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Securities Code: 7716
(Date of Dispatch) March 14, 2023
(Electronic Provision System Commencement Date) March 9, 2023

To our shareholders:

Eiichi Nakanishi
President & Group CEO
NAKANISHI INC.
700, Shimohinata, Kanuma-shi, Tochigi

Notice of the 71st Annual General Meeting of Shareholders

We hereby announce that the 71st Annual General Meeting of Shareholders of NAKANISHI INC. (the "Company") will be held as described below.

In connection with the convocation of this meeting, the Company has taken measures for providing information that is the contents of reference documents, etc. for the General Meeting of Shareholders in an electronic format (the contents provided in an electronic format) and has posted them on the following websites on the Internet. Please access either of these websites to view the provided materials.

[Company's website]
https://www.nakanishi-inc.jp/ir/ (Japanese)
(Reference: Company's English Website)
https://en.nakanishi-inc.jp/ir/

[Website on which materials for the General Meeting of Shareholders are posted] (Japanese)
http://d.sokai.jp/7716/teiji/

[Tokyo Stock Exchange (TSE) website (Listed Company Search)]
https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show
(Please access the TSE website above, search by entering "Nakanishi" in the "Issue name (company name)" field or the Company's securities code "7716" in the "Code" field, select "Basic information" and then "Document for public inspection/PR information" and check the column "Notice of General Shareholders Meeting/Informational Materials for a General Shareholders Meeting" under "Filed information available for public inspection.")

As you may exercise your voting rights in writing or by electronic means (e.g., via the Internet) in lieu of attending the meeting in person, please review the Reference Documents for the General Meeting of Shareholders shown below and exercise your voting rights by 5:00 p.m. on Wednesday, March 29, 2023 (JST).

1. **Date and Time:** Thursday, March 30, 2023, at 1:30 p.m. (JST) (Reception will open at 1:00 p.m.)
2. **Venue:** The Company's headquarters RD1 Center Court
   700, Shimohinata, Kanuma-shi, Tochigi
3. **Purpose of the Meeting**

   Matters to be reported:

   1. Business Report, Consolidated Financial Statements, and Audit Results of Consolidated Financial Statements by the Accounting Auditor and the Audit and Supervisory Board for the 71st Fiscal Year (January 1, 2022 to December 31, 2022)
   2. Non-consolidated Financial Statements for the 71st Fiscal Year (January 1, 2022 to December 31, 2022)

   Matters to be resolved:

   Proposal No. 1 Appropriation of Surplus
   Proposal No. 2 Election of One Director
   Proposal No. 3 Determination of Compensation for Granting Restricted Stock to Directors (excluding Outside Directors)
4. **Matters Decided upon Convocation (Information on Exercise of Voting Rights)**

   If you exercise your voting rights by submitting the Voting Form in writing (by postal mail) without indicating your approval or disapproval of any proposal, your vote for the proposal shall be counted as an approval.

If you are attending on the day of the meeting, please submit the Voting Form sent together with this Notice at the reception at the venue.
As a result of the revision of the Companies Act, shareholders are required, in principle, to view the contents provided in an electronic format by accessing the aforementioned websites and the Company will send the documents only to the shareholders who requested the issuance of the document by the record date. However, for this meeting, the Company sends the documents containing the contents provided in an electronic format to all shareholders, irrespective of whether a request for issuance of the document is submitted or not.
The Company sends the documents containing the contents provided in an electronic format; however, the items listed below are not included in those documents in accordance with laws and regulations and the provisions of Article 18 of the Company's Articles of Incorporation.
(1) "Status of Share Acquisition Rights, etc." in the Business Report
(2) "Notes to Consolidated Financial Statements" in the Consolidated Financial Statements
(3) "Notes to Non-consolidated Financial Statements" in the Non-consolidated Financial Statements
If any contents provided in an electronic format require revisions, such facts, the information before revision, and the revised information will be posted on the websites above on the Internet.

Reference Documents for the General Meeting of Shareholders

Proposal No. 1 Appropriation of Surplus

The Company regards returning profits to its shareholders as one of the important management issues, and sets its basic policy as to enhance business foundation and promote investment in growth areas properly and proactively as well as to return profits to shareholders in a well-balanced manner. The Company has given consideration to a comprehensive range of factors, including the business performance of the fiscal year and future business development, while also taking note of the internal reserves, and it proposes to pay a year-end dividend for the fiscal year of ¥24 per share. Accordingly, including the interim dividend (¥22 per share) paid on September 30, 2022, the annual dividend for the fiscal year will be ¥46 per share.

1. Matters concerning year-end dividends
   (1) Type of dividend property
   To be paid in cash.
   (2) Allotment of dividend property and their aggregate amount
   ¥24 per common share of the Company
   In this event, the total dividends will be ¥2,043,704,328.
   (3) Effective date of dividends of surplus
   The effective date of dividends will be March 31, 2023.
2. Matters concerning other appropriations of surplus
   (1) Item of surplus to be decreased and amount of decrease thereof
   Retained earnings brought forward ¥12,000,000,000
   (2) Item of surplus to be increased and amount of increase thereof
   General reserve ¥12,000,000,000

Proposal No. 2 Election of One Director

The Company proposes the election of one Director as a new independent outside Director, for the purpose of further strengthening the Company's corporate governance. The term of office of the newly elected Director shall expire when the term of office of the other Directors currently in office expires as per the provisions of the Articles of Incorporation of the Company.

The candidate for Director is as follows:

Name of Candidate (Date of birth)	Career summary, position in the Company, and significant concurrent positions outside the Company		Number of the Company's shares owned
Chika Shiomi (June 17, 1972) New Outside Independent	Apr. 1995 Mar. 2001 Jun. 2003 Oct. 2002 Mar. 2006 Sep. 2014 Nov. 2019 Jun. 2020	Joined Fuji Filter Manufacturing Co., Ltd. Director Managing Director Director and Vice President President (current position) Board Member, The Association of Liquid Filtration and Purification Industry (current position) Member, Trade Issues Subcommittee, Business Support Committee, Small and Medium Enterprise Policy Making Council Member, System Design WG, Fundamental Issues Subcommittee, Small and Medium Enterprise Policy Making Council	0 shares
Reasons for nomination as candidate for outside Director and overview of expected role Ms. Shiomi has extensive experience and broad insight in the management of a manufacturer focused on globally expanding its business. The Company expects that she will provide advice, etc. for the overall management, drawing on her diverse viewpoints, and therefore has nominated her as a candidate for outside Director.			

(Notes)
1. There is no special interest between the candidate and the Company.
2. Ms. Shiomi is a candidate for outside Director.
3. Ms. Shiomi meets the criteria for independent officer as provided for by the Tokyo Stock Exchange. If her election is approved, the Company plans to register her with the Exchange as an independent officer.
4. If the election of Ms. Shiomi is approved, the Company plans to enter into a limited liability agreement with Ms. Shiomi to limit her liability to the amount stipulated in Article 425, Paragraph 1 of the Company Law of Japan.
5. The Company has entered into a directors and officers liability insurance policy with an insurance company to cover losses that may arise from the insureds' assumption of liability incurred in the performance of duties or from claims related to the pursuit of such liability. Candidates for Director will be included as insureds under the insurance policy, and the Company plans to renew the said policy with the same details during their terms of office.

Proposal No. 3 Determination of Compensation for Granting Restricted Stock to Directors (excluding Outside Directors)

At the 55th Annual General Meeting of Shareholders held on March 28, 2007, it was approved that the amount of remuneration for Directors of the Company shall be ¥500,000 thousand or less per year (excluding, however, salaries for employees of Directors who concurrently serve as employees), and at the 58th Annual General Meeting of Shareholders held on March 30, 2010, it was also approved that stock acquisition rights shall be issued as compensation-type stock options within the aforementioned remuneration limit.
As part of its revision of the officer remuneration system, the Company proposes to provide a new type of remuneration for granting restricted shares to Directors of the Company (excluding Outside Directors, hereinafter referred to as the "Eligible Directors") within the aforementioned remuneration limit. The purpose of introducing this plan is to provide incentive for Eligible Directors to achieve sustainable improvement of the Company's corporate value, as well as to further promote sharing of value with shareholders.

Remuneration for granting restricted shares provided to Eligible Directors based on this proposal would be monetary claims, and their total amount would be within the aforementioned remuneration limit (excluding, however, salaries for employees of Directors who concurrently serve as employees). The specific timing and allotment of the payment to each Eligible Director shall be determined in the Board of Directors meeting after consultation with the Nomination and Remuneration Committee.
The Company currently has five Directors, including two Outside Directors. The number of Directors will be six (including three Outside Directors) if Proposal No. 2 "Election of One Director" is approved as originally proposed.
Pursuant to a resolution of the Board of Directors of the Company, Eligible Directors shall pay all of the monetary compensation claims granted by the Company under the Plan as contribution in kind, and the Company shall issue or dispose of shares of its common stock, and the total number of shares of common stock to be newly issued or disposed of by the Company shall not exceed 50,000 shares per year (provided, however, that if the Company implements a stock split (including an allotment of the Company's common stock without receipt of monetary consideration) or a stock consideration with an effective date on or after the date on which this proposal is approved, this number shall be adjusted to a reasonable extent).
The amount to be paid per share shall be determined in the Board of Directors meeting based on the closing price of the Company's common stock on the Tokyo Stock Exchange on the business day immediately preceding the date of resolution by each Board of Directors meeting (or closing price of the immediately preceding trading day if any transaction was not concluded on that date), to the extent that is not particularly favorable to the Eligible Directors who would receive said common shares. Issuance or disposal of common shares of the Company through this process and payment of monetary claims to be used for in-kind contribution would be subject to the Company and Eligible Directors entering into a restricted share allotment agreement (hereinafter, the "Allotment Agreement") that includes the following contents. Furthermore, the Company believes the maximum amount of remuneration under this proposal, total number of common shares of the Company to be issued or disposed of, and other conditions for granting restricted shares to Eligible Directors based on this proposal are appropriate, because they have been determined in consideration of the aforementioned purpose, the Company's business conditions, the Company's decision-making policies on details of remuneration for individual Directors (meaning the policies as amended subject to the approval of this proposal; please refer to page 15 of the Japanese version of this document for the details of the policies), and other various circumstances.
If the proposal on this plan is approved as originally proposed at this General Meeting of Shareholders, the Company plans to introduce a similar restricted stock compensation plan to the executive officers who are not also serving as Directors of the Company.

[Outline of the Allotment Agreement]
(1) Restricted transfer period
Eligible Directors shall not transfer, create a security interest on, or otherwise dispose of common shares of the Company allotted pursuant to this Allotment Agreement (hereinafter referred to as the "Allotted Shares") during a period of three years (hereinafter, the "Restricted Transfer Period") from the date of allotment pursuant to the Allotment Agreement (hereinafter, the "Transfer Restriction").
(2) Treatment upon retirement
If an Eligible Director retires from positions determined in advance by the Board of Directors of the Company, among positions of officers and employees of the Company or its subsidiaries, prior to the expiry of the Restricted Transfer Period, the Company shall naturally acquire Allotted Shares without consideration, unless such retirement was due to expiry of term of office, death, or another legitimate reason.
(3) Lifting of Transfer Restriction

Notwithstanding the provisions of the above (1), the Company shall lift the Transfer Restriction on all the Allotted Shares upon expiry of the Restricted Transfer Period, on the condition that the Eligible Director remained in a position determined in advance by the Board of Directors of the Company among positions of officers and employees of the Company or its subsidiaries for the entire duration of the Restricted Transfer Period. However, if such Eligible Director retires from the positions stipulated in the above (2) prior to the expiry of the Restricted Transfer Period due to expiry of term of office, death, or another legitimate reason stipulated in the above (2), the number of Allotted Shares on which the Transfer Restriction will be lifted, as well as when the Transfer Restriction will be lifted, shall be reasonably adjusted as needed. In addition, immediately after the lifting of the Transfer Restriction in accordance with the above provisions, the Company shall naturally acquire Allotted Shares whose Transfer Restriction has not been lifted without consideration.

(4) Treatment in case of organizational restructuring, etc.

Notwithstanding the provisions of the above (1), if a merger agreement under which the Company becomes a disappearing company, a share exchange agreement or share transfer plan under which the Company becomes a wholly-owned subsidiary, or another matter regarding organizational restructuring and the like is approved at a General Meeting of Shareholders of the Company (or, if such organizational restructuring, etc. does not require approval at a General Meeting of Shareholders of the Company, at a meeting of the Board of Directors of the Company) during the Restricted Transfer Period, the Company shall, by resolution of the Board of Directors of the Company, lift the Transfer Restriction on Allotted Shares in a number to be reasonably determined in light of the period between the commencement of the Restricted Transfer Period and the date of approval of such organizational restructuring, etc., prior to the effective date of such organizational restructuring, etc. Furthermore, if the above event occurs, immediately after the lifting of the Transfer Restriction, the Company shall naturally acquire Allotted Shares whose Transfer Restriction has not been lifted without consideration.

(5) Other matters

Other matters regarding the Allotment Agreement shall be determined by the Board of Directors of the Company.