

Dear Shareholders

3-23-14 Higashi-Ikebukuro, Toshima-ku, Tokyo
A & D Company, Ltd.
President Yasunobu Morishima

Notice of Convocation of the 44th Annual General Meeting of Shareholders

Dear Sir/Madam: We would like to express our sincere gratitude for your continued support. We would like to inform you that our 44th Annual General Meeting of Shareholders will be held as follows. From the standpoint of preventing the spread of COVID-19, we strongly urge shareholders to exercise their voting rights in writing or via the Internet in advance of the General Meeting of Shareholders, and to refrain from coming in person on the day of the meeting. If you are exercising your voting rights in writing or via the Internet, please exercise your voting rights no later than 6:00 p.m. (end of business hours) on Wednesday, June 23, 2021.

Sincerely yours

Notice

1. Date and Time June 24, 2021 (Thursday) 10:30 AM (Reception start time: 9:30 AM)
2. Place 3-1-3 Higashi-Ikebukuro, Toshima-ku, Tokyo
Sunshine City World Import Mart
5F Conference Room #4
(Please refer to "Venue Information" at the end of this document.)
3. Meeting Agenda
 - Matters to be reported
 1. Business report and consolidated financial statements for the 44th fiscal year (from April 1, 2020 to March 31, 2021) and report on the results of the audit of consolidated financial statements by the accounting auditor and board of corporate auditors
 2. Report on the financial statements for the 44th fiscal year (from April 1, 2020 to March 31, 2021)
 - Proposals to be resolved
 - Proposal No. 1 Appropriation of surplus
 - Proposal No. 2 Election of ten (10) directors
 - Proposal No. 3 Election of one (1) corporate auditor

End of Agenda

Of the documents to be provided with this Notice of Convocation, the "Notes to Consolidated Financial Statements" and the "Notes to Non-Consolidated Financial Statements" are posted on the Internet on our website (address: <https://www.aandd.co.jp/>) in accordance with the law and Article 15 of the Articles of Incorporation of the Company. Therefore, they are not included in the documents provided with this Notice of Convocation.

The consolidated financial statements and the non-consolidated financial statements, which were audited by the corporate auditors in preparing the audit report and the accounting auditors in preparing the accounting audit report, respectively, encompass the matters described in the documents provided with this Notice of Convocation as well as the matters posted on the Internet on our website as described above.

Any amendments to the Reference Documents for the General Meeting of Shareholders, the Business Report, the Non-Consolidated Financial Statements, and the Consolidated Financial Statements will be posted on the Internet on our website (address: <https://www.aandd.co.jp/>).

Reference Documents for the General Meeting of Shareholders

Proposal No. 1 Appropriation of Surplus

The Company proposes, taking into consideration of the business results for the fiscal year under review and future business development, to pay a year-end dividend for the fiscal year under review as follows.

Matters concerning year-end dividends

(1) Type of dividend assets

The type will be a cash dividend.

(2) Matters concerning the allocation of dividend assets and the total amount thereof

The Company proposes to pay ¥15 per share of common stock.

In this case, the total dividend amount will be ¥314,454,450.

(3) Effective date of dividends of surplus

The Company proposes to set the date as June 25, 2021.

Proposal No. 2 Election of ten (10) directors

As the terms of office of all ten (10) directors will expire at the conclusion of this General Meeting of Shareholders, the Company proposes the election of ten (10) directors.

The candidates for director are as follows.

Candidate No.	Name (Date of Birth)	Career summary, position and responsibilities at the Company (Status of important concurrent positions)	Number of company shares held
1	Yasunobu Morishima (DOB September 1, 1947)	May 1977 Joined A&D Company, Ltd. July 1988 Director June 1997 Sales HQ Executive, A&D Company, Ltd. June 2006 Managing Executive Officer, A&D Company, Ltd. June 2016 Representative Director & Senior Executive Officer, A&D Company, Ltd. July 2016 President & CEO, A&D Company, Ltd. (incumbent)	247,500 shares
2	Yutaka Murata (DOB May 27, 1949)	July 1977 Joined A&D Company, Ltd. April 1993 R&D HQ Deputy Executive, A&D Company, Ltd. June 2006 Executive Officer, A&D Company, Ltd. June 2007 Director, A&D Company, Ltd. (incumbent) June 2007 R&D 1 HQ Executive, A&D Company, Ltd. June 2016 Senior Managing Executive Officer, A&D Company, Ltd. (incumbent) June 2019 In charge of R&D, A&D Company, Ltd. (incumbent)	90,300 shares
3	Sadao Ito (DOB September 9, 1948)	October 1988 Joined A&D Company, Ltd. June 2006 Executive Officer, A&D Company, Ltd. June 2007 Business Management HQ Executive, A&D Company, Ltd. June 2012 Director, A&D Company, Ltd. (incumbent) June 2016 Managing Executive Officer, A&D Company, Ltd. (incumbent) June 2020 In charge of Business Management, A&D Company, Ltd. (incumbent)	44,300 shares
4	Shingo Takada (DOB September 9, 1952)	October 1977 Joined the Company June 2006 Executive Officer (incumbent) November 2009 Sales HQ Deputy Executive, A&D Company, Ltd. June 2021 Director, A&D Company, Ltd. (incumbent) April 2018 Production HQ Executive, A&D Company, Ltd. June 2020 In charge of Production, A&D Company, Ltd. (incumbent)	97,000 shares
5	Tetsu Furukawa (DOB June 20, 1972)	April 2001 Joined the Company April 2010 A&D Technology Inc. (USA) President & CEO June 2013 Director and Executive Officer, A&D Company, Ltd. (incumbent) June 2020 R&D 2 HQ Executive Sales HQ Executive, A&D Company, Ltd. (incumbent)	350,650 shares
6	Steven Plunkett (DOB January 22, 1962)	July 2016 Joined the Company General Manager, Overseas Regional Strategy HQ, A&D Company, Ltd. April 2017 Global Marketing HQ Executive, A&D Company, Ltd. June 2017 Executive Officer, A&D Company, Ltd. May 2019 A&D Engineering, Inc. CEO (incumbent) A&D Instruments Canada Inc. CEO (incumbent) June 2019 Director, A&D Company, Ltd. (incumbent)	- shares
7	Hao Zhang (DOB July 21, 1960)	April 1997 Joined Holon Co., Ltd. May 2009 General Manager, China & Taiwan Business	- shares

Candidate No.	Name (Date of Birth)	Career summary, position and responsibilities at the Company (Status of important concurrent positions)	Number of company shares held
		June 2011 Development Office, Holon Co., Ltd. Director and General Manager, Sales, Holon Co., Ltd. June 2013 Director and General Manager, Sales Administration, Holon Co., Ltd. June 2018 Executive Director and in charge of Sales, Holon Co. Ltd. April 2018 President & CEO, Holon Co., Ltd. (incumbent)	
8	Hiroshi Kawada (DOB November 6, 1949)	April 1975 Joined Yamato Transport Co., Ltd. November 2005 Director, Yamato Holdings Co., Ltd. June 2008 Auditor, Yamato Holdings Co., Ltd. June 2015 Director, A&D Company, Ltd. (incumbent)	- shares
9	Yasuhiro Daisho (DOB December 7, 1946)	April 1985 Professor, Faculty of Science and Engineering, Waseda University June 2018 Director, A&D Company, Ltd. (incumbent)	- shares
10	Yutaka Inui (DOB January 3, 1945)	April 1967 Joined Nomura Securities Co., Ltd. December 1988 Director, Nomura Securities Co., Ltd. June 1998 President & CEO, Ace Securities Co., Ltd. June 2012 Chairman and CEO, Ace Securities Co., Ltd. July 2012 Chairman, Japan Security Dealers Association, Osaka Division June 2014 Director, Maruhachi Securities Co., Ltd. June 2017 Chairman, Maruhachi Securities Co., Ltd. June 2017 Chairman, Ace Securities Co., Ltd. June 2020 Director, A&D Company, Ltd. (incumbent)	- shares

(Notes) 1. Mr. Zhang is a new candidate for director.

2. Mr. Zhang also serves as President of the our subsidiary company, Holon Co., Ltd., with which we have a business relationship in terms of product sales, etc. There is no special interest between the other candidates and the Company.
3. A&D Company, Ltd. has entered into a Directors and Officers Liability Insurance (hereinafter referred to as "D&O Insurance") contract with the Directors and Corporate Auditors as the insured parties, which covers damages, etc. in the event that the Directors, etc. are held liable for damages arising from their duties. In the event that each candidate is elected and assumes office as a director, all of the directors will be insured by D&O Insurance. The contract period of D&O Insurance is one year, and will be renewed by resolution of the Board of Directors prior to the expiration of said period.
4. Regarding reasons for appointment of candidates for outside directors, their independence as outside directors, and liability limitation agreements
 - (1) Reasons for appointment of candidates for outside directors and their independence
 - 1) Mr. Kawada is a candidate for Outside Director. He has been reported to the Tokyo Stock Exchange as an independent director in accordance with the provisions of the Tokyo Stock Exchange.
 - 2) Regarding Mr. Kawada, the Company requests that he be elected as an Outside Director, so that he may supervise the management of the Company and contribute to the strengthening of corporate governance by providing advice on the overall management of the Company, based on his extensive experience and broad insight as a manager of a business company over many years.
 - 3) Mr. Daisho is a candidate for Outside Director. He has been reported to the Tokyo Stock Exchange as an independent director in accordance with the provisions of the Tokyo Stock Exchange.
 - 4) Regarding Mr. Daisho, he has been engaged in research on mobility and the environmental and energy problems of automobiles as a specially-appointed research professor at the Research Organization for Next Generation Vehicles of Waseda University. The Company requests that he be elected as an Outside Director, so that he may contribute to strengthening corporate governance by providing advice on the overall management of the Company, utilizing his extensive experience and broad insight as a specialist relating to the measurement, control, and simulation system business for automobile development support conducted by our company.
 - 5) Mr. Inui is a candidate for Outside Director. He has been reported to the Tokyo Stock Exchange as an independent director in accordance with the provisions of the Tokyo Stock Exchange.
 - 6) Regarding Mr. Inui, the Company requests he be elected as an Outside Director so that he can supervise the management of the Company and contribute to the strengthening of corporate governance by providing advice on the overall management of the Company based on his extensive experience and broad insight as a manager in the financial industry over many years.
 - 7) Mr. Kawada, Mr. Daisho, and Mr. Inui have never been executing persons or officers (excluding those who were executing persons) of the Company or its subsidiaries.
 - 8) Mr. Kawada, Mr. Daisho, and Mr. Inui are not, and have not been in the past 10 years, executing persons or officers (excluding those who were executing persons) of any specified related business entity of the Company.
 - 9) Mr. Kawada, Mr. Daisho, and Mr. Inui do not intend to receive, nor have they received in the past two years, any large amount of money or other assets from the Company or any specified related business entity of the Company.
 - 10) Mr. Kawada, Mr. Daisho, and Mr. Inui are not the spouse, relative within the third degree of kinship, or any other similar person of an executing person or officer (excluding those who were executing persons) of the Company or any specified related business entity of the Company.
 - 11) Mr. Kawada, Mr. Daisho, and Mr. Inui, were not outside directors or corporate auditors immediately prior to a merger at a joint stock company whose rights were succeeded by the Company due to a merger, absorption-type demerger, incorporation-type

demerger, or transfer of business in the past two years, nor were they executing persons or officers (excluding those who were executing persons).

(2) Regarding reasons to believe they will be able to appropriately perform their duties as outside directors

Candidate Mr. Kawada has sufficient insight to oversee corporate management based on his extensive experience as a corporate manager, and the Company believes that he will be able to appropriately perform his duties as an Outside Director. His term of office as an Outside Director of the Company will be six (6) years from the conclusion of this General Meeting of Shareholders.

In addition to his high level of expertise as a university professor, candidate Mr. Daisho has a wealth of experience and broad insight from leading various research projects, and the Company believes that he will be able to appropriately perform his duties as an Outside Director. His term of office as an Outside Director of the Company will be three (3) years from the conclusion of this General Meeting of Shareholders.

Candidate Mr. Inui has sufficient insight to oversee corporate management based on his extensive experience in the financial industry, and the Company believes that he will be able to appropriately perform his duties as an Outside Director. His term of office as an Outside Director of the Company will be one year from the conclusion of this General Meeting of Shareholders.

(3) Liability Limitation Agreement with Outside Directors

The Company and the candidates, Mr. Kawada, Mr. Daisho, and Mr. Inui have entered into an agreement to limit their liability for damages under Article 423, Paragraph 1 of the Companies Act, and the maximum amount of liability for damages under such agreement is the minimum liability amount stipulated in Article 425, Paragraph 1 of the same act. If their reappointments are approved, the Company plans to continue the above-mentioned liability limitation agreement with the three directors.

Proposal No. 3 Election of one (1) corporate auditor

As the terms of office of Corporate Auditors Terumi Haraguchi and Hideo Umezawa will expire at the conclusion of this General Meeting of Shareholders, the Company requests the election of one (1) Corporate Auditor. Although the number of corporate auditors will be reduced by one, the Company has determined that it can continue to ensure the effectiveness of corporate governance in consideration of the corporate scale and executive structure of the Company.

The Board of Corporate Auditors has given its consent to this proposal.

The candidate for corporate auditor is as follows.

Name (Date of Birth)	Career summary, position at the Company (Status of important concurrent positions)	N u m b e r o f c o m p a n y s h a r e s h e l d
Hideo Umezawa (DOB June 15, 1956)	April 1981 Joined Saitama Bank, Ltd. (now Saitama Resona Bank, Limited) June 2009 Director & Senior Executive Officer, Saitama Resona Bank, Limited) April 2015 President & CEO, Resona Guarantee Co., Ltd. June 2017 Corporate Auditor, A&D Company, Ltd. (incumbent)	- shares

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

2. The Company has entered into a Directors and Officers Liability Insurance (hereinafter referred to as "D&O Insurance") contract with the Directors and Corporate Auditors as the insured parties, which covers damages, etc. in the event that the Directors, etc. are held liable for damages arising from their duties. If the candidate is elected and assumes office as a corporate auditor, he or she will be insured by D&O Insurance. The contract period of D&O Insurance is one year, and will be renewed by resolution of the Board of Directors prior to the expiration of said period.

3. Regarding reasons for appointment of candidates for outside corporate auditors, their independence as outside corporate auditors, and liability limitation agreements

(1) Reasons for appointment of candidates for outside corporate auditor and their independence

- 1) Mr. Umezawa is a candidate for Outside Corporate Auditor. He has been reported to the Tokyo Stock Exchange as an independent director in accordance with the provisions of the Tokyo Stock Exchange.
- 2) Regarding candidate Mr. Umezawa, the Company requests that he be elected as an Outside Corporate Auditor so that that he will utilize his many years of experience at financial institutions and his abundant experience and excellent insight in corporate management to monitor the overall management of the Company. His term of office as an Outside Corporate Auditor of the Company will be four (4) years from the conclusion of this General Meeting of Shareholders.
- 3) Mr. Umezawa has never been an executing person or officer (excluding those who were executing persons) of the Company or any of its subsidiaries.
- 4) Mr. Umezawa is not, and has not been in the past 10 years, an executing person or officer (excluding those who were executing persons) of any specified related business entity of the Company.
- 5) Mr. Umezawa does not intend to receive, nor has he received in the past two years, any large amount of money or other assets from the Company or any specified related business entity of the Company.
- 6) Mr. Umezawa is not the spouse, relative within the third degree of kinship, or any other similar person of an executing person or officer (excluding those who were executing persons) of the Company or any specified related business entity of the Company.
- 7) Mr. Umezawa was not an outside director or corporate auditor immediately prior to a merger at a joint stock company whose rights were succeeded by the Company due to a merger, absorption-type demerger, incorporation-type demerger, or transfer of business in the past two years, nor was he an executing person or officer (excluding those who were executing persons).

(2) Liability Limitation Agreement with Outside Corporate Auditors

The Company and Mr. Umezawa, the candidate, have entered into an agreement to limit the liability for damages under Article 423, Paragraph 1 of the Companies Act, and the maximum amount of liability for damages under such agreement is the minimum liability amount stipulated in Article 425, Paragraph 1 of the same act. If his reappointment is approved, the Company plans to continue the above liability limitation agreement with him.

End of Reference Documents