM INDAH SARI TOURS & TRAVEL, Branch Manager in charge of Overall Control of Jakarta November 2017 Officer, temporarily assigned to PT. HARUM INDAH SARI TOURS & TRAVEL, President and Director of PT. HARUM INDAH SARI TOURS & TRAVEL, Manager of Southeast Asia General Operation Headquarters and Branch Manager in charge of Overall Control of Jakarta January 2018 Director, Senior Executive Officer, temporarily assigned to PT. HARUM INDAH SARI TOURS & TRAVEL, President and Director of PT. HARUM INDAH SARI TOURS & TRAVEL, Manager of Southeast Asia General Operation Headquarters and Branch Manager in charge of Overall Control of Jakarta November 2018 Director, Senior Executive Officer, Chief Information Officer (CIO) and responsible for Southeast Asia and South Asia areas (present position)	3 thousand shares
<p>Reasons for nomination as candidate for Director</p> <p>Mutsumi Gomi has extensive business experience in marketing, sales and procurement sectors of the Company, and involving working overseas. In January 2016 he became an Officer and while serving as the supervisor for the Company's subsidiary in Indonesia he has contributed to the significant growth of business handling overseas travel departing from Indonesia. Furthermore, since November 2017, he has been drafting and executing growth strategies for Southeast Asia, a growth market, as the Manager of Southeast Asia General Operation Headquarters. As a Director since January 2018 and as Chief Information Officer (CIO) and responsible for Southeast Asia and South Asia areas since November 2018, he has also been contributing to the management of the Company.</p> <p>Gomi has been nominated as a Candidate for Director for his experience and accomplishments, which are expected to continue to aid the decision-making of the Board of Directors, while contributing to the Group's augmentation of its business domains and global expansion, as well as sustainable growth and improvement in corporate value.</p>			

Proposal 4: Election of one (1) Director who is an Audit and Supervisory Committee Member

At the conclusion of this meeting, Masahiko Hirata will retire as Director who is an Audit and Supervisory Committee Member due to resignation. Therefore, the Company proposes to elect Yasuo Katsura as his substitute.

Furthermore, this proposal has been agreed to by the Audit and Supervisory Committee.

In addition, Katsura is a candidate for Outside Director, and his term of office shall begin from the conclusion of this meeting and shall end, in accordance with the Articles of Incorporation, upon the expiration of the term of office of the retiring Director who is an Audit and Supervisory Committee Member.

His career summary is as follows.

Name (Date of birth)	Career summary, position and responsibilities (Significant concurrent positions)	Number of the Company's shares owned
<p style="text-align: center;">New candidate Yasuo Katsura (September 19, 1947)</p>	<p>April 1970 Joined Matsushita Electric Industrial Co., Ltd. (currently Panasonic Corporation)</p> <p>June 2001 Director and President of Matsushita Communication Industrial Co., Ltd. (currently Panasonic Mobile Communications Co., Ltd.)</p> <p>June 2003 Officer of Matsushita Electric Industrial Co., Ltd. (currently Panasonic Corporation)</p> <p>June 2004 Managing Officer, Tokyo Branch Manager</p> <p>June 2007 Managing Director</p> <p>April 2009 Representative Director, Senior Managing Director, Tokyo Representative, Manager of Public Relations Headquarters</p> <p>April 2010 Representative Director, Executive Vice President</p> <p>June 2013 Adviser</p> <p>March 2015 Outside Director of CYBERLINKS CO., LTD. (present position)</p> <p>[Significant concurrent positions] Outside Director of CYBERLINKS CO., LTD.</p>	<p>– thousand shares</p>
<p>Reasons for nomination as candidate for Outside Director who is Audit and Supervisory Committee Member, etc.</p> <p>Yasuo Katsura has abundant experience and knowledge as a management executive, and superior knowledge concerning corporate ethics and corporate governance, such as in his role as the Representative Director and Executive Vice President of Matsushita Electric Industrial Co., Ltd. (currently Panasonic Corporation), and he is expected to provide advice and suggestions concerning the management of the Company from an independent and objective perspective, and to fulfill the responsibilities of the Audit and Supervisory Committee. Accordingly, he has been nominated as a candidate for Outside Director and for Director who is an Audit and Supervisory Committee Member.</p> <p>Furthermore, if Katsura is elected as a Director who is an Audit and Supervisory Committee Member and an Outside Director, it is planned to conclude a new limited liability agreement for damages referred to in Article 423, Paragraph 1, based on Article 427, Paragraph 1 of the Companies Act (the amount of limited liability is the amount specified in Article 425, Paragraph 1 of the Companies Act). It is also planned to designate him as an independent officer and to notify the Tokyo Stock Exchange accordingly.</p> <p>Additionally, there is no special interest between the candidate and the Company.</p>		

Proposal 5: Payment of Directors' and Audit and Supervisory Committee Members' bonuses for the 38th Term

In consideration of the performance level achieved in the 38th term, the seven (7) Directors as of the end of the period (excluding Directors who are Audit and Supervisory Committee Members) should receive payment of bonuses totaling 99,720,000 yen. The three (3) Directors who are Audit and Supervisory Committee Members as of the end of the period (including two (2) Outside Directors) should receive bonuses totaling 3,160,000 yen (including the Outside Directors' portion of 1,400,000 yen).

The amount allocated to each of Directors (excluding Directors who are Audit and Supervisory Committee Members) and each of Directors who are Audit and Supervisory Committee Members is a matter to be determined by the Board of Directors with regard to Directors (excluding Directors who are Audit and Supervisory Committee Members), and by discussions among Directors who are Audit and Supervisory Committee Members with regard to Directors who are Audit and Supervisory Committee Members.

Note that the Audit and Supervisory Committee has deemed the contents of this proposal to be reasonable.