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Securities Code: 8098

June 8, 2020

To our shareholders:

Katsutaro Inabata  
President  
**Inabata & Co., Ltd.**  
1-15-14 Minami-semba, Chuo-ku,  
Osaka

## Notice of Convocation of the 159th Ordinary General Meeting of Shareholders

This is to notify you of the 159th Ordinary General Meeting of Shareholders of Inabata & Co., Ltd. (the “Company”), which will be held as indicated below.

**You may exercise your voting rights in writing or via the internet, etc. Please review the attached Reference Materials for the General Meeting of Shareholders, and exercise your voting rights by 5:10 p.m. on Monday, June 22, 2020 (JST).**

### Details

1. **Date and Time:** Tuesday, June 23, 2020, at 10:00 a.m.
2. **Place:** Conference room, 9th floor of the Company, Sakaisuji Inabata Bldg.  
1-15-14 Minami-semba, Chuo-ku, Osaka  
\* The Company will guide you to a second venue within the Company if the 9th floor conference room reaches capacity. We appreciate your understanding in this matter.
3. **Objectives:**
  - Items to be reported**
    1. The Business Report and the Consolidated Financial Statements for the 159th fiscal year (from April 1, 2019 to March 31, 2020), and the results of audits of the Consolidated Financial Statements by the accounting auditor and the audit & supervisory board
    2. The Financial Statements for the 159th fiscal year (from April 1, 2019 to March 31, 2020)

### Items to be resolved

- Proposal 1:** Partial amendments to the articles of incorporation
- Proposal 2:** Election of ten (10) directors
- Proposal 3:** Election of two (2) audit & supervisory board members
- Proposal 4:** Election of one (1) substitute audit & supervisory board member

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- ⊙ When you attend the meeting, you are kindly requested to present the enclosed Voting Right Exercise Form at the reception of the meeting.
  - ⊙ The Consolidated Financial Statements and the Financial Statements provided in the attached documents to this Notice of Convocation form part of the Consolidated Financial Statements and the Financial Statements audited by the audit & supervisory board members and the accounting auditor. Pursuant to the laws and regulations and article 15 of the Company's articles of incorporation, Notes on the Consolidated Financial Statements and Notes on the Financial Statements are posted on the Company's website and are not provided in the attached documents to this Notice of Convocation.
  - ⊙ If it becomes necessary to make changes to the Reference Materials for the General Meeting of Shareholders, the Business Report, the Consolidated Financial Statements and the Financial Statements prior to the day before the meeting, we will notify you of the changes either by postal mail or via the Company's website.
  - ⊙ The Company shall post the contents of resolutions of this general meeting on the Company's website instead of sending written notice of resolutions. We appreciate your understanding in this matter.
    - \* The Company's website: <https://www.inabata.co.jp>

## Reference Materials for the General Meeting of Shareholders

### Proposal 1: Partial amendments to the articles of incorporation

#### 1. Reasons for the amendments

- (1) Based on its current status of businesses, the Company proposes adding additional business purposes to and deleting business purposes which are not currently pertinent from article 2 (purpose) of the current articles of incorporation in order to clarify the details of businesses and reflect the diversification of businesses.
- (2) The Company also proposes newly establishing a provision limiting rights regarding shares less than one unit (proposed amendment article 8) in order to clarify rights which are able to be exercised regarding shares less than one unit.
- (3) The Company also proposes partially amending article 31 (Exemption of directors from liability) of the current articles of incorporation so that it can enter into an agreement with directors who are not executive directors, etc. to limit their liability so that it may attract effective and diverse personnel, and construct an environment for them to sufficiently fulfill the role expected of them.  
Consent has been obtained from each Audit & Supervisory Board Member for the amendment to the articles of incorporation.
- (4) The article numbers will also be amended to correspond with the above amendments.

#### 2. Details of the amendments

Details of the amendments are as follows:

(Amendments are underlined)

Current articles of incorporation	Proposed amendments
Article 1. (Omitted)	Article 1. (Unchanged)
(Purpose)	(Purpose)
Article 2.	Article 2.
The purpose of the Company shall be to engage in the following business activities:	(Unchanged)
1. – 19. (Omitted)	1. – 19. (Unchanged)
<u>20. Iron recycling</u>	<del>(Deleted)</del>
(Newly established)	<u>20. Agriculture</u>

Current articles of incorporation	Proposed amendments
<p>(Newly established)</p> <p><u>21.</u> Operations incidental to those mentioned in the preceding items</p>	<p><u>21. Business related to electricity generation and supply</u></p> <p><u>22.</u> (Unchanged)</p>
<p>Articles 3. – 7. (Omitted)</p>	<p>Articles 3. – 7. (Unchanged)</p>
<p>(Newly established)</p>	<p><u>(Rights regarding shares less than one unit)</u></p> <p><u>Article 8.</u></p> <p><u>A shareholder of the Company may not exercise any rights other than the rights listed below with regard to shares less than one unit held by the shareholder:</u></p> <p><u>(1) Rights set forth in items of article 189, paragraph 2 of the Companies Act;</u></p> <p><u>(2) Right to make a demand pursuant to the provisions of article 166, paragraph 1 of the Companies Act;</u></p> <p><u>(3) Right to receive an allotment of offered shares and offered share acquisition rights in proportion to the number of shares held by the shareholder; and</u></p> <p><u>(4) Right to make a demand as provided for in the following Article.</u></p>
<p>Articles <u>8.</u> – <u>30.</u> (Omitted)</p>	<p>Articles <u>9.</u> – <u>31.</u> (Unchanged)</p>
<p>(Exemption of directors from liability)</p> <p>Article <u>31.</u></p> <p>Pursuant to the provisions of article 427, paragraph 1 of the Companies Act, the Company may enter into an agreement with <u>an outside director</u> limiting his/her liability for damages arising from neglecting his/her duties. However, pursuant to this agreement, the Company shall set the defined maximum amount of liability at the minimum liability amount provided for under article 425, paragraph 1 of the Companies Act.</p>	<p>(Exemption of directors from liability)</p> <p>Article <u>32.</u></p> <p>Pursuant to the provisions of article 427, paragraph 1 of the Companies Act, the Company may enter into an agreement with <u>a director who is not an executive director, etc.</u> limiting his/her liability for damages arising from neglecting his/her duties. However, pursuant to this agreement, the Company shall set the defined maximum amount of liability at the minimum liability amount provided for under article 425, paragraph 1 of the Companies Act.</p>
<p>Articles <u>32.</u> – <u>49.</u> (Omitted)</p>	<p>Articles <u>33.</u> – <u>50.</u> (Unchanged)</p>

**Proposal 2:** Election of ten (10) directors

The term of office of all the nine (9) directors will expire at the conclusion of this general meeting of shareholders.

In that regard, the Company proposes the election of ten (10) directors, increasing the number of positions by one to enhance the management system.

The candidates for director are as follows:

No.	Name (Date of birth)	Brief career summary, positions and responsibilities in the Company	Significant concurrent positions at other organizations
1	<p data-bbox="300 443 496 510">Katsutaro Inabata (December 3, 1959)</p> <p data-bbox="320 546 475 577">Reappointment</p> <p data-bbox="272 689 523 790">No. of Company shares owned 77,000</p> <p data-bbox="272 846 523 981">Attendance at meetings of the board of directors 16 of 16 (100%)</p>	<p data-bbox="539 371 1123 667">Jan. 1989    Joined the Company Jun. 1995    Director of the Company Jun. 1997    Managing Director of the Company Jun. 2003    Director and Managing Executive Officer of the Company Apr. 2005    Director and Senior Managing Executive Officer of the Company Dec. 2005    Director and President of the Company (present)</p> <p data-bbox="539 678 1150 958">[Reason for nomination as a candidate for director] Since being appointed as director in 1995, Mr. Katsutaro Inabata has served as managing director, director and managing executive officer, and director and senior managing executive officer. Since 2005, he has been director and president of the Company. He has managed the Company for many years and possesses abundant experience as a member of the management, so the Company considers him suitably qualified as a director of the Company and has nominated him once more as a candidate for director.</p>	-

No.	Name (Date of birth)	Brief career summary, positions and responsibilities in the Company	Significant concurrent positions at other organizations				
2	<p style="text-align: center;">Toyohiro Akao (December 19, 1959)</p> <p style="text-align: center;">Reappointment</p> <table border="1" style="width: 100%; margin-top: 10px;"> <tr> <td style="text-align: center;">No. of Company shares owned</td> </tr> <tr> <td style="text-align: center;">16,200</td> </tr> </table> <table border="1" style="width: 100%; margin-top: 10px;"> <tr> <td style="text-align: center;">Attendance at meetings of the board of directors</td> </tr> <tr> <td style="text-align: center;">16 of 16 (100%)</td> </tr> </table>	No. of Company shares owned	16,200	Attendance at meetings of the board of directors	16 of 16 (100%)	<p>Apr. 1982    Joined the Company</p> <p>Jun. 2004    General Manager, Display &amp; Imaging Division of the Company</p> <p>Jun. 2005    Executive Officer of the Company</p> <p>Jun. 2010    Director and Executive Officer of the Company</p> <p>Apr. 2011    General Manager, Electronics Materials &amp; Equipment Division of the Company</p> <p>Apr. 2012    General Manager, Information &amp; Electronics Division I, Information &amp; Electronics Division II and Information &amp; Electronics Division III of the Company</p> <p>Apr. 2013    In charge of Information &amp; Electronics Division I, Information &amp; Electronics Division II and Information &amp; Electronics Division III of the Company</p> <p>Jun. 2013    Director and Managing Executive Officer of the Company</p> <p>Jun. 2014    In charge of Chemicals Division and Life Industry Division of the Company</p> <p>Jun. 2015    Director and Senior Managing Executive Officer of the Company (present)</p> <p>Apr. 2016    In charge of information &amp; electronics, life industry segments, the Americas and Europe of the Company (present) In charge of chemicals segment of the Company</p> <p>[Reason for nomination as a candidate for director] Mr. Toyohiro Akao has held positions of responsibility in the information &amp; electronics segment, one of the Company's main segments, for many years. Following his appointment as director in 2010 as a member of the management, he has served as director and managing executive officer, and since 2015 he has been a director and senior managing executive officer, and is in charge of the information &amp; electronics and life industry segments. He possesses abundant experience as a member of the management within the Company, so the Company considers him suitably qualified as a director of the Company and has nominated him once more as a candidate for director.</p>	<p>Director, Inabata Fine Tech &amp; Co., Ltd.</p>
No. of Company shares owned							
16,200							
Attendance at meetings of the board of directors							
16 of 16 (100%)							

No.	Name (Date of birth)	Brief career summary, positions and responsibilities in the Company	Significant concurrent positions at other organizations
3	<p style="text-align: center;">Kenichi Yokota (November 3, 1962)</p> <div style="border: 1px solid black; padding: 2px; width: fit-content; margin: 5px auto;">Reappointment</div> <div style="border: 1px solid black; padding: 2px; width: fit-content; margin: 5px auto; margin-top: 20px;">No. of Company shares owned</div> <p style="text-align: center;">12,200</p> <div style="border: 1px solid black; padding: 2px; width: fit-content; margin: 5px auto; margin-top: 10px;">Attendance at meetings of the board of directors</div> <p style="text-align: center;">16 of 16 (100%)</p>	<p>Jul. 1996      Joined the Company</p> <p>Jul. 2004      General Manager, Finance and Accounting Office of the Company</p> <p>Jun. 2005      Executive Officer of the Company</p> <p>Jun. 2008      Director and Executive Officer of the Company</p> <p>                    General Manager, Corporate Planning Office of the Company</p> <p>May 2009      In charge of Internal Audit Office of the Company</p> <p>Jun. 2009      General Manager, Financial Management Office of the Company</p> <p>Apr. 2011      Deputy General Manager, Corporate Planning Office of the Company</p> <p>Apr. 2013      In charge of Financial Management Office, and Deputy General Manager, International Affiliate Management Office of the Company</p> <p>Jun. 2013      In charge of Risk Management Office of the Company</p> <p>Jun. 2014      Director and Managing Executive Officer of the Company</p> <p>                    In charge of Business Process Management Office of the Company</p> <p>Apr. 2016      In charge of financial management, investor relations, business process management, risk management, international affiliate management of the Company (present)</p> <p>Jun. 2016      In charge of general affairs and information technology of the Company (present)</p> <p>Jun. 2017      Director and Senior Managing Executive Officer of the Company (present)</p> <p>[Reason for nomination as a candidate for director] Mr. Kenichi Yokota has professional experience as a certified public accountant and after joining the Company, he has primarily held positions of responsibility in the Company's financial management for many years. Following his appointment as director in 2008 as a member of the management, he has served as director and managing executive officer, and since 2017, he has been director and senior managing executive officer, and is in charge of administrative areas such as general affairs, information technology, financial management, investor relations, business process management, and risk management. He possesses abundant experience as a member of the management within the Company, so the Company considers him suitably qualified as a director of the Company and has nominated him once more as a candidate for director.</p>	—



No.	Name (Date of birth)	Brief career summary, positions and responsibilities in the Company	Significant concurrent positions at other organizations				
4	<p data-bbox="320 443 475 510">Tomohiko Sato (June 22, 1955)</p> <p data-bbox="320 544 475 577">Reappointment</p> <table border="1" data-bbox="272 994 523 1095"> <tr> <td data-bbox="272 994 523 1061">No. of Company shares owned</td> </tr> <tr> <td data-bbox="272 1061 523 1095" style="text-align: center;">23,500</td> </tr> </table> <table border="1" data-bbox="272 1126 523 1261"> <tr> <td data-bbox="272 1126 523 1216">Attendance at meetings of the board of directors</td> </tr> <tr> <td data-bbox="272 1216 523 1261" style="text-align: center;">16 of 16 (100%)</td> </tr> </table>	No. of Company shares owned	23,500	Attendance at meetings of the board of directors	16 of 16 (100%)	<p data-bbox="531 371 1158 887"> Apr. 1978    Joined the Company  Jun. 2010    General Manager, Housing &amp; Eco Materials  Division of the Company  Jun. 2012    Executive Officer of the Company  Jun. 2013    Director and Executive Officer of the  Company  Jun. 2015    Director and Managing Executive Officer of  the Company (present)  In charge of Plastics Division II and Housing  &amp; Eco Materials Division of the Company  Apr. 2016    In charge of housing &amp; eco materials segment,  plastics segment (assisting) of the Company  Jun. 2016    In charge of human resources of the Company  (present)  Oct. 2017    In charge of chemicals segment of the  Company (present) </p> <p data-bbox="531 898 1158 1200"> [Reason for nomination as a candidate for director]  Mr. Tomohiko Sato has held positions of responsibility in the  Company's housing &amp; eco materials segment for many years.  Following his appointment as director in 2013 as a member of  the management, since 2015 he has been director and  managing executive officer, and is in charge of the chemicals  segment and human resources. He possesses abundant  experience as a member of the management within the  Company, so the Company considers him suitably qualified as  a director of the Company and has nominated him once more  as a candidate for director. </p>	-
No. of Company shares owned							
23,500							
Attendance at meetings of the board of directors							
16 of 16 (100%)							

No.	Name (Date of birth)	Brief career summary, positions and responsibilities in the Company	Significant concurrent positions at other organizations
5	<p data-bbox="300 443 496 510">Masahiro Sugiyama (June 15, 1958)</p> <p data-bbox="320 546 475 577">Reappointment</p> <p data-bbox="316 658 480 725">No. of Company shares owned 8,100</p> <p data-bbox="280 853 515 920">Attendance at meetings of the board of directors 15 of 16 (94%)</p>	<p data-bbox="539 371 1150 763"> Jul. 2002      Joined the Company  Jun. 2010      Executive Officer of the Company                      General Manager, Plastics Division II of the                      Company  Apr. 2014      General Manager, Information &amp; Electronics                      Division I of the Company  Jun. 2016      Director and Executive Officer of the                      Company  Jun. 2018      Director and Managing Executive Officer of                      the Company (present)                      In charge of information &amp; electronics segment                      (assisting), Northeast Asia of the Company                      (present) </p> <p data-bbox="539 779 1150 1111"> [Reason for nomination as a candidate for director]  Mr. Masahiro Sugiyama has held positions of responsibility in  the plastics segment and the information &amp; electronics  segment, both of which are major segments for the Company.  Following his appointment as director in 2016 as a member of  the management, since 2018 he has been director and  managing executive officer, and is in charge of the information  &amp; electronics segment. He possesses abundant experience as a  member of the management within the Company, so the  Company considers him suitably qualified as a director of the  Company and has nominated him once more as a candidate for  director. </p>	<p data-bbox="1166 371 1398 450">Director, Taiwan Inabata Sangyo Co., Ltd.</p>

No.	Name (Date of birth)	Brief career summary, positions and responsibilities in the Company	Significant concurrent positions at other organizations				
6	<p data-bbox="312 450 483 510">Noriomi Yasue (March 13, 1957)</p> <p data-bbox="320 551 475 580">Reappointment</p> <table border="1" data-bbox="272 651 523 752"> <tr> <td data-bbox="312 658 483 712">No. of Company shares owned</td> </tr> <tr> <td data-bbox="363 723 435 752">2,500</td> </tr> </table> <table border="1" data-bbox="272 786 523 887"> <tr> <td data-bbox="280 792 515 846">Attendance at meetings of the board of directors</td> </tr> <tr> <td data-bbox="320 857 475 887">14 of 16 (88%)</td> </tr> </table>	No. of Company shares owned	2,500	Attendance at meetings of the board of directors	14 of 16 (88%)	<p data-bbox="539 371 1150 835"> Apr. 1980    Joined the Company  Apr. 2013    General Manager, Plastics Division I of the Company  Apr. 2014    General Manager, Plastics Compound Business Office of the Company  Jun. 2014    Executive Officer of the Company  Jun. 2017    Director and Executive Officer of the Company  In charge of Asia of the Company  In charge of plastics segment of the Company (present)  Jun. 2018    Director and Managing Executive Officer of the Company (present)  In charge of Southeast Asia of the Company (present) </p> <p data-bbox="539 846 1134 1178"> [Reason for nomination as a candidate for director]  Mr. Noriomi Yasue has held positions of responsibility in the plastics segment, one of the Company's main segments, for many years. As a member of the management, he has experience as president of domestic and overseas group companies. Following his appointment as director of the Company in 2017, since 2018 he has been director and managing executive officer, and is in charge of plastics segment. He possesses abundant experience as a member of the management within the Company, so the Company considers him suitably qualified as a director of the Company and has nominated him once more as a candidate for director. </p>	-
No. of Company shares owned							
2,500							
Attendance at meetings of the board of directors							
14 of 16 (88%)							

No.	Name (Date of birth)	Brief career summary, positions and responsibilities in the Company	Significant concurrent positions at other organizations				
7	<p data-bbox="304 443 491 506">Toshihisa Deguchi (January 28, 1952)</p> <p data-bbox="320 546 475 577">Reappointment</p> <table border="1" data-bbox="272 667 523 770"> <tr> <td data-bbox="312 674 483 730">No. of Company shares owned</td> </tr> <tr> <td data-bbox="384 734 411 763">0</td> </tr> </table> <table border="1" data-bbox="272 797 523 900"> <tr> <td data-bbox="280 804 515 860">Attendance at meetings of the board of directors</td> </tr> <tr> <td data-bbox="312 864 483 893">13 of 13 (100%)</td> </tr> </table>	No. of Company shares owned	0	Attendance at meetings of the board of directors	13 of 13 (100%)	<p data-bbox="539 367 639 396">Mar. 1990</p> <p data-bbox="687 367 1050 396">Joined Sumitomo Chemical Co., Ltd.</p> <p data-bbox="539 405 639 434">Apr. 2006</p> <p data-bbox="687 405 1118 461">Executive Officer, Sumitomo Chemical Co., Ltd.</p> <p data-bbox="539 470 639 499">Apr. 2009</p> <p data-bbox="687 470 1078 526">Managing Executive Officer, Sumitomo Chemical Co., Ltd.</p> <p data-bbox="539 535 639 564">Jun. 2011</p> <p data-bbox="687 535 1118 613">Representative Director and Managing Executive Officer, Sumitomo Chemical Co., Ltd.</p> <p data-bbox="539 622 639 651">Apr. 2012</p> <p data-bbox="687 622 1134 701">Representative Director and Senior Managing Executive Officer, Sumitomo Chemical Co., Ltd.</p> <p data-bbox="539 710 639 739">Apr. 2017</p> <p data-bbox="687 710 1110 766">Representative Director and Executive Vice President, Sumitomo Chemical Co., Ltd.</p> <p data-bbox="539 775 639 804">Apr. 2019</p> <p data-bbox="687 775 1070 804">Director, Sumitomo Chemical Co., Ltd.</p> <p data-bbox="539 813 639 842">Jun. 2019</p> <p data-bbox="687 813 1142 869">Special Advisor, Sumitomo Chemical Co., Ltd. (present)</p> <p data-bbox="539 855 639 884">Jun. 2019</p> <p data-bbox="687 855 1142 911">Outside Director, Sumitomo Bakelite Co., Ltd. (present)</p> <p data-bbox="539 920 639 949">Jun. 2019</p> <p data-bbox="687 920 1102 949">Outside Director of the Company (present)</p> <p data-bbox="539 958 1142 1178">[Reason for nomination as a candidate for director] Mr. Toshihisa Deguchi possesses abundant experience as a member of the management of a general chemicals manufacturer and holds extensive knowledge of the chemicals industry, so the Company considers him suitably qualified as a director of the Company and has nominated him as a candidate for director.</p>	<p data-bbox="1166 367 1366 450">Special Advisor, Sumitomo Chemical Co., Ltd.</p> <p data-bbox="1166 481 1350 564">Outside Director, Sumitomo Bakelite Co., Ltd.</p>
No. of Company shares owned							
0							
Attendance at meetings of the board of directors							
13 of 13 (100%)							

No.	Name (Date of birth)	Brief career summary, positions and responsibilities in the Company	Significant concurrent positions at other organizations
8	<p>Toshiyuki Kanisawa (November 23, 1948)</p> <p><u>Reappointment</u></p> <p>Candidate for outside director</p> <p><u>Independent officer</u></p> <p>No. of Company shares owned</p> <p>0</p> <p>Attendance at meetings of the board of directors</p> <p>16 of 16 (100%)</p>	<p>Apr. 1972    Joined Tokyo Gas Co., Ltd.</p> <p>Jun. 2003    Executive Officer, Tokyo Gas Co., Ltd.</p> <p>Apr. 2006    Senior Executive Officer, Tokyo Gas Co., Ltd.</p> <p>Jun. 2007    Director, Senior Executive Officer, Tokyo Gas Co., Ltd.</p> <p>Apr. 2010    Representative Director, Executive Vice President, Tokyo Gas Co., Ltd.</p> <p>Apr. 2012    Director, Tokyo Gas Co., Ltd.</p> <p>Jun. 2012    Counselor, Tokyo Gas Co., Ltd.</p> <p>Jun. 2012    Vice Chairperson, The Japan Gas Association</p> <p>Jun. 2017    Outside Director of the Company (present)</p> <p>Apr. 2018    Consulting retiree, Tokyo Gas Co., Ltd. (present)</p> <p>[Reason for nomination as a candidate for outside director] Mr. Toshiyuki Kanisawa has abundant experience and extensive knowledge as a member of the management of Japan's largest city gas company and a leading company in the energy sector. He has provided appropriate advice to the board of directors from an objective perspective, and has sufficiently fulfilled the role that the Company expects of an outside director. Based on the above, the Company considers him suitably qualified as an outside director of the Company and has nominated him once more as a candidate for outside director.</p> <p>[Tenure as outside director] Three years (at the conclusion of this general meeting)</p>	<p>Consulting retiree, Tokyo Gas Co., Ltd.</p>

No.	Name (Date of birth)	Brief career summary, positions and responsibilities in the Company	Significant concurrent positions at other organizations
9	<p data-bbox="325 450 470 510">Kiyoshi Sato (April 2, 1956)</p> <p data-bbox="325 551 470 580">Reappointment</p> <p data-bbox="325 600 470 660">Candidate for outside director</p> <p data-bbox="301 696 494 725">Independent officer</p> <p data-bbox="316 954 480 1014">No. of Company shares owned</p> <p data-bbox="389 1021 406 1050">0</p> <p data-bbox="280 1086 515 1146">Attendance at meetings of the board of directors</p> <p data-bbox="320 1153 475 1182">13 of 13 (100%)</p>	<p data-bbox="539 376 1150 797"> Apr. 1979    Joined Tokyo Electron Ltd.  Jun. 2003    President and CEO, Tokyo Electron Ltd.  Apr. 2009    Vice Chairman of the Board, Tokyo Electron Ltd.  Jun. 2011    Chairman, Tokyo Electron Europe Ltd.  Nov. 2013    President, TEL Solar AG  Jun. 2017    Outside Director, Toshiba Machine Co., Ltd. (currently SHIBAURA MACHINE CO., LTD.) (present)  Jun. 2019    Outside Director of the Company (present)  Jun. 2019    Outside Director, Mazda Motor Corporation (present) </p> <p data-bbox="539 808 1142 1178"> [Reason for nomination as a candidate for outside director]  Mr. Kiyoshi Sato has global and abundant experience and extensive knowledge as a member of the management of Japan's leading company of manufacturing equipment for semiconductors and flat panel displays. He has provided appropriate advice to the board of directors from an objective perspective, and has sufficiently fulfilled the role that the Company expects of an outside director. Based on the above, the Company considers him suitably qualified as an outside director of the Company and has nominated him once more as a candidate for outside director.  [Tenure as outside director] One year  (at the conclusion of this general meeting) </p>	<p data-bbox="1166 376 1398 456">Outside Director, SHIBAURA MACHINE CO., LTD.</p> <p data-bbox="1166 488 1334 568">Outside Director, Mazda Motor Corporation</p>

No.	Name (Date of birth)	Brief career summary, positions and responsibilities in the Company	Significant concurrent positions at other organizations
10	Kenji Hamashima (January 3, 1959)  <div style="border: 1px solid black; padding: 2px; width: fit-content; margin: 5px auto;">New candidate</div> <div style="border: 1px solid black; padding: 2px; width: fit-content; margin: 5px auto;">Candidate for outside director</div> <div style="border: 1px solid black; padding: 2px; width: fit-content; margin: 5px auto;">Independent officer</div>  <div style="border: 1px solid black; padding: 2px; width: fit-content; margin: 5px auto;">No. of Company shares owned</div> <div style="border: 1px solid black; padding: 2px; width: fit-content; margin: 5px auto; text-align: center;">0</div>	Apr. 1982    Joined USHIO INC. Apr. 1999    President and Chief Executive Officer, USHIO AMERICA, INC. Nov. 2000    Chairman and Chief Executive Officer, CHRISTIE DIGITAL SYSTEMS USA, INC. Chairman and Chief Executive Officer, CHRISTIE DIGITAL SYSTEMS CANADA, INC. Apr. 2004    Group Senior Executive Officer, USHIO INC. Apr. 2007    Group Managing Executive Officer, USHIO INC. Jun. 2010    Director and Senior Managing Executive Officer, USHIO INC. Apr. 2014    Representative Director and Senior Executive Vice President, USHIO INC. Oct. 2014    President and Chief Executive Officer, USHIO INC. Apr. 2019    Corporate Adviser, USHIO INC. Apr. 2020    Special Adviser, USHIO INC. (present) [Reason for nomination as a candidate for outside director] Mr. Kenji Hamashima has global and abundant experience and extensive knowledge as a member of the management of a manufacturer which produced applied optics products such as industrial light sources, and industrial machinery. The Company expects that he will provide appropriate advice to the board of directors from an objective perspective, and believes that he will sufficiently fulfill the role of outside director. Based on the above, the Company considers him suitably qualified as an outside director of the Company and has nominated him as a candidate for outside director.	Special Adviser, USHIO INC.

- (Notes) 1. There are no special interests between the candidates and the Company.
2. Mr. Kenji Hamashima is a new candidate for director.
  3. Messrs. Toshiyuki Kanisawa, Kiyoshi Sato and Kenji Hamashima are candidates for outside director.
  4. The Company designates Messrs. Toshiyuki Kanisawa, Kiyoshi Sato and Kenji Hamashima as independent officers under the provisions of the Tokyo Stock Exchange, Inc., and submits as such accordingly. When the reelection of Messrs. Toshiyuki Kanisawa and Kiyoshi Sato is approved, they are scheduled to be independent officers continuously. As for Mr. Kenji Hamashima, if his election is approved, he is scheduled to be an independent officer. Each one of them meets the independence criteria set out in the Company's Criteria for Independence of Outside Officers.
  5. The Company has entered into agreements with Messrs. Toshihisa Deguchi, Toshiyuki Kanisawa and Kiyoshi Sato to limit their liability for damages under article 423, paragraph 1 of the Companies Act. If their reelection is approved, the Company plans to renew the respective agreements with each of them. Pursuant to these agreements, the Company shall set the defined maximum amount of liability for damages, if they have acted in good faith and without gross negligence in performing their duties, at the minimum liability amount provided for under article 425, paragraph 1 of the Companies Act. In addition, if the election of Mr. Kenji Hamashima is approved, the Company plans to enter into the same agreement with him.
  6. "No. of Company shares owned" is current as of March 31, 2020.
  7. "Attendance at meetings of the board of directors" for Messrs. Toshihisa Deguchi and Kiyoshi Sato is the number of meetings of the board of directors held since they were appointed on June 25, 2019.

Proposal 3: Election of two (2) audit & supervisory board members

The term of office of the audit & supervisory board member Shinji Morimoto will expire at the conclusion of this general meeting of shareholders.

In that regard, the Company proposes the election of two (2) audit & supervisory board members, increasing the number of positions by one to strengthen and enhance the audit system.

Prior consent to this proposal has been obtained from the audit & supervisory board.

The candidates for audit & supervisory board member are as follows:

No.	Name (Date of birth)	Brief career summary and position in the Company	Significant concurrent positions at other organizations
1	<p data-bbox="316 913 480 981">Nobukazu Kuboi (May 26, 1962)</p> <p data-bbox="323 1070 472 1104">New candidate</p> <p data-bbox="316 1171 480 1272">No. of Company shares owned 1,500</p>	<p data-bbox="539 846 890 880">Jul. 2001      Joined the Company</p> <p data-bbox="539 887 1094 943">Apr. 2013      General Manager, Financial Management Office of the Company (present)</p> <p data-bbox="539 949 1118 983">Jun. 2017      Executive Officer of the Company (present)</p> <p data-bbox="539 990 1142 1046">[Reason for nomination as a candidate for audit &amp; supervisory board member]</p> <p data-bbox="539 1052 1150 1288">Mr. Nobukazu Kuboi has professional experience as a certified public accountant and after joining the Company, he has held positions of responsibility in the Company's financial management for many years. He also has experience working in the fields of internal controls, compliance, and governance, so the Company has determined that his wide-ranging knowledge and insight would enable him to carry out objective, proactive, and fair audits and has nominated him as a candidate for audit &amp; supervisory board member.</p>	-



No.	Name (Date of birth)	Brief career summary and position in the Company	Significant concurrent positions at other organizations
2	<p>Satoshi Tamai (June 12, 1960)</p> <p><u>New candidate</u></p> <p>Candidate for outside audit &amp; supervisory board member</p> <p><u>Independent officer</u></p> <p>No. of Company shares owned</p> <p>0</p>	<p>Apr. 1984    Joined SUMITOMO CORPORATION</p> <p>Jun. 1990    Retired from SUMITOMO CORPORATION</p> <p>Oct. 1991    Joined Century Audit Corporation (present Ernst &amp; Young ShinNihon LLC)</p> <p>Mar. 1995    Registered as certified public accountant</p> <p>May 2007    Representative Partner, Century Audit Corporation</p> <p>Jun. 2017    Retired from Century Audit Corporation</p> <p>Jul. 2017    Representative, Satoshi Tamai Certified Public Accountant Office (present)</p> <p>Oct. 2017    Adviser, accrea Inc. (present)</p> <p>Mar. 2018    Outside Auditor, Toho Lamac Co., Ltd. (present)</p> <p>[Reason for nomination as a candidate for outside audit &amp; supervisory board member] Mr. Satoshi Tamai, though never having been directly involved in corporate management in any form other than as outside officer, is a qualified certified public accountant and he has experience working in a large trading company, so the Company has determined that his wide-ranging knowledge and insight would enable him to carry out objective, proactive, and fair audits and has nominated him as a candidate for outside audit &amp; supervisory board member.</p>	<p>Outside Auditor, Toho Lamac Co., Ltd.</p>

(Notes) 1. There are no special interests between the candidates and the Company.

2. Messrs. Nobukazu Kuboi and Satoshi Tamai are new candidates for audit & supervisory board member.
3. Mr. Satoshi Tamai is a candidate for outside audit & supervisory board member.
4. The Company designates Mr. Satoshi Tamai as an independent officer under the provisions of the Tokyo Stock Exchange, Inc., and submits as such accordingly. If his election is approved, he is scheduled to be an independent officer. He meets the independence criteria set out in the Company's Criteria for Independence of Outside Officers.
5. If the election of Mr. Satoshi Tamai is approved, the Company plans to enter into an agreement with him to limit his liability for damages under article 423, paragraph 1 of the Companies Act. Pursuant to this agreement, the Company shall set the defined maximum amount of liability for damages, if he has acted in good faith and without gross negligence in performing his duties, at the minimum liability amount provided for under article 425, paragraph 1 of the Companies Act.
6. "No. of Company shares owned" is current as of March 31, 2020.

Proposal 4: Election of one (1) substitute audit & supervisory board member

The Company proposes the election of one (1) candidate as substitute for audit & supervisory board member in advance to be ready to fill a vacant position should the number of audit & supervisory board members fall below the number required by laws and regulations and the articles of incorporation.

Furthermore, prior consent to this proposal has been obtained from the audit & supervisory board.

The candidate for substitute audit & supervisory board member is as follows:

Name (Date of birth)	Brief career summary	Significant concurrent positions at other organizations
<p data-bbox="284 913 435 976">Toru Muranaka (June 3, 1965)</p> <p data-bbox="245 1055 475 1189">Candidate for substitute outside audit &amp; supervisory board member</p> <p data-bbox="264 1227 456 1256">Independent officer</p> <p data-bbox="277 1352 443 1406">No. of Company shares owned</p> <p data-bbox="352 1420 368 1442">0</p>	<p data-bbox="501 846 874 869">Apr. 1995 Registered as Attorney</p> <p data-bbox="501 882 1062 904">Nov. 2007 Partner, Daiichi Law Office, P.C. (present)</p> <p data-bbox="501 918 1094 972">May 2014 Outside Audit &amp; Supervisory Board Member, Furuno Electric Co., Ltd. (present)</p> <p data-bbox="501 985 1094 1039">Jun. 2015 Outside Audit &amp; Supervisory Board Member, Suzuken Co., Ltd. (present)</p> <p data-bbox="501 1052 1094 1075">Jun. 2016 Outside Director, Capcom Co., Ltd. (present)</p> <p data-bbox="501 1088 1082 1137">[Reason for nomination as a candidate for substitute outside audit &amp; supervisory board member]</p> <p data-bbox="501 1151 1114 1330">Mr. Toru Muranaka, though never having been directly involved in corporate management in any form other than as outside officer, is a qualified attorney, so the Company has determined that his wide-ranging knowledge and insight would enable him to carry out objective, proactive, and fair audits and has nominated him as a candidate for substitute outside audit &amp; supervisory board member.</p>	<p data-bbox="1128 846 1313 954">Outside Audit &amp; Supervisory Board Member, Furuno Electric Co., Ltd.</p> <p data-bbox="1128 985 1353 1093">Outside Audit &amp; Supervisory Board Member, Suzuken Co., Ltd.</p> <p data-bbox="1128 1124 1299 1178">Outside Director, Capcom Co., Ltd.</p>

- (Notes) 1. There are no special interests between the candidate and the Company.
2. Mr. Toru Muranaka is a candidate for substitute outside audit & supervisory board member.
  3. Mr. Toru Muranaka meets the independence criteria set out in the Company's Criteria for Independence of Outside Officers and the requirements for independent officers stipulated by the Tokyo Stock Exchange, Inc. If Mr. Toru Muranaka assumes the office of outside audit & supervisory board member, the Company plans to designate him an independent officer and submit as such accordingly.
  4. If Mr. Toru Muranaka assumes the office of outside audit & supervisory board member because the number of audit & supervisory board members fell below the minimum provided for by laws and regulations and the articles of incorporation, the Company plans to enter into an agreement with him to limit his liability for damages under article 423, paragraph 1 of the Companies Act. Pursuant to this agreement, the Company shall set the defined maximum amount of liability for damages, if he has acted in good faith and without gross negligence in performing his duties, at the minimum liability amount provided for under article 425, paragraph 1 of the Companies Act.
  5. "No. of Company shares owned" is current as of March 31, 2020.

<For Reference>

## **1. Policy and procedure for the appointment of candidates for directors and audit & supervisory board members**

When the Company's board of directors elects executives and appoints candidates for directors and audit & supervisory board members, the Nomination and Remuneration Committee, a majority of which are independent outside directors, take measures, for instance, such as interviewing candidates, to examine credentials and aptitude which would contribute to the improvement of corporate value in the medium and long term and to ensure the objectivity, fairness, and transparency of any decision the board of directors makes.

The Company has the Criteria for Independence of Outside Officers, which are set out in section 2 below, for the election of independent outside directors and independent outside audit & supervisory board members and elects them in accordance with these criteria.

## **2. Criteria for Independence of Outside Officers**

The Company has established criteria concerning the independence of outside directors and outside audit & supervisory board members of the Company (hereinafter collectively called "outside officers") as follows, and outside officers who do not meet any of the following conditions are considered independent.

1. An executive (\*1) of the Company or a subsidiary of the Company currently or within the past 10 years
2. A person who has met any of the following conditions (1) through (7) over the last three years
  - (1) A party whose major client or supplier is the Company (\*2) or an executive thereof
  - (2) A major client or supplier of the Company (\*3) or an executive thereof
  - (3) A consultant, accountant or legal professional who receives a large amount of monetary consideration or other property from the Company in addition to compensation as a director/audit & supervisory board member (\*4) (In case it is an organization such as a corporation or an association that receives monetary consideration or property, a party which belongs to the said organization.)
  - (4) A major shareholder (\*5) of the Company or an executive thereof
  - (5) A major lender (\*6) of the Company or an executive thereof
  - (6) A party that receives a donation over a certain amount (\*7) from the Company or a party affiliated with an organization that receives a donation from the Company
  - (7) An executive of a company for which an executive of the Company serves concurrently as outside officer of the said company
3. A spouse or relative within the second degree of kinship of the person in 1. or 2. above
4. A person who has served as outside officer of the Company for over eight years

(\*1) "Executive" is an executive director, an executive officer or an employee.

(\*2) "A party whose major client or supplier is the Company" is one which has received a payment from the Company equivalent to over 2% of its consolidated annual gross sales.

(\*3) "Major client or supplier of the Company" is one which has paid to the Company an amount equivalent to over 2% of the Company's consolidated annual gross sales.

- (\*4) “Receives a large amount of monetary consideration or other property from the Company in addition to compensation as a director/audit & supervisory board member” means receiving from the Company monetary consideration or property which exceeds the higher of either 2% of sales or total revenue of such party in addition to compensation as a director/audit & supervisory board member or 10 million yen.
- (\*5) “Major shareholder” is one whose ownership ratio of voting rights is 10% or higher.
- (\*6) “Major lender” is one which has lent the Company an amount equivalent to over 2% of the Company’s consolidated total assets.
- (\*7) “A donation over a certain amount” is one over 10 million yen.