

(This Notice of Convocation is a translation of the Japanese original for your reference only. Please note that in the event of any discrepancy between this translation and the Japanese original, the latter shall prevail.)

Securities Code: 9381  
November 29, 2018

Hidekazu Yagura  
President and Representative Director  
AIT Corporation  
1-6, Honmachi 2-chome, Chuo-ku,  
Osaka-shi

**Notice of Convocation of the Extraordinary General Meeting of Shareholders**

Dear Shareholders,

You are cordially invited to attend the Extraordinary General Meeting of Shareholders of AIT Corporation (Securities identification code: 9381; "AIT") to be held as follows:

**In the event you are not able to attend, you are requested to review the Reference Documentation for Extraordinary General Meeting of Shareholders attached hereto and exercise your voting rights by 5:00 p.m. on Thursday, December 20, 2018. You may exercise your voting rights in writing or via the Internet.**

Description

**1. Date and Time** Friday, December 21, 2018 at 10:00 a.m. (Reception opens at 9:15 a.m.)

**2. Location** Viale Hall, 4th Floor, Viale Osaka  
1-3, Azuchimachi 3-chome, Chuo-ku, Osaka-shi

**3. Agenda**

**[Matters to Be Resolved]**

- Item No. 1 Approval of Share Exchange Agreement
- Item No. 2 Election of 2 Directors

**4. Matters Concerning Exercise of Voting Rights**

- (1) When exercising your voting rights in writing, it is requested that you exercise your voting rights by posting the enclosed voting card, which must arrive no later than 5:00 p.m. on Thursday, December 20, 2018.
- (2) When exercising your voting rights via the Internet, it is requested that you access the website (<https://www.net-vote.com/>) shown on the enclosed voting card and exercise your voting rights in accordance with the instructions found on the website

by 5:00 p.m. on Thursday, December 20, 2018.

(3) When voting rights are exercised in duplicate:

- ① your vote via the Internet shall be deemed to be the official indication of your intent, even if you mail your voting card.
  - ② if you exercise your voting rights several times via the Internet, your final execution shall be deemed to be the official indication of your intent.
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- When attending the Extraordinary General Meeting of Shareholders, you are requested to submit the enclosed voting card at the reception and to bring this notice for your reference.

- In order to avoid congestion at the reception just before the opening of the meeting, please come to the meeting venue earlier than the designated time.

- In the event that the Reference Documentation for the Extraordinary General Meeting of Shareholders needs to be modified, AIT will post such modification(s) on its website (<http://www.ait-jp.com/>).

- Please kindly note that AIT will no longer hand out souvenirs at this Extraordinary General Meeting of Shareholders in consideration of, among other things, fairness between the shareholders attending and those unable to attend. We appreciate your understanding.

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## Reference Documentation

<Proposals>

### Item No. 1 Approval of Share Exchange Agreement

AIT and Nisshin Transportation Co., Ltd. (hereinafter referred to as 'Nisshin') passed a resolution at their respective Board of Directors meetings held on October 10, 2018 for the share exchange (hereinafter referred to as the 'Share Exchange') having AIT as the sole parent company and Nisshin as the wholly owned subsidiary, and concluded the Share Exchange agreement (hereinafter referred to as the 'Agreement') between AIT and Nisshin as of the same date.

Accordingly, AIT requests approval of the Agreement.

The reason for concluding the Agreement and the details of it are as follows:

#### 1. The reason for conducting the Agreement

AIT is an integrated logistics company with wide-ranging logistics expertise including international transportation, customs clearance and third-party logistics business.

AIT specializes mainly in China-related business by having a suitable number of business bases along the Chinese coast from the establishment of us and provides a high-level transportation service and the rapid cargo-related information for our customers. AIT was registered as an Authorized Economic Operator by Japan Customs. AIT, as a company with high-level security and thorough compliance, targets the provision of highly convenient and world-class services in international transportation business.

Nisshin is a wholly owned subsidiary of Hitachi Transport System, Ltd. and is in charge of through transportation business in both exports and imports. It is especially proficient at such business with China. Nisshin is also in charge of transportation-related business such as needle detection, inspection and distribution processing work.

Hitachi Transport System, Ltd. was established as the subsidiary of Hitachi, Ltd. in charge of transportation for Hitachi, Ltd. and now provides a total logistics service covering land, marine and air transportation as the Hitachi Transport System, Ltd. group with its 95 consolidated subsidiaries.

AIT intends to expand marine transportation business between China and Japan to improve service quality for our customers by making Nisshin our wholly owned subsidiary.

#### 2. Content of Agreement

Content of Agreement is as follows:

#### Share Exchange Agreement (copy)

This Share Exchange Agreement (hereinafter referred to as 'Agreement') is entered into by and between AIT Corporation (hereinafter referred to as 'AIT') and Nisshin Transportation Co., Ltd. (hereinafter referred to as 'Nisshin') as of October 10, 2018 (hereinafter referred to as 'Execution Date').

#### Article 1. Share Exchange

Pursuant to the terms and conditions of this Agreement, AIT and Nisshin shall implement a share exchange, under which AIT is a sole parent company in the share exchange and

Nisshin is a wholly owned subsidiary company in the share exchange (hereinafter referred to as 'Share Exchange') and as a result AIT will acquire all issued and outstanding shares of Nisshin.

## Article 2. Trade Name and Address

### (1) AIT (a sole parent company)

Trade Name : AIT Corporation

Address : 1-6, Honmachi 2-chome, Chuo-ku, Osaka-shi

### (2) Nisshin (a wholly owned subsidiary company)

Trade Name : Nisshin Transportation Co., Ltd.

Address : 27-12, Nishikujo 1-chome, Konohana-ku, Osaka-shi

## Article 3. Shares Delivered upon the Share Exchange and Allotment of the Shares

1. Upon the Share Exchange, AIT shall deliver to the shareholders of Nisshin as of the time immediately prior to the acquisition by AIT of all issued and outstanding shares of Nisshin by virtue of the Share Exchange (hereinafter referred to as the 'Reference Time') shares of common stock of AIT in a number obtained by multiplying the total number of shares of common stock of Nisshin owned by the shareholders of Nisshin by 1.2 in exchange for shares of common stock of Nisshin owned by the shareholders of Nisshin.
2. Upon the Share Exchange, AIT shall allot to the shareholder of Nisshin as of the Reference Time 1.2 shares of common stock of AIT per share of common stock of Nisshin owned by the shareholder of Nisshin.
3. If any fraction of shares results from the calculation of shares of common stock delivered or allotted to the shareholder of Nisshin pursuant to the preceding two paragraphs, AIT shall handle such fraction in accordance with the provisions of Article 234 of the Companies Act and other relevant laws and regulations.

## Article 4. Amounts of Stated Capital and Reserves of AIT

The amount of stated capital, capital reserve and retained earnings reserve of AIT to be increased upon the Share Exchange shall be as follows:

(1) Stated capital 0 yen

(2) Capital reserve Minimum amount necessary to be increased in accordance with the related laws and regulations

(3) Retained earnings reserve 0 yen

## Article 5. Effective Date

The date on which the Share Exchange takes effect (hereinafter referred to as the 'Effective Date') shall be March 1, 2019. Provided, however, the Effective Date may be changed through consultation between AIT and Nisshin, if necessary in light of the progress in the process of the Share Exchange or for any other reason.

## Article 6. Approval at Meeting of Shareholders

Prior to the Effective Date, AIT and Nisshin shall hold their respective General Meeting of Shareholders and seek resolutions approving this Agreement and other matters necessary for the Share Exchange. Provided, however, the foregoing may be changed through consultation between AIT and Nisshin, if necessary in light of the progress in the process of the Share Exchange or for any other reason.

## Article 7. Duty of Due Care of Prudent Manager

1. Following the Execution Date through the Effective Date, AIT shall conduct its business and manage and administer its assets with the duty of care of a prudent manager in the ordinary course and scope of business in the same manner as before the Execution Date and shall not take any action which would materially affect, on a consolidated basis of AIT, the state of business, assets, liabilities, financial position, business results, cash flow, future business plans and conditions of the Share Exchange including the Share Exchange ratio (except such actions required by laws and regulations). AIT shall make all its subsidiaries act in the same manner as is described in Article 7-1.
2. Following the Execution Date through the Effective Date, Nisshin shall conduct its business and manage and administer its assets with the duty of care of a prudent manager in the ordinary course and scope of business in the same manner as before the Execution Date. Nisshin shall not take any action which would materially affect its and all of its affiliates' state of business, assets, liabilities, financial positions, business results, cash flows, future business plans and conditions of the Share Exchange including the Share Exchange ratio (except such actions required by laws and regulations). Nisshin shall make all its affiliates act in the same manner as is described in Article 7-2.

## Article 8. Distribution of Surplus

Following the Execution Date through the Effective Date, AIT and Nisshin shall not distribute their surplus except in the case agreed by a document.

## Article 9. Amendment to the Terms and Conditions of the Share Exchange and Termination of This Agreement

If any of the following events occurs during the period from the Execution Date through the Effective Date, AIT and Nisshin shall amend the terms and conditions of this Agreement or terminate this Agreement through consultation in good faith and with the consent of each other:

- (1) With respect to AIT or Nisshin, any event has occurred or has been found which has a material adverse effect on the financial position or business results.
- (2) Any material event has occurred or has been found which hinders the consummation of the Share Exchange (including but not limited to the termination of the Share Exchange by a cease and desist order of the Fair Trade Commission).
- (3) Such other events which make it difficult to achieve the purpose of this Agreement.

## Article 10. Effect of This Agreement

This agreement shall cease to be effective if any of the following events has occurred:

- (1) This Agreement is not approved at a shareholders' meeting of either AIT or Nisshin by the day immediately preceding the Effective Date.
- (2) Any approval which is necessary for the execution of this Agreement is not obtained from any competent authority, etc., pursuant to applicable laws and regulations (including but not limited to the case that the filing of the notification by AIT or Nisshin is not completed with any competent authority by the Effective Date pursuant to the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade).
- (3) Termination of this Agreement pursuant to Article 9.

## Article 11. Governing Law and Jurisdiction

1. This agreement shall be governed by, and construed in accordance with, the laws of Japan.
2. If any dispute arises in connection with the performance and interpretation of this Agreement, the Tokyo District Court shall be the court of first instance having exclusive jurisdiction over any such dispute.

#### Article 12. Consultation

Any matters not set forth in this Agreement shall be settled between AIT and Nisshin through consultation in good faith pursuant to the purpose of this Agreement.

IN WITNESS WHEREOF, this Agreement has been executed in duplicate by each of AIT and Nisshin affixing its name and seal, with each party to retain one copy.

October 10, 2018

AIT : Hidekazu Yagura (Seal)  
 President and Representative Director  
 AIT Corporation  
 1-6, Honmachi 2-chome, Chuo-ku,  
 Osaka-shi

Nisshin : Yasunori Sakamoto (Seal)  
 President and Representative Director  
 Nisshin Transportation Co., Ltd.  
 27-12, Nishikujo 1-chome, Konohana-ku,  
 Osaka-shi

#### **3. Outline of Consent of Matters Described in Article 193 (Except Paragraphs 5 and 6) of the Ordinance for Enforcement of the Companies Act.**

(1) Matters concerning the adequacy of consideration for the Share Exchange to the shareholders of Nisshin

① Allotment in the Share Exchange

	AIT (Sole Parent Company)	Nisshin (Wholly Owned Subsidiary Company)
Exchange Ratio in the Share Exchange	1	1.20

(Note 1) Ratio of allotment in the Share Exchange

1.2 share of common stock of AIT will be allotted to 1 shares of common stock of Nisshin.

(Note 2) The number of shares allotted by the Share Exchange

AIT shall allot 4,800,000 shares of common stock of AIT to Hitachi Transport System, Ltd., which is the sole parent company of Nisshin.

4,800,000 shares shall consist of 640,800 treasury shares and 4,159,200 shares newly issued.

② Basis of the Allotment in the Share Exchange, etc.

(A) Basis of and Reason for the Allotment

To secure fairness and validity in the analysis of the Share Exchange Ratio used in the Share Exchange (hereinafter referred to as the ‘Share Exchange Ratio’), it was decided that AIT would request an independent third party to analyze the Share Exchange Ratio and chose IR Japan, Inc. (‘IR Japan’) as the third-party financial advisor.

Considering financial positions, achievement trends, stock price trends, etc., of both AIT and Nisshin and the analysis of the Share Exchange Ratio by the third-party financial advisor, AIT, Nisshin and Hitachi Transport System, Ltd. proceeded with careful negotiations and discussions and finally reached the conclusion that the Share Exchange Ratio is reasonable, and we shall execute the Share Exchange at this Share Exchange Ratio.

(B) Matters Related to the Analysis

(i) Name of the Third-Party Financial Advisor and the Relations between AIT, Nisshin and Hitachi Transport System, Ltd.

IR Japan is not a related party of AIT, Nisshin or Hitachi Transport System, Ltd. and does not have any interest related to this Share Exchange to be shown in this document.

(ii) Summary of the Analysis

IR Japan performed an average share price analysis on the shares of AIT because it is listed on a Financial Instruments Exchange, as well as a discounted cash flow analysis (hereinafter referred to as ‘DCF’) to reflect the future business achievements.

An average share price analysis was performed considering such prices of shares of AIT in the 1<sup>st</sup> section of the Tokyo Stock Exchange as follows:

- a) Average daily closing price from Apr. 10, 2018 to Oct. 9, 2018.
- b) Average daily closing price from Jul. 10, 2018 to Oct. 9, 2018.
- c) Average daily closing price from Sept. 10, 2018 to Oct. 9, 2018.
- d) Average daily closing price from Oct. 2, 2018 to Oct. 9, 2018.
- e) Closing price on Oct. 9, 2018.

IR Japan performed a comparable companies analysis on the shares of Nisshin because it is not listed in the Financial Instruments Exchange, but there are a plurality of listed companies in charge of similar business, as well as DCF to reflect the future business achievements.

The ranges below show the value ratio brought by the following:

share price of Nisshin divided by share price of AIT.

Adopted Method		Results
AIT	Nisshin	
average share price analysis	comparable companies analysis	0.80 ~ 1.13
DCF	DCF	1.05 ~ 1.67

IR Japan has relied upon and assumes the accuracy and completeness of all information that was furnished by AIT and Nisshin or is publicly available and IR Japan has not independently verified such information, its accuracy or completeness. IR Japan has not independently evaluated and has not asked a third party to evaluate any assets or

liabilities (including contingent liabilities) of AIT, Nisshin or their affiliates. The Share Exchange Ratio analysis by IR Japan is based on such information and economic condition as of Oct. 9, 2018. The expected future financial conditions (including profit plans) are based on the best currently available estimates and judgments by the managements of AIT and Nisshin.

The business plans of AIT and Nisshin which IR Japan relied upon for the analysis of DCF do not include business years with significant profit fluctuations. The expected future financial conditions of AIT and Nisshin which IR Japan relied upon for the analysis of DCF do not include the execution of this Share Exchange.

(C) Measures to ensure fairness

In order to ensure fairness and validity of the decision of the number of AIT shares allotted to the shareholders of Nisshin, AIT chose IR Japan as the independent third-party financial advisor and requested them to evaluate the shares of Nisshin. AIT has not received from IR Japan a Fairness Opinion stating the validity of consideration for the Share Exchange to the shareholders of Nisshin.

(D) Measures to prevent conflict of interest

No measure is taken to prevent conflict of interest because none of the directors of AIT or Nisshin has been concurrently serving as a director of the other company.

(2) Matters concerning the adequacy of the amounts of AIT's capital stock and reserves to be increased upon the Share Exchange.

The amounts of AIT's capital stock, capital reserve and retained earnings reserve to be increased upon the Share Exchange is as follows. AIT considers that these amounts are reasonable because they are within the scope of laws and regulations and our capital policy.

Capital stock	0 yen
Capital reserve	The amount separately determined by AIT in accordance with Article 39 of the Ordinance on Accounting of Companies
Retained earnings reserve	0 yen

(3) Details of Financial Statements, etc., of Nisshin for the most recent fiscal year

Details of financial statements, etc., of Nisshin for the most recent fiscal year (from Apr. 1, 2017 to Mar. 31, 2018) is available on AIT's website (<http://www.ait-jp.com/>) in accordance with the laws and regulations and Article 14 of AIT's Article of Incorporation.

(4) Concerning AIT and Nisshin: Details of disposal of material property, incurrence of material liabilities and other events having a material effect on the state of company property that have occurred after the last day of the most recent fiscal year.

Not applicable.

**Item No.2 Election of 2 Directors**

Subject to the approval of Item No.1, it is proposed that 2 Directors be elected.

AIT has proposed the following 2 directors for election.

Subject to the approval, the following members shall be in the position as of March 1, 2019.

No.	Name (Date of Birth)	Brief Biography and Other Principal Positions Held	Share Ownership
1	<p><u>Newly appointed</u></p> <p>Takashi Jinguji (Oct. 13, 1955)</p>	<p>4/1979 Joined Hitachi Express &amp; Tokyo Monorail Co., Ltd. (Current Hitachi Transport System, Ltd.)</p> <p>4/2013 Senior Vice President and Executive Officer, Hitachi Transport System, Ltd. (Current Position)</p> <p>6/2015 President, VANTEC HTS FORWARDING, LTD. (Current Position)</p> <p>6/2016 Board Director, Hitachi Transport System, Ltd. (Current Position)</p>	Nil
【Reasons for nomination as a candidate for Director】			
		Mr. Takashi Jinguji was selected as a director nominee, since he is expected to strengthen the corporate governance and the functional aspects of the AIT Board of Directors through his advice on AIT's business brought from his rich experience and extensive knowledge gained through having been Senior Vice President and Executive Officer of Hitachi Transport System, Ltd. and President of VANTEC HTS FORWARDING, LTD.	
2	<p><u>Newly appointed</u></p> <p>Yasunori Sakamoto (Jan. 31, 1956)</p>	<p>4/1979 Joined Hitachi Express &amp; Tokyo Monorail Co., Ltd. (Current Hitachi Transport System, Ltd.)</p> <p>4/2013 Joined Nisshin Transportation Co., Ltd.</p> <p>6/2013 President, Nisshin Transportation Co., Ltd. (Current Position)</p>	Nil
【Reasons for nomination as a candidate for Director】			
		Mr. Yasunori Sakamoto was selected as a director nominee, since he has rich experience and extensive knowledge on transportation business gained through working for Hitachi Transport System, Ltd. and being President of Nisshin Transportation Co., Ltd.	

(Note) No special interests exist between AIT and any of the above candidates.