[Translation]

This document has been translated from the Japanese original for the convenience of non-Japanese shareholders. In the event of any discrepancy between this document and the Japanese original, the original shall prevail.

Securities code: 3106
June 9, 2020

To our shareholders:

Haruya Fujita
President
KURABO INDUSTRIES LTD.
7-1, Honmachi, Kurashiki, Okayama
(Osaka Head Office: 4-31, 2-chome, Kyutaro-machi, Chuo-ku, Osaka)

NOTICE OF THE 212th ORDINARY GENERAL MEETING OF SHAREHOLDERS

We hereby announce the 212th Ordinary General Meeting of Shareholders of KURABO INDUSTRIES LTD. (the "Company"), which will be held as indicated below.
Recently, there have been official requests for people to refrain from going outside to prevent the spread of the novel coronavirus disease (COVID-19). After carefully considering these circumstances, the Company has decided to hold this Ordinary General Meeting of Shareholders with appropriate measures put in place to avoid the spread of infection.
Given that you are able to exercise your voting rights without attending the meeting by doing so in writing or via the Internet, please take all possible efforts to exercise your voting rights beforehand. When exercising your votes beforehand, the Company asks you to review the attached Reference Documents for the Ordinary General Meeting of Shareholders, read the Instructions for exercising voting rights on pages 3 to 4, and exercise your voting rights by 6:00 p.m., Tuesday, June 23, 2020 (Japan Standard Time).
All shareholders attending the meeting are asked to check the situation concerning the spread of COVID-19 and your individual physical condition on the date of the meeting, and to wear a mask and take other measures to prevent infection.

Meeting Details

1. Date and Time: Wednesday, June 24, 2020 at 10:00 a.m. (Japan Standard Time)

2. Venue: KURASHIKI IVY SQUARE
7-2, Honmachi, Kurashiki, Okayama
(Note) The venue may be changed due to the impact of COVID-19. If such a change arises, it will promptly be announced on the Company's website (https://www.kurabo.co.jp).

3. Purposes:

Items to be reported:

1. Business Report and Consolidated Financial Statements for the 212th fiscal year (from April 1, 2019 to March 31, 2020) and Reports of Audit on the Consolidated Financial Statements by the Accounting Auditor and the Audit and Supervisory Committee
2. Non-Consolidated Financial Statements for the 212th fiscal year (from April 1, 2019 to March 31, 2020)

Items to be resolved:

Proposal 1: Appropriation of Surplus for the 212th Fiscal Year

Proposal 2: Election of Seven (7) Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

Proposal 3: Election of Four (4) Directors Who Are Audit and Supervisory Committee Members

4. Other Matters Concerning the Meeting:

(1) If you do not indicate your approval or disapproval of the proposals in your vote, the Company will assume that you have voted in favor of the proposals.

(2) If you exercise your voting rights more than once via the Internet, the last exercise will be deemed valid.

(3) If you exercise your voting rights both by mail and via the Internet, the one exercised via the Internet will be deemed valid.

(4) In the event that you exercise your voting rights diversely, you are required to send notice providing the details and reasons in writing. Please note that you must ensure the notice arrives three days prior to the day of the Ordinary General Meeting of Shareholders.

* For those attending, please present the enclosed voting form at the reception desk on arrival at the meeting.

* If circumstances are generated whereby revisions should be made to the content of the Reference Documents for the Ordinary General Meeting of Shareholders, such notification shall be published on the Company's website (https://www.kurabo.co.jp).

Instructions for exercising voting rights	**To institutional investors** **Institutional investors may use the "Electronic Platform to Exercise Voting Rights" operated by ICJ, Inc.**

Exercising voting rights by mail

Deadline: Votes to be received by 6:00 p.m., Tuesday, June 23, 2020 (Japan Standard Time)

Please indicate your vote of approval or disapproval of each proposal on the enclosed voting form, and return the form to us.

If you do not indicate your approval or disapproval of the proposals, the Company will assume that you have voted in favor of the proposals.

Exercising voting rights via the Internet

Deadline: 6:00 p.m., Tuesday, June 23, 2020 (Japan Standard Time)

Please read the following page and indicate your vote of approval or disapproval of each proposal through the voting rights website.

If you exercise your voting rights more than once via the Internet, using a PC, a smartphone and a mobile phone, the last vote will be deemed valid.

- If you exercise your voting rights both by mail and via the Internet, the one exercised via the Internet will be deemed valid.
- In the event that you exercise your voting rights diversely, you are required to send notice providing the details and reasons in writing. Please note that you must ensure the notice arrives three days prior to the day of the Ordinary General Meeting of Shareholders.

[Translation]

Instruction for Exercise of Voting Rights via the Internet

Scanning QR code

You can simply login to the website for exercising voting rights without entering your login ID and temporary password printed on the Voting Form.

1. Please scan the QR code located on the right side of the Voting Form.
   * "QR code" is a registered trademark of DENSO WAVE INCORPORATED.

2. Indicate your approval or disapproval by following the instructions on the screen.

Note that you can login to the website only once by using QR code.
If you wish to redo your vote or exercise your voting rights without using QR code, please refer to the "Entering login ID and temporary password" on the right.

Entering login ID and temporary password

Voting Website:
https://evote.tr.mufg.jp/

1. Please access the Voting Website.

2. Enter your "login ID" and "temporary password" printed on the Voting Instructions Form.

3. Please register a new password.

4. Indicate your approval or disapproval by following the instructions on the screen.

In case you need instructions for how to operate your personal computer/smartphone/mobile phone in order to exercise your voting rights via the Internet, please contact:

Stock Transfer Agency (Help Desk), Mitsubishi UFJ Trust and Banking Corporation
Tel: 0120-173-027
(Toll free only from Japan / Hours: 9:00 a.m. to 9:00 p.m. JST)

Reference Documents for the Ordinary General Meeting of Shareholders

Proposals and Reference Matters

Proposal 1: Appropriation of Surplus for the 212th Fiscal Year

The Company regards the return of profits to its shareholders as one of its key priorities, and continuous and stable distribution of dividend is basic policy. In order to determine a specific amount of the dividend, the Company takes into account comprehensively profit conditions, corporate strength and dividend payout ratio, etc. from medium to long term perspective.
In consideration of the severe business environment during the fiscal year under review, the year-end dividend for the 212th fiscal year is proposed as follows:

Matters concerning year-end dividend

i) Type of dividend property:
CASH
ii) Allocation of dividend assets to be paid to shareholders and total dividend amount:
¥60.00 per share of common stock of the Company
Total amount: ¥1,241,440,980
iii) Effective date of dividends from surplus:
June 25, 2020

Proposal 2: Election of Seven (7) Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

As the term of office of all seven (7) Directors (excluding Directors who are Audit and Supervisory Committee Members; the same shall apply hereinafter in this proposal) is to expire at the conclusion of this Ordinary General Meeting of Shareholders, the Company proposes to elect seven (7) Directors.

The candidates for Director are as follows.

As for this proposal, the Company's Audit and Supervisory Committee discussed and investigated the qualifications and ability for Directors and contribution to increasing corporate value, etc. based on reports from the Nomination and Remuneration Advisory Committee, which the Company voluntarily established with the President and all Audit and Supervisory Committee Members. As a result, the Company's Audit and Supervisory Committee has expressed the opinion that all of the candidates for Director are qualified.

No.	Name	Current positions and areas of responsibility in the Company	Board of Directors Meeting Attendance
1	Haruya Fujita Reelection	Representative Director, President	14/14 (100%)
2	Atsushi Kitabatake Reelection	Representative Director, Managing Executive Officer Responsibility General Manager, Textile Business Division	14/14 (100%)
3	Toshio Baba Reelection	Representative Director, Managing Executive Officer Responsibility General Manager, Chemical Products Division	14/14 (100%)
4	Katsuhide Honda Reelection	Director, Executive Officer Responsibility Officer in charge of General Administration Department, Estate Promotion Department and Environment & Construction Department	14/14 (100%)
5	Susumu Inaoka Reelection	Director, Executive Officer Responsibility Officer in charge of Managerial Planning Department, Personnel Department, Intellectual Property Department and Technical Research Laboratory	14/14 (100%)
6	Hiroshi Fujii Reelection	Director, Executive Officer Responsibility Officer in charge of Finance & Accounting Department and System & EDP Department, and Manager, Finance & Accounting Department	14/14 (100%)
7	Kenshi Kawano Reelection	Director, Executive Officer Responsibility General Manager, Advanced Technology Division	14/14 (100%)

1 Haruya Fujita — Date of birth: July 26, 1958 — Reelection

Number of the Company's shares held	Special interest with the Company	Important concurrent positions	Board of Directors Meeting Attendance
13,200 shares	None	None	14/14

Career summary (positions and areas of responsibility in the Company)

Apr. 1983	Joined the Company
Jun. 2012	Director, Executive Officer of the Company
Jun. 2013	Director, Managing Executive Officer of the Company
Jun. 2014	Representative Director, President of the Company (to present)

Reasons for appointing as a candidate for Director

Mr. Haruya Fujita assumed the position of Director of the Company in June 2012, and as Representative Director and President since June 2014 he has demonstrated outstanding management capability, facilitating the enhancement of corporate value. The Company has appointed Mr. Fujita as a candidate for Director, judging that he is a talented individual who is capable of continuing to manage the whole Group appropriately as a Director to contribute to the further enhancement of corporate value by promoting the "Creation '21" medium-term corporate business plan.

2 Atsushi Kitabatake — Date of birth: January 11, 1960 — Reelection

Number of the Company's shares held	Special interest with the Company	Important concurrent positions	Board of Directors Meeting Attendance
4,500 shares	None	None	14/14

Career summary (positions and areas of responsibility in the Company)

Apr. 1982	Joined the Company
Apr. 2006	Manager, Textile Materials Sales Department
Jun. 2013	Executive Officer of the Company
Jun. 2014	Director, Executive Officer of the Company
Jun. 2017	Representative Director, Managing Executive Officer of the Company (to present)

(General Manager, Textile Business Division)

Reasons for appointing as a candidate for Director

Mr. Atsushi Kitabatake assumed the position of Director of the Company in June 2014 and Representative Director in June 2017, he has drawn on his wealth of experience and knowledge in all aspects of textile business as the Director in charge of the textile business, facilitating the enhancement of corporate value. The Company has appointed Mr. Kitabatake as a candidate for Director, judging that he is a talented individual who is capable of continuing to manage the whole Group appropriately as a Director to contribute to the further enhancement of corporate value by promoting the "Creation '21" medium-term corporate business plan.

3 Toshio Baba

Date of birth: June 9, 1959 — Reelection

Number of the Company's shares held	Special interest with the Company	Important concurrent positions	Board of Directors Meeting Attendance
4,000 shares	None	None	14/14

Career summary
(positions and areas of responsibility in the Company)

Apr. 1982	Joined the Company
Oct. 2004	Manager, Industrial Materials Sales Department
Jun. 2012	Executive Officer of the Company
Jun. 2014	Director, Executive Officer of the Company
Jun. 2017	Representative Director, Managing Executive Officer of the Company (to present)

(General Manager, Chemical Products Division)

Reasons for appointing as a candidate for Director

Mr. Toshio Baba assumed the position of Director of the Company in June 2014 and Representative Director in June 2017, he has drawn on his wealth of experience and knowledge in all aspects of chemical products business as the Director in charge of the chemical products business, facilitating the enhancement of corporate value. The Company has appointed Mr. Baba as a candidate for Director, judging that he is a talented individual who is capable of continuing to manage the whole Group appropriately as a Director to contribute to the further enhancement of corporate value by promoting the "Creation '21" medium-term corporate business plan.

4 Katsuhide Honda

Date of birth: December 20, 1956 — Reelection

Number of the Company's shares held	Special interest with the Company	Important concurrent positions	Board of Directors Meeting Attendance
4,500 shares	None	None	14/14

Career summary
(positions and areas of responsibility in the Company)

Apr. 1981	Joined the Company
Jun. 2009	Manager, General Administration Department and Director, KURABO Memorial Hall
Jun. 2012	Executive Officer of the Company
Jun. 2014	Director, Executive Officer of the Company (to present)

(Officer in charge of General Administration Department, Estate Promotion Department and Environment & Construction Department)

Reasons for appointing as a candidate for Director

Mr. Katsuhide Honda assumed the position of Director of the Company in June 2014, and since then he has drawn on his wealth of experience and knowledge in areas including legal affairs, risk management, and real estate services as the Director in charge of general administration, estate promotion business, etc., facilitating the enhancement of corporate value. The Company has appointed Mr. Honda as a candidate for Director, judging that he is a talented individual who is capable of continuing to manage the whole Group appropriately as a Director to contribute to the further enhancement of corporate value by promoting the "Creation '21" medium-term corporate business plan.

5 Susumu Inaoka — Date of birth: June 3, 1960 — Reelection

Number of the Company's shares held	Special interest with the Company	Important concurrent positions	Board of Directors Meeting Attendance
4,800 shares	None	None	14/14

Career summary
(positions and areas of responsibility in the Company)

Apr. 1983 Joined the Company
May 2007 Manager, Chemical Products Administration Department
Jun. 2010 Standing Auditor of the Company
Jun. 2014 Director, Executive Officer of the Company (to present)

(Officer in charge of Managerial Planning Department, Personnel Department, Intellectual Property Department and Technical Research Laboratory)

Reasons for appointing as a candidate for Director

Mr. Susumu Inaoka assumed the position of Director of the Company in June 2014, and since then he has drawn on his wealth of experience and knowledge in managerial planning, personnel policy, intellectual property strategy and R&D as the Director in charge of managerial planning, personnel, intellectual property and the Technical Research Laboratory, facilitating the enhancement of corporate value. The Company has appointed Mr. Inaoka as a candidate for Director, judging that he is a talented individual who is capable of continuing to manage the whole Group appropriately as a Director to contribute to the further enhancement of corporate value by promoting the "Creation '21" medium-term corporate business plan.

6 Hiroshi Fujii — Date of birth: September 22, 1960 — Reelection

Number of the Company's shares held	Special interest with the Company	Important concurrent positions	Board of Directors Meeting Attendance
4,400 shares	None	None	14/14

Career summary
(positions and areas of responsibility in the Company)

Apr. 1983 Joined the Company
Apr. 2011 Manager, Finance & Accounting Department
Jun. 2013 Executive Officer of the Company
Jun. 2016 Director, Executive Officer of the Company (to present)

(Officer in charge of Finance & Accounting Department and System & EDP Department and Manager, Finance & Accounting Department)

Reasons for appointing as a candidate for Director

Mr. Hiroshi Fujii assumed the position of Director of the Company in June 2016, and since then he has drawn on his wealth of experience and knowledge in finance and accounting and systems services as the Director in charge of finance and accounting, and system & EDP, facilitating the enhancement of corporate value. The Company has appointed Mr. Fujii as a candidate for Director, judging that he is a talented individual who is capable of continuing to manage the whole Group appropriately as a Director to contribute to the further enhancement of corporate value by promoting the "Creation '21" medium-term corporate business plan.

7 Kenshi Kawano		Date of birth: March 19, 1962	Reelection
Number of the Company's shares held	Special interest with the Company	Important concurrent positions	Board of Directors Meeting Attendance
3,000 shares	None	None	14/14

Career summary
(positions and areas of responsibility in the Company)

Apr. 1985	Joined the Company
Apr. 2011	Manager, Hong Kong Branch and President of Kurabo Denim (HK) Limited
Sep. 2013	Manager, Hong Kong Branch
Apr. 2014	Assistant to Manager, Managerial Planning Department
Jun. 2014	Executive Officer of the Company
Jun. 2017	Director, Executive Officer of the Company (to present)

(General Manager, Advanced Technology Division)

Reasons for appointing as a candidate for Director

Mr. Kenshi Kawano assumed the position of Director of the Company in June 2017, and since then he has drawn on his wealth of experience and knowledge in all aspects of advanced technology business as the Director in charge of advanced technology business, facilitating the enhancement of corporate value. The Company has appointed Mr. Kawano as a candidate for Director, judging that he is a talented individual who is capable of continuing to manage the whole Group appropriately as a Director to contribute to the further enhancement of corporate value by promoting the "Creation '21" medium-term corporate business plan.

Proposal 3: Election of Four (4) Directors Who Are Audit and Supervisory Committee Members

As the terms of office of Directors Mr. Osamu Okada, Mr. Teppei Mogi, Mr. Daisuke Shinkawa and Mr. Motohide Nishimura are to expire at the conclusion of this Ordinary General Meeting of Shareholders, the Company proposes to elect four (4) Directors who are Audit and Supervisory Committee Members.

The candidates for Directors who are Audit and Supervisory Committee Members are as follows.

As for this proposal, the Company's Audit and Supervisory Committee discussed and investigated the qualifications and ability for Directors who are Audit and Supervisory Committee Members and contribution to increasing corporate value, etc. based on reports from the Nomination and Remuneration Advisory Committee, which the Company voluntarily established with the President and all Audit and Supervisory Committee Members. As a result, the Company's Audit and Supervisory Committee has expressed the opinion that all of the candidates for Directors who are Audit and Supervisory Committee Members are qualified, and prior consent of the Audit and Supervisory Committee has been obtained for the submission of this proposal to this Ordinary General Meeting of Shareholders.

No.	Name	Current positions and areas of responsibility in the Company	Board of Directors Meeting Attendance	Audit and Supervisory Committee Meeting Attendance
1	Osamu Okada Reelection	Director (Full-time Audit and Supervisory Committee Member)	14/14 (100%)	13/13 (100%)
2	Teppei Mogi Reelection	Outside Director (Audit and Supervisory Committee Member)	14/14 (100%)	13/13 (100%)
3	Daisuke Shinkawa Reelection	Outside Director (Audit and Supervisory Committee Member)	14/14 (100%)	13/13 (100%)
4	Motohide Nishimura Reelection	Outside Director (Audit and Supervisory Committee Member)	14/14 (100%)	13/13 (100%)

1	Osamu Okada	Date of birth: October 21, 1960		Reelection
Number of the Company's shares held	Special interest with the Company	Board of Directors Meeting	Audit and Supervisory Committee Meeting	
4,700 shares	None	14/14	13/13	
Important concurrent positions				
None				

Career summary
(positions and areas of responsibility in the Company)

Apr. 1984	Joined the Company
Jun. 2010	Manager, Personnel Department
Jun. 2012	Executive Officer of the Company
Jun. 2016	Director (Full-time Audit and Supervisory Committee Member) of the Company (to present)

Reasons for appointing as a candidate for Director (Audit and Supervisory Committee Member)

Mr. Osamu Okada assumed the position of Director (Full-time Audit and Supervisory Committee Member) of the Company in June 2016, and as a Full-time Audit and Supervisory Committee Member, has enhanced the effectiveness of audit by cooperating with Auditing Department, properly auditing and supervising the execution of duties by Directors. The Company has appointed Mr. Okada as a candidate for Director (Audit and Supervisory Committee Member), judging that he is a talented individual who is capable of continuing to carryout his duties in an appropriate manner as a Director (Audit and Supervisory Committee Member).

2 Teppei Mogi	Date of birth: October 17, 1958	Reelection	Outside	Independence

Number of the Company's shares held	Special interest with the Company	Board of Directors Meeting	Audit and Supervisory Committee Meeting
0 shares	None	14/14	13/13

Important concurrent positions

Outside Director of Shionogi & Co., Ltd.
Outside Director (Audit and Supervisory Committee Member) of NIITAKA Co., Ltd.
Partner of Oh-Ebashi LPC & Partners
Partner of Oh-Ebashi Law Firm

Career summary
(positions and areas of responsibility in the Company)

Apr. 1983	Joined ITOCHU Corporation
Mar. 1986	Resigned ITOCHU Corporation
Apr. 1989	Registered as an attorney at law (Osaka Bar Association) Joined Oh-Ebashi Law Firm
Jul. 1992	Service at Brussels Office of Cleary, Gottlieb, Steen & Hamilton LLP
Jan. 1993	Service at Rotterdam Office of De Brauw Blackstone Westbroek
Apr. 1994	Partner of Oh-Ebashi Law Firm (to present)
Aug. 2002	Partner of Oh-Ebashi LPC & Partners (to present)
Apr. 2004	Professor of Kwansei Gakuin University Law School
Jun. 2009	Outside Director of Shionogi & Co., Ltd. (to present)
Apr. 2010	Part-time lecturer of Kwansei Gakuin University Law School
Aug. 2014	Outside Auditor of NIITAKA Co., Ltd.
Jun. 2015	Auditor of the Company
Aug. 2015	Outside Director (Audit and Supervisory Committee Member) of NIITAKA Co., Ltd. (to present)
Jun. 2016	Director (Audit and Supervisory Committee Member) of the Company (to present)

Reasons for appointing as a candidate for Director (Audit and Supervisory Committee Member)

Although in the past Mr. Teppei Mogi has not been involved in the management of a company in a manner other than serving as an outside director or outside auditor, he has been engaged in corporate legal affairs for many years as an attorney at law. The Company has appointed Mr. Mogi as a candidate for Outside Director (Audit and Supervisory Committee Member), judging that he is capable of continuing to properly audit and supervise the execution of duties by Directors from an objective and independent perspective as an Outside Director (Audit and Supervisory Committee Member).

Matters regarding the Independence

Mr. Teppei Mogi meets the requirements of our internal regulation of "Criteria for Independence of Outside Directors" and of an Independent Director/Auditor pursuant to Article 436-2 of the Securities Listing Regulation of the Tokyo Stock Exchange. Therefore, the Company has judged that he is an Outside Director who is unlikely to have a conflict of interest with general shareholders.
Although he has worked as an employee at ITOCHU Corporation, our major client, during the period from April 1983 to March 1986, he is unlikely to be affected by the concerned company since considerable years have passed after his resignation from the company.
Furthermore, the Company has not entered into an advisory agreement with Oh-Ebashi LPC & Partners where Mr. Mogi is a partner or with Oh-Ebashi Law Firm where Mr. Mogi is also a partner. While the Company receives advice on individual deals based on the expert knowledge of said law firms, an attorney at law other than Mr. Mogi is in charge of the Company. Moreover, the ratio of the total remuneration amount that said law firms receive to the Company's average payment amount in the last three fiscal years is less than 0.2% of the law firms' annual received remuneration in each fiscal year. Accordingly, in view of our internal regulation of "Criteria for Independence of Outside Directors," these relations will have no effect on his independence.

3 Daisuke Shinkawa	Date of birth: April 28, 1964	Reelection	Outside	Independence

Number of the Company's shares held	Special interest with the Company	Board of Directors Meeting	Audit and Supervisory Committee Meeting
0 shares	None	14/14	13/13

Important concurrent positions

Outside Auditor of VALTES CO., LTD.
Outside Corporate Auditor of SHIMA SEIKI MFG., LTD.
Representative partner of Hokuto & Co.

Career summary
(positions and areas of responsibility in the Company)

May 1991	Registered as a certified public accountant
Aug. 1991	Registered as a certified tax accountant
Apr. 2002	Established Hokuto & Co. Partner of Hokuto & Co.
Jan. 2003	Representative partner of Hokuto & Co. (to present)
Nov. 2007	Outside Auditor of VALTES CO., LTD. (to present)
Jun. 2012	Outside Corporate Auditor of SHIMA SEIKI MFG., LTD. (to present)
Jun. 2016	Director (Audit and Supervisory Committee Member) of the Company (to present)

Reasons for appointing as a candidate for Director (Audit and Supervisory Committee Member)

Although in the past Mr. Daisuke Shinkawa has not been involved in the management of a company in a manner other than serving as an outside director or outside auditor, he has wealth of experience and accounting knowledge as a certified public accountant. The Company has appointed Mr. Shinkawa as a candidate for Outside Director (Audit and Supervisory Committee Member), judging that he is capable of continuing to properly audit and supervise the execution of duties by Directors from an objective and independent perspective as an Outside Director (Audit and Supervisory Committee Member).

Matters regarding the Independence

Mr. Daisuke Shinkawa meets the requirements of our internal regulation of "Criteria for Independence of Outside Directors" and of an Independent Director/Auditor pursuant to Article 436-2 of the Securities Listing Regulation of the Tokyo Stock Exchange. The Company has judged that he is an Outside Director who is unlikely to have a conflict of interest with general shareholders.

4 Motohide Nishimura

Date of birth: July 6, 1955

Reelection | Outside | Independence

Number of the Company's shares held	Special interest with the Company	Board of Directors Meeting	Audit and Supervisory Committee Meeting
0 shares	None	14/14	13/13

Important concurrent positions

Representative Director, President of SENSHU ELECTRIC CO., LTD.

Career summary
(positions and areas of responsibility in the Company)

Apr. 1978	Joined Okasan Securities Co., Ltd.
Aug. 1995	Advisor of SENSHU ELECTRIC CO., LTD.
Jan. 1996	Director, Deputy General Manager of Marketing Div. and International Div. of SENSHU ELECTRIC CO., LTD.
Jan. 1997	Managing Director, Deputy General Manager of Administration Div. of SENSHU ELECTRIC CO., LTD.
Jan. 1998	Senior Managing Director, General Manager of Marketing Div. and Marketing Administration Div. of SENSHU ELECTRIC CO., LTD.
Jan. 2000	Representative Director, President of SENSHU ELECTRIC CO., LTD. (to present)
Jun. 2018	Director (Audit and Supervisory Committee Member) of the Company (to present)

Reasons for appointing as a candidate for Director (Audit and Supervisory Committee Member)

Mr. Motohide Nishimura has an experience of being engaged in management for many years. The Company has appointed Mr. Nishimura as a candidate for Outside Director (Audit and Supervisory Committee Member), judging that he is capable of continuing to properly auditing and supervising the execution of duties by Directors from an objective and independent perspective as an Outside Director (Audit and Supervisory Committee Member).

Matters regarding the Independence

Mr. Motohide Nishimura meets the requirements of our internal regulation of "Criteria for Independence of Outside Directors" and of an Independent Director/Auditor pursuant to Article 436-2 of the Securities Listing Regulation of the Tokyo Stock Exchange. The Company has judged that he is an Outside Director who is unlikely to have a conflict of interest with general shareholders.

Notes: 1. Matters regarding Outside Directors

(i) Mr. Teppei Mogi, Mr. Daisuke Shinkawa and Mr. Motohide Nishimura are candidates for Outside Director.
If the re-election of Mr. Teppei Mogi, Mr. Daisuke Shinkawa and Mr. Motohide Nishimura is approved, the Company will continue to register them as Independent Directors/Auditors to the Tokyo Stock Exchange. Our regulation of "Criteria for Independence of Outside Directors" is provided on pages 16 to 17 of Reference Documents for the Ordinary General Meeting of Shareholders.

(ii) Mr. Teppei Mogi, Mr. Daisuke Shinkawa and Mr. Motohide Nishimura are currently Outside Directors who are Audit and Supervisory Committee Members of the Company. Their terms of office at the conclusion of this Ordinary General Meeting of Shareholders will be as follows:
Mr. Teppei Mogi 4 years
Mr. Daisuke Shinkawa 4 years
Mr. Motohide Nishimura 2 years

(iii) Mr. Teppei Mogi intends to retire from his position as Outside Director of Shionogi & Co., Ltd. on June 23, 2020. Additionally, Mr. Daisuke Shinkawa intends to retire from his position as Outside Corporate Auditor of SHIMA SEIKI MFG., LTD. on June 25, 2020, and assume the position of Outside Director (Audit and Supervisory Committee Member).

2. Liability limitation agreement with Directors who do not execute business (Outside Directors)
Pursuant to the provisions of Article 427, paragraph 1 of the Companies Act, the Company has currently entered into an agreement with Outside Director Mr. Teppei Mogi, Mr. Daisuke Shinkawa and Mr. Motohide Nishimura to limit their liability for damages under Article 423, paragraph 1 of the same Act. The maximum amount of liability for damages under this agreement is the minimum liability amount provided for by the applicable laws and regulations. If the re-election of Mr. Mogi, Mr. Shinkawa and Mr. Nishimura is approved, the Company will continue the said agreement with them.

Criteria for Independence of Outside Directors (Reference)

The Company has established the Criteria for Independence of Outside Directors[i] as follows to secure the objectivity and transparency needed to strengthen corporate governance. In the event that an Outside Director falls under any of the following, he/she will be deemed as not sufficiently independent.

1. An executive[ii] of the Company or one of its subsidiaries (hereinafter, collectively referred to as the "Group")
2. A current major shareholder[iii] of the Company (in the event that the major shareholder is an organization that is a corporation, partnership, etc., an executive of said organization)
3. An executive of a corporation of which the Group is a major equity holder (a party that directly or indirectly holds 10% or more of the total voting rights)
4. A major client[iv] of the Group, or an executive of a major client
5. A party whose major client is the Group[v], or an executive of said party
6. A party belonging to the auditing firm that is the accounting auditor of the Group
7. An executive of the Company's lead-manager securities company
8. A consultant, accountant, or legal professional who has been paid substantial amounts of money or other financial benefits[vi] other than officers' remuneration paid by the Group (in the event that the party being paid said financial benefits is an organization such as a law office, auditing firm, or consultant firm that is a corporation, partnership, etc., a party belonging to said organization)
9. A party who receives substantial donations[vii] from the Group (in the event that the party who receives said substantial donations is an organization that is a corporation, partnership, etc., a party belonging to said organization)
10. A party whose close relative[viii] falls under any of the above items from 1 to 9 (however, aside from the above item 1, this is limited to important person[ix])
11. A party that has fallen under any of the above items from 2 to 9 in the last three years
    For the above item 1, a party that has fallen under the item in the last ten years
12. Any other party for whom a conflict of interest is likely to arise with general shareholders, and whose circumstances are reasonably judged to prevent the party from performing duties as an independent Outside Director

[i] "Outside Director" refers to an outside director as defined in Article 2, item 15 of the Companies Act.

[ii] "Executive" refers to an executive director, executive, executive officer, other equivalent person, or other employee.

[iii] "Major shareholder" refers to a shareholder that holds, in their name or another person's name, 10% or more of voting rights at the end of the Company's most recent fiscal year.

[iv] "Major client" refers to one of the following:

(1) A client to which the Group is providing products, etc., and whose transaction amount has been more than 2% of the Company's consolidated net sales in one of the Company's last four fiscal years.

(2) A financial institution from which the Group is borrowing funds, and whose balance of loans is more than 2% of the Company's consolidated total assets at the end of the Company's most recent fiscal year.

[v] "A party whose major client is the Group" refers to a party that provides products, etc., to the Group and for which the Company's transaction amount has been more than 2% of the party's consolidated net sales in one of the its last four fiscal years.

[vi] An amount is a "Substantial amounts of money or other financial benefits" in one of the following situations:

(1) In that event that said specialist is an individual and the total amount of said financial benefits, excluding officers' remuneration, received from the Group is more than ¥10 million per year on average over the course of the Company's last three fiscal years.

(2) In that event that said specialist is an organization that is a corporation, partnership, etc., and the total amount of said financial benefits received from the Group is more than 2% of said organization's total annual revenues on average over the course of the Company's last three fiscal years.

[vii] "Substantial donations" refers to a donation from the Group that is more than ¥10 million per year on average over the course of the Company's last three fiscal years.

[viii] "Close relative" refers to a spouse or a relative who is within the second degree of kinship.

[ix] "Important person" refers to an employee that holds a senior management position such as executive director, executive, executive officer, general manager or above.