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Securities Code: 8051

June 10, 2020

To our shareholders:

Yuji NAGAO
Representative Director and President
YAMAZEN CORPORATION
2-3-16 Itachibori, Nishi-ku, Osaka

Notice of the 74th Annual General Meeting of Shareholders

We are pleased to announce the 74th Annual General Meeting of Shareholders of YAMAZEN CORPORATION (the “Company”), which will be held as stated below.

If you are unable to attend the meeting, you can exercise your voting rights in writing or on the internet. Please consider the Reference Documents for General Meeting of Shareholders below and exercise your voting rights no later than 5:30 p.m. on Wednesday, June 24, 2020 (JST).

- 1. Date and Time:** Thursday, June 25, 2020 at 10:00 a.m. (JST)
- 2. Venue:** 7th floor conference room in the Head Office of YAMAZEN CORPORATION
2-3-16 Itachibori, Nishi-ku, Osaka

3. Purpose of the Meeting

Matters to be reported:

1. Business Report, Consolidated Financial Statements for the 74th fiscal year (April 1, 2019 to March 31, 2020) and results of audits by the Accounting Auditor and the Audit and Supervisory Committee of the Consolidated Financial Statements.
2. Non-consolidated Financial Statements for the 74th fiscal year (April 1, 2019 to March 31, 2020)

Matters to be resolved:

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| Proposal No. 1 | Election of Eight Directors (Excluding Directors Who Are Audit and Supervisory Committee Members) |
| Proposal No. 2 | Election of Three Directors Who Are Audit and Supervisory Committee Members |
| Proposal No. 3 | Election of One Substitute Director Who Is an Audit and Supervisory Committee Member |

Reference Documents for General Meeting of Shareholders

Proposals and Reference Information

Proposal No. 1 Election of Eight Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

At the conclusion of this meeting, the terms of office of all six Directors (excluding Directors who are Audit and Supervisory Committee Members; applicable to the rest of this proposal) will expire. The Company proposes the election of eight Directors, including two newly appointed candidates for Director (of which, one is a candidate for outside Director), to further enhance corporate governance and to strengthen the Company's business management system.

In addition, as a result of an examination, the Audit and Supervisory Committee judged that the candidate in this proposal is qualified.

The candidates for Director are as follows:

Candidate No.	Name	Candidate Attributes	Position and Responsibility in the Company	Years as Director (as of the Conclusion of this Meeting)	Attendance at Meetings of the Board of Directors in FY2019
1	Yuji NAGAO	Reelection	Representative Director, President & CEO	6 years	13/13 (100%)
2	Toshiyasu NOUMI	Reelection	Representative Director, Executive Vice President	5 years	13/13 (100%)
3	Kimihisa SASAKI	New election	Executive Officer; President of General Sales H.Q.	-	-
4	Masamichi YAMAZOE	Reelection	Director and Executive Officer; CIO, President of Corporate Planning H.Q. and CFO, President of Administration H.Q.	2 years	12/13 (92%)
5	Kenji GOSHI	Reelection	Director and Executive Officer; President of Industrial Tools & Equipment Division H.Q.	3 years	13/13 (100%)
6	Koji KISHIDA	Reelection	Director and Executive Officer; Vice President of General Sales H.Q. (in charge of overseas business) and General Manager of the International Department, Machine Tools Division H.Q.	2 years	13/13 (100%)
7	Hirofumi ISEKI	Reelection Outside Independent Officer	Outside Director	2 years	13/13 (100%)
8	Atsuko SUZUKI	New election Outside Independent Officer	-	-	-

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
1	<p style="text-align: center;">Reelection</p> <p style="text-align: center;">Yuji NAGAO (December 25, 1954)</p> <p>[Years as Director (as of the conclusion of this meeting)] 6 years</p> <p>[Attendance at Board of Directors meetings] 13/13 (100%)</p>	<p>Apr. 1977 Joined the Company</p> <p>Apr. 2011 Vice President; Vice President of Housing Equipment & Materials Division H.Q.</p> <p>Apr. 2012 Vice President; Vice President of Housing Equipment & Materials Division H.Q. and General Manager in charge of Higashi Nippon Region</p> <p>Apr. 2013 Senior Vice President; President of Housing Equipment & Materials Division H.Q. and General Manager in charge of Nishi Nippon Region</p> <p>Apr. 2014 Senior Vice President; President of Housing Equipment & Materials Division H.Q.</p> <p>June 2014 Director and Senior Vice President</p> <p>Apr. 2015 Managing Director and Senior Vice President</p> <p>Apr. 2016 Director and Executive Officer; President of Production Equipment</p> <p>Apr. 2017 Representative Director, President & CEO (to present)</p>	34,000 shares
<p>[Reasons for nomination as candidate for Director]</p> <p>Currently, Yuji NAGAO governs the Company and the Group as Representative Director and President of the Company, and exhibits strong leadership in executing the medium-term management plan, which is at the core of the Group's management based on his abundant experience.</p> <p>Taking into account the above facts, the Company determined that he is capable of contributing to the future enhancement of the Group's corporate value, and proposes that he again be elected as Director.</p> <p>[Special interests]</p> <p>There is no special interest between Yuji NAGAO and the Company.</p>			

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
2	<p style="text-align: center;">Reelection</p> <p style="text-align: center;">Toshiyasu NOUMI (April 10, 1951)</p> <p>[Years as Director (as of the conclusion of this meeting)] 5 years</p> <p>[Attendance at Board of Directors meetings] 13/13 (100%)</p>	<p>Mar. 1970 Joined the Company</p> <p>Apr. 2011 Vice President; Vice President of Industrial Tools & Equipment Division H.Q. and General Manager of Industrial Tools Department of Higashi Nippon Regional H.Q.</p> <p>Apr. 2012 Vice President; General Manager of Industrial Tools & Equipment Division H.Q. in charge of Higashi Nippon Region</p> <p>July 2012 Vice President; Vice President of Higashi Nippon Regional H.Q., and General Manager of Industrial Tools & Equipment Division H.Q. in charge of Higashi Nippon Region</p> <p>Apr. 2013 Senior Vice President</p> <p>Apr. 2014 Senior Vice President; President of Industrial Tools & Equipment Division H.Q.</p> <p>June 2015 Director and Senior Vice President</p> <p>Apr. 2016 Director and Executive Officer; Vice President of Production Equipment, and President of Industrial Tools & Equipment Division H.Q.</p> <p>Apr. 2017 Director and Executive Officer; President of Production Equipment, and President of Industrial Tools & Equipment Division H.Q.</p> <p>Apr. 2018 Representative Director, Executive Officer in charge of Production Equipment Business</p> <p>Apr. 2019 Representative Director, Executive Officer in charge of Sales & Marketing</p> <p>Apr. 2020 Representative Director, Executive Vice President (to present)</p>	29,600 shares
<p>[Reasons for nomination as candidate for Director] Toshiyasu NOUMI possesses abundant experience and a broad range of insight into the Production Equipment business as well as a proven track record for greatly contributing to enhancing revenues of said business, and currently serves as Representative Director, Executive Vice President of the Company. Taking into account the above facts, the Company determined that he is capable of contributing to the future enhancement of the Group's corporate value, and proposes that he again be elected as Director.</p> <p>[Special interests] There is no special interest between Toshiyasu NOUMI and the Company.</p>			

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
3	<p>New election</p> <p>Kimihisa SASAKI (January 25, 1957)</p> <p>[Years as Director (as of the conclusion of this meeting)] -</p>	<p>Apr. 1980 Joined the Company</p> <p>Apr. 2013 Corporate Officer; Vice President of Osaka Regional H.Q.</p> <p>Apr. 2015 Senior Vice President</p> <p>Apr. 2016 Corporate Officer</p> <p>Apr. 2017 Executive Officer; President of Osaka Regional H.Q.</p> <p>June 2017 Director and Executive Officer</p> <p>Apr. 2018 Director and Executive Officer; President of Osaka Regional H.Q.</p> <p>June 2019 Resigned as Director Executive Officer</p> <p>Apr. 2020 Executive Officer; President of General Sales H.Q. (to present)</p>	19,700 shares
<p>[Reasons for nomination as candidate for Director] Kimihisa SASAKI possesses abundant experience and a broad insight gained through his services as a supervisor of the General Sales H.Q. in control of all Company business operations, and in directing the general management of the General Sales H.Q. Taking into account the above facts, the Company determined that he is capable of contributing to the future enhancement of the Group's corporate value, and proposes that he be newly elected as Director.</p> <p>[Special interests] There is no special interest between Kimihisa SASAKI and the Company.</p>			
4	<p>Reelection</p> <p>Masamichi YAMAZOE (March 10, 1960)</p> <p>[Years as Director (as of the conclusion of this meeting)] 2 years</p> <p>[Attendance at Board of Directors meetings] 12/13 (92%)</p>	<p>Apr. 1982 Joined the Company</p> <p>Apr. 2015 Vice President; General Manager of Legal & Credit Department of Administration H.Q.</p> <p>Apr. 2016 Corporate Officer; General Manager of International Administration Department of Administration H.Q.</p> <p>Apr. 2017 Corporate Officer; Vice President of Administration H.Q. and General Manager of International Administration Department</p> <p>Nov. 2017 Corporate Officer; President of Administration H.Q.</p> <p>Apr. 2018 Executive Officer; CFO</p> <p>June 2018 Director and Executive Officer</p> <p>Apr. 2020 Director and Executive Officer CIO, President of Corporate Planning H.Q. and CFO, President of Administration H.Q. (to present)</p>	14,300 shares
<p>[Reasons for nomination as candidate for Director] Masamichi YAMAZOE possesses abundant experience and broad insight gained through his services as a supervisor of domestic and overseas legal affairs sections and current responsibility as a supervisor of the Corporate Planning H.Q. and Administration H.Q. Taking into account the above facts, the Company determined that he is capable of contributing to the future enhancement of the Group's corporate value, and proposes that he again be elected as Director.</p> <p>[Special interests] There is no special interest between Masamichi YAMAZOE and the Company.</p>			

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
5	<p>Reelection</p> <p>Kenji GOSHI (August 23, 1958)</p> <p>[Years as Director (as of the conclusion of this meeting)] 3 years [Attendance at Board of Directors meetings] 13/13 (100%)</p>	<p>Apr. 1982 Joined the Company</p> <p>Apr. 2013 Vice President; General Manager of Planning Department, Marketing Administrative Division of Industrial Tools & Equipment Division H.Q.</p> <p>Apr. 2014 Vice President; Vice President of Industrial Tools & Equipment Division H.Q., President of Marketing Administrative Division and General Manager of Planning Department</p> <p>Apr. 2016 Corporate Officer; Vice President of Industrial Tools & Equipment Division H.Q. (in charge of Japan), General Manager of Strategy Administrative Division of Production Equipment and General Manager of Business Promotion Department</p> <p>Apr. 2017 Executive Officer; CIO, President of Corporate Planning H.Q. and General Manager of Strategy Administrative Division of Production Equipment</p> <p>June 2017 Director and Executive Officer</p> <p>Apr. 2018 Director and Executive Officer; President of Corporate Planning H.Q.</p> <p>Apr. 2020 Director and Executive Officer; President of Industrial Tools & Equipment Division H.Q. (to present)</p>	15,200 shares
<p>[Reasons for nomination as candidate for Director] Kenji GOSHI possesses abundant experience and a broad insight gained through his services as a supervisor of the Corporate Planning H.Q. and current responsibility as a supervisor of the Industrial Tools & Equipment Division H.Q. Taking into account the above facts, the Company determined that he is capable of the formulation and promotion of future business strategies, and proposes that he again be elected as Director.</p> <p>[Special interests] There is no special interest between Kenji GOSHI and the Company.</p>			
6	<p>Reelection</p> <p>Koji KISHIDA (September 2, 1960)</p> <p>[Years as Director (as of the conclusion of this meeting)] 2 years [Attendance at Board of Directors meetings] 13/13 (100%)</p>	<p>Apr. 1983 Joined the Company</p> <p>Apr. 2016 Corporate Officer; Vice President of Machine Tools Division H.Q. (in charge of overseas business), General Manager of International Department and President of YAMAZEN (KOREA) LTD.</p> <p>Oct. 2016 Corporate Officer; Vice President of Machine Tools Division H.Q. (in charge of overseas business) and President of YAMAZEN (KOREA) LTD.</p> <p>Apr. 2018 Executive Officer; President of Production Equipment Business H.Q.</p> <p>June 2018 Director and Executive Officer</p> <p>Apr. 2020 Director and Executive Officer; Vice President of General Sales H.Q. (in charge of overseas business) and General Manager of the International Department, Machine Tools Division H.Q. (to present)</p>	13,900 shares
<p>[Reasons for nomination as candidate for Director] Koji KISHIDA currently serves as Vice President of the General Sales H.Q. in control of all Company business operations, and possesses abundant experience and a proven track record in relation to overseas businesses. Taking into account the above facts, the Company determined that he is capable of contributing to bolstering the global functions of the General Sales H.Q., and proposes that he again be elected as Director.</p> <p>[Special interests] There is no special interest between Koji KISHIDA and the Company.</p>			

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
	<p style="text-align: center;">Reelection Outside Independent Officer</p> <p style="text-align: center;">Hirofumi ISEKI (September 30, 1947)</p> <p>[Years as Director (as of the conclusion of this meeting)] 2 years</p> <p>[Attendance at Board of Directors meetings] 13/13 (100%)</p>	<p>Apr. 1972 Joined The Daiwa Bank, Ltd. (currently Resona Bank, Limited)</p> <p>June 2002 Full-time Audit & Supervisory Board Member (resigned in June 2006)</p> <p>June 2006 Full-time Audit & Supervisory Board Member of Osaka Kiko Co., Ltd. (currently OKK Corporation)</p> <p>June 2010 Director and Senior Managing Executive Officer</p> <p>Jan. 2011 Representative Director and President</p> <p>Apr. 2015 Director and Chairman</p> <p>June 2016 Advisor (resigned in June 2017)</p> <p>June 2018 Outside Director of the Company (to present)</p> <p>(Significant concurrent positions outside the Company)</p> <p>Not applicable</p>	0 shares
7	<p>[Reasons for nomination as candidate for outside Director] Hirofumi ISEKI possesses keen insight and abundant experience gained through his service as a representative director and president at another company. The Company determines that it can be expected that his pertinent advice on matters concerning the overall management of the Company will improve the effectiveness of the decision-making and supervisory functions of the Board of Directors, and further enhance corporate governance for the Group, and propose that he again be elected as outside Director of the Company.</p> <p>[Special interests] There is no special interest between Hirofumi ISEKI and the Company.</p> <p>Notes: 1. Hirofumi ISEKI is a candidate for outside Director. Furthermore, he satisfies the requirements for an independent officer as provided for by Tokyo Stock Exchange, and the Company has submitted notification to the aforementioned exchange concerning his appointment as an independent officer.</p> <p>2. Hirofumi ISEKI served as Representative Director and President of OKK Corporation until March 2015, and as Director and Chairman until June 2016. The Company and OKK Corporation have supply transactions for machine tools, with the transaction amount for such accounting for less than 1% of the consolidated net sales of the Company for the most recent fiscal year.</p> <p>3. Hirofumi ISEKI is currently an outside Director of the Company, and at the conclusion of this meeting, his tenure will have been two years.</p> <p>4. The Company has entered into an agreement with Hirofumi ISEKI to limit his liability for damages provided under Article 423, paragraph 1 of the Companies Act to the amount provided by laws and regulations. If his reelection is approved, the Company plans to maintain the aforementioned agreements with him.</p>		

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
	<p style="text-align: center;">New election Outside Independent Officer</p> <p style="text-align: center;">Atsuko SUZUKI (September 9, 1962)</p> <p>[Years as Director (as of the conclusion of this meeting)] -</p>	<p>Apr. 1986 Joined Matsushita Electric Industrial Co., Ltd. (currently Panasonic Corporation)</p> <p>Apr. 2008 Director and Manager of the CSR Office (resigned in December 2014)</p> <p>Apr. 2010 Outside Director and Auditor, Nara Women's University (resigned in December 2012)</p> <p>Jan. 2015 Joined Asahi Breweries, Ltd.</p> <p>Apr. 2015 Manager of the Social Environment Department</p> <p>Oct. 2015 Manager of the Sustainability Promotion Section, Olympic/Paralympic Promotion Headquarters (concurrently held)</p> <p>Apr. 2017 Director and General Manager of the CSR Division of Asahi Group Holdings, Ltd.</p> <p>May 2019 Resigned from Asahi Breweries, Ltd. (Significant concurrent positions outside the Company)</p> <p>Outside Director of ASAHI CO., LTD.</p>	0 shares
8	<p>[Reasons for nomination as candidate for outside Director]</p> <p>Although Atsuko SUZUKI has not been directly involved in business administration, she does possess abundant experience and broad insight into strategic CSR/ESG development aimed at bolstering a company's social standing, namely in the form of past experience promoting diversity, formulating CSR policy and promoting ESG strategy at other companies.</p> <p>The Company determines that it can be expected that her active advice at meetings of the Board of Directors offering an independent perspective away from management involved in business operations will help tie CSR activities into the Company's business operations, and further enhance corporate governance for the Group, and propose that she be newly elected as outside Director of the Company.</p> <p>[Special interests]</p> <p>There is no special interest between Atsuko SUZUKI and the Company.</p> <p>Notes: 1. Atsuko SUZUKI is a candidate for outside Director. Furthermore, she satisfies the requirements for an independent officer as provided for by the Tokyo Stock Exchange and, if her election is approved, the Company plans to submit notification to the aforementioned exchange concerning her appointment as an independent officer.</p> <p>2. Although Atsuko SUZUKI was involved in the execution of business at Panasonic Corporation through to December 2014, and the Company and Panasonic Corporation have supply transactions, the transaction amount for such accounting for less than 2% of the consolidated net sales of the Company for the most recent fiscal year.</p> <p>3. Although the Company entered into an advisory contract with Atsuko SUZUKI for the provision of advice covering areas such as SDGs, ISO and women in the workplace encompassing a period from December 16, 2019 to June 24, 2020, the consulting fee to be paid by the Company to Atsuko SUZUKI is less than ¥2 million. If her election is approved, the Company shall no longer maintain the aforementioned agreement with her.</p> <p>4. If the election of Atsuko SUZUKI is approved, the Company plans to enter into an agreement with her to limit her liability for damages provided under Article 423, paragraph 1 of the Companies Act to the amount provided by laws and regulations.</p>		

Proposal No. 2 Election of Three Directors Who Are Audit and Supervisory Committee Members

At the conclusion of this meeting, the terms of office of all Directors who are Audit and Supervisory Committee members (three persons) will expire. Therefore, the Company proposes the election of three Directors who are Audit and Supervisory Committee members.

In addition, the consent of the Audit and Supervisory Committee has been obtained for the submission of this proposal.

The candidates for Director who is an Audit and Supervisory Committee Member are as follows:

Candidate No.	Name	Candidate Attributes	Position and Responsibility in the Company	Years as Director (as of the Conclusion of this Meeting)	Attendance at Meetings of the Board of Directors in FY2019	Attendance at Meetings of the Audit and Supervisory Committee in FY2019
1	Satoshi MURAI	Reelection	Director; Full-time Audit and Supervisory Committee Member	1 year	10/10 (100%)	10/10 (100%)
2	Sachie KATO	Reelection Outside Independent Officer	Outside Director; Audit and Supervisory Committee Member	5 years	13/13 (100%)	13/13 (100%)
3	Yoshinori TSUDA	Reelection Outside Independent Officer	Outside Director; Audit and Supervisory Committee Member	4 years	13/13 (100%)	13/13 (100%)

Note: The attendance at meetings of the Board of Directors and meetings of the Audit and Supervisory Committee for Satoshi MURAI only takes into account meetings of the Board of Directors and meetings of the Audit and Supervisory Committee held in Fiscal 2019 following his election as Director on June 26, 2019.

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
1	<p style="text-align: center;">Reelection</p> <p style="text-align: center;">Satoshi MURAI (January 5, 1958)</p> <p>[Years as Director (as of the conclusion of this meeting)] 1 year</p> <p>[Attendance at Board of Directors meetings] 10/10 (100%)</p> <p>[Attendance at Meetings of the Audit and Supervisory Committee] 10/10 (100%)</p>	<p>Apr. 1981 Joined the Company</p> <p>Apr. 2014 Vice President; General Manager of Tokyo Administration Department of Administration H.Q.</p> <p>Apr. 2017 Corporate Officer; Vice President of Administration H.Q. (stationed in Tokyo) and General Manager of Tokyo Administration Department</p> <p>Oct. 2017 Corporate Officer; Vice President of Administration H.Q. and General Manager of Human Resources Department</p> <p>Apr. 2019 Corporate Officer; Vice President of Administration H.Q.</p> <p>June 2019 Director (Audit and Supervisory Committee Member) (to present)</p>	8,900 shares
<p>[Reasons for nomination as candidate for Director who is an Audit and Supervisory Committee Member] Satoshi MURAI possesses abundant experience and broad insight gained through his services as a supervisor of the Human Resource Department, etc., and as Vice President of the Administration H.Q. Currently, he serves as full-time member of the Audit and Supervisory Committee and the Company determined that he is capable of applying such experience to contribute to the bolstering of the audit and supervisory functions of the Company, and proposes that he be reelected as Director who is an Audit and Supervisory Committee Member.</p> <p>[Special interests] There is no special interest between Satoshi MURAI and the Company.</p> <p>Note: The Company has entered into an agreement with Satoshi MURAI to limit his liability for damages provided under Article 423, paragraph 1 of the Companies Act to the amount provided by laws and regulations. If his reelection is approved, the Company plans to maintain the aforementioned agreements with him.</p>			

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
	<p>Reelection Outside Independent Officer</p> <p>Sachie KATO (November 11, 1946)</p> <p>[Years as Director (as of the conclusion of this meeting)] 5 years</p> <p>[Attendance at Board of Directors meetings] 13/13 (100%)</p> <p>[Attendance at Meetings of the Audit and Supervisory Committee] 13/13 (100%)</p>	<p>Apr. 1971 Appointed as Public Prosecutor of Tokyo District Public Prosecutors Office</p> <p>Mar. 1974 Retired as Public Prosecutor of Fukushima District Public Prosecutors Office</p> <p>May 1974 Registered with Osaka Bar Association</p> <p>Mar. 1983 Joined Nakatsukasa Sogo Law Office (currently Chuo Sogo Law Office, P.C.) (to present)</p> <p>June 2015 Outside Director of the Company</p> <p>June 2016 Outside Director (Audit and Supervisory Committee Member) (to present)</p> <p>(Significant concurrent positions outside the Company) Outside Audit & Supervisory Board Member of DyDo GROUP HOLDINGS, INC.</p>	<p>1,000 shares</p>
2	<p>[Reasons for nomination as candidate for outside Director who is an Audit and Supervisory Committee Member]</p> <p>Although Sachie KATO does not have any past experience involved in corporate management other than being an outside officer, she possesses expertise and professional ethics formed as an attorney-at-law and a wealth of experience as an outside director and outside auditor at other companies. Therefore, the Company determines that she can provide valuable advice and appropriate audits and supervision in deliberations on proposals at meetings of the Board of Directors from an objective and neutral standpoint as outside Director (Audit and Supervisory Committee Member), and proposes that she again be elected as outside Director who is an Audit and Supervisory Committee Member.</p> <p>[Special interests]</p> <p>There is no special interest between Sachie KATO and the Company.</p> <p>Notes: 1. Sachie KATO is a candidate for outside Director. Furthermore, she satisfies the requirements for an independent officer as provided for by the Tokyo Stock Exchange, and the Company has submitted notification to the aforementioned exchange concerning her appointment as an independent officer.</p> <p>2. While Sachie KATO belongs to Chuo Sogo Law Office, P.C., to which the Company entrusts services and from which the Company receives legal advice from attorneys-at-law in the firm other than the candidate, the annual amount of consulting fees paid by the Company to the firm is less than ¥10 million.</p> <p>3. Sachie KATO is currently an outside Director of the Company, and at the conclusion of this meeting, her tenure will have been five years.</p> <p>4. The Company has entered into an agreement with Sachie KATO to limit her liability for damages provided under Article 423, paragraph 1 of the Companies Act to the amount provided by laws and regulations. If her reelection is approved, the Company plans to maintain the aforementioned agreements with her.</p>		

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
	<p style="text-align: center;">Reelection Outside Independent Officer</p> <p style="text-align: center;">Yoshinori TSUDA (August 18, 1972)</p> <p>[Years as Director (as of the conclusion of this meeting)] 4 years</p> <p>[Attendance at Board of Directors meetings] 13/13 (100%)</p> <p>[Attendance at Meetings of the Audit and Supervisory Committee] 13/13 (100%)</p>	<p>Apr. 1995 Joined Chuo Audit Corporation (Renamed to Misuzu Audit Corporation in September 2006)</p> <p>Apr. 1998 Registered as Certified Public Accountant</p> <p>July 2007 Resigned from Misuzu Audit Corporation</p> <p>Aug. 2007 Representative Director and Partner of ASUKA Consulting INC. (to present)</p> <p> Representative of Yoshinori Tsuda CPA Office (to present)</p> <p>June 2013 Outside Audit & Supervisory Board Member of the Company</p> <p>June 2016 Outside Director (Audit and Supervisory Committee Member) (to present)</p> <p>(Significant concurrent positions outside the Company)</p> <p>Outside Audit & Supervisory Board Member of Daiichi Kigenso Kagaku Kogyo Co., Ltd.</p>	0 shares
3	<p>[Reasons for nomination as candidate for outside Director who is an Audit and Supervisory Committee Member]</p> <p>Yoshinori TSUDA possesses expertise and professional ethics formed as a certified public accountant, and a wealth of experience as an outside auditor at other companies. Therefore, the Company determines that he can provide valuable advice and appropriate audits and supervision in deliberations on proposals at meetings of the Board of Directors from an objective and neutral standpoint as outside Director (Audit and Supervisory Committee Member), and proposes that he again be elected as outside Director who is an Audit and Supervisory Committee Member.</p> <p>[Special interests]</p> <p>There is no special interest between Yoshinori TSUDA and the Company.</p> <p>Notes: 1. Yoshinori TSUDA is a candidate for outside Director. Furthermore, he satisfies the requirements for an independent officer as provided for by the Tokyo Stock Exchange, and the Company has submitted notification to the aforementioned exchange concerning his appointment as an independent officer.</p> <p>2. Yoshinori TSUDA is currently an outside Director of the Company, and at the conclusion of this meeting, his tenure will have been four years. TSUDA also served as an outside Audit & Supervisory Board Member of the Company for three years from June 2013.</p> <p>3. The Company has entered into an agreement with Yoshinori TSUDA to limit his liability for damages provided under Article 423, paragraph 1 of the Companies Act to the amount provided by laws and regulations. If his reelection is approved, the Company plans to maintain the aforementioned agreements with him.</p>		

Proposal No. 3 Election of One Substitute Director Who Is An Audit and Supervisory Committee Member

At the commencement of this meeting, the validity of election of Eiichi TAMAKI, who was elected as a substitute Director who is an Audit and Supervisory Committee Member at the 72nd Annual General Meeting of Shareholders held on June 26, 2018, will expire. Therefore, the Company again proposes the election of one substitute Director who is an Audit and Supervisory Committee Member to be ready to fill a vacant position should the number of Directors who are Audit and Supervisory Committee Members fall below the number required by laws and regulations.

The validity of the resolution for this proposal shall be until the commencement of the Annual General Meeting of Shareholders for the final business year ending within two years of this resolution, and can be nullified by resolution of the Board of Directors if the consent of the Audit and Supervisory Committee has been obtained; provided, however, that it is only in a time before assuming office.

In addition, the consent of the Audit and Supervisory Committee has been obtained for the submission of this proposal.

The candidate for substitute Director who is an Audit and Supervisory Committee Member is as follows:

Name (Date of birth)	Career summary and significant concurrent positions outside the Company	Number of the Company's shares owned
<p style="text-align: center;">New election Substitute Outside Director Independent Officer</p> <p style="text-align: center;">Naoko NAKATSUKASA (April 8, 1965)</p>	<p>Apr. 1994 Graduated from the Supreme Court Legal Training and Research Institute Registered with Osaka Bar Association Joined Chuo Sogo Law Office (currently Chuo Sogo Law Office, P.C.) (to present)</p> <p>Apr. 2006 Registered as attorney in the state of New York</p> <p>Apr. 2008 Part-time lecturer at the Graduate School of Law / Faculty of Law, Kyoto University (to present)</p> <p>(Significant concurrent positions outside the Company) Outside Audit & Supervisory Board Member of SPK Corporation Outside Director (Audit and Supervisory Committee Member) of Nakabayashi Co., Ltd.</p>	0 shares

[Reasons for nomination as candidate for substitute outside Director who is an Audit and Supervisory Committee Member]
Although Naoko NAKATSUKASA does not have any past experience involved in corporate management other than being an outside officer, she possesses expertise and professional ethics formed as an attorney-at-law and a wealth of experience as an outside director and outside auditor at other companies. Therefore, the Company determines that, should she be appointed as a Director of the Company who is an Audit and Supervisory Committee Member, she could provide valuable advice and appropriate audits and supervision in deliberations on proposals at meetings of the Board of Directors from an objective and neutral standpoint as outside Director (Audit and Supervisory Committee Member), and proposes that she be newly elected as substitute outside Director who is an Audit and Supervisory Committee Member.

[Special interests]

There is no special interest between Naoko NAKATSUKASA and the Company.

- Notes:
1. Naoko NAKATSUKASA is a candidate for substitute outside Director who is an Audit and Supervisory Committee Member. Furthermore, she satisfies the requirements for an independent officer as provided for by the Tokyo Stock Exchange and, should she be appointed as outside Director who is an Audit and Supervisory Committee Member, the Company plans to submit notification to the aforementioned exchange concerning her appointment as an independent officer.
 2. While Naoko NAKATSUKASA belongs to Chuo Sogo Law Office, P.C., to which the Company entrusts services and from which the Company receives legal advice from attorneys-at-law in the firm other than the candidate, the annual amount of consulting fees paid by the Company to the firm is less than ¥10 million.
 3. Should Naoko NAKATSUKASA be appointed as outside Director who is an Audit and Supervisory Committee Member, the Company plans to enter into an agreement with her to limit her liability for damages provided under Article 423, paragraph 1 of the Companies Act to the amount provided by laws and regulations.

Reference Information Pertaining to Both Proposals 1 and 2

- Composition of the Board of Directors Following Election

If Proposals 1 and 2 are approved as proposed, the Board of Directors shall be composed as follows

Name	Position and Responsibility in the Company	Outside Director	Independent Officer	New election
Yuji NAGAO	Representative Director, President & CEO			
Toshiyasu NOUMI	Representative Director, Executive Vice President			
Kimihisa SASAKI	Director and Executive Officer; President of General Sales H.Q.			○
Masamichi YAMAZOE	Director and Executive Officer; CIO, President of Corporate Planning H.Q. and CFO, President of Administration H.Q.			
Kenji GOSHI	Director and Executive Officer; President of Industrial Tools & Equipment Division H.Q.			
Koji KISHIDA	Director and Executive Officer; Vice President of General Sales H.Q. (in charge of overseas business) and General Manager of the International Department, Machine Tools Division H.Q.			
Hirofumi ISEKI	Outside Director	○	○	
Atsuko SUZUKI	Outside Director	○	○	○
Satoshi MURAI	Director; Full-time Audit and Supervisory Committee Member			
Sachie KATO	Outside Director; Audit and Supervisory Committee Member	○	○	
Yoshinori TSUDA	Outside Director; Audit and Supervisory Committee Member	○	○	