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(Securities Code 6728)
September 8, 2020

To Shareholders with Voting Rights:

Setsuo Iwashita
President and Chief Executive
Officer
ULVAC, Inc.
2500 Hagisono, Chigasaki,
Kanagawa, Japan

**NOTICE OF
THE 116TH ORDINARY GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

We hereby announce that the 116th Ordinary General Meeting of Shareholders of ULVAC, Inc. (the “Company”) will be held for the purposes as described in the next page.

In order to prevent the spread of COVID-19, we strongly recommend you to exercise your voting rights in advance in writing or via the Internet, etc. instead of attending the General Meeting of Shareholders.

Please review the “Reference Documents for the General Meeting of Shareholders” included herein, and exercise your voting rights by 5:00 p.m. on Monday, September 28, 2020, Japan time, by following the procedure as described in pages 3 to 5.

1. Date and Time: Tuesday, September 29, 2020 at 10:00 a.m. Japan time

2. Place: 2nd Floor Conference Room of the C Building of the Company
located at 2500 Hagisono, Chigasaki, Kanagawa, Japan

3. Meeting Agenda:

- Matters to be reported:**
1. The Business Report, Consolidated Financial Statements for the Company’s 116th fiscal year (July 1, 2019 – June 30, 2020) and results of audits by the Independent Auditor and the Board of Corporate Auditors of the Consolidated Financial Statements
 2. Non-consolidated Financial Statements for the Company’s 116th fiscal year (July 1, 2019 – June 30, 2020)

Proposals to be resolved:

- Proposal No. 1:** Appropriation of Surplus
Proposal No. 2: Election of Eight Directors
Proposal No. 3: Election of One Substitute Auditor

4. Information on Exercise of Voting Rights, etc.

Please refer to “Information on Exercise of Voting Rights, etc.” described on the following page.

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- The doors to the meeting room will open at 9:00 a.m., Japan time.
 - When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk.
 - Of the documents to be attached to this notice, the “Notes to Consolidated Financial Statements” and the “Notes to Non-consolidated Financial Statements” are posted on the Company’s website below in accordance with laws and regulations and Article 16 of the Articles of Incorporation of the Company, and accordingly are not included in the documents attached to this notice. Consequently, the documents attached to this notice comprise a portion of the documents audited by Corporate Auditors and the Independent Auditor in the preparation of the Audit Report.
 - In the event that the Reference Documents for the General Meeting of Shareholders, the Business Report, and/or the Consolidated Financial Statements and Non-consolidated Financial Statements are revised, the revised versions will be posted on the Company’s website below.

The Company’s Website: <https://www.ulvac.co.jp/>



Information on Exercise of Voting Rights, etc.

Voting rights at the General Meetings of Shareholders are important rights of shareholders. Please exercise your voting rights having fully examined the following Reference Documents for the General Meeting of Shareholders. The following three methods are available to exercise your voting rights.

In order to prevent the spread of COVID-19, we strongly recommend our shareholders to exercise their voting rights in advance in writing or via the Internet, etc. instead of attending the General Meeting of Shareholders.

 <p style="text-align: center;">Attendance at General Meeting of Shareholders</p> <p>When you attend the General Meeting of Shareholders, please submit the enclosed Voting Rights Exercise Form at the reception desk.</p> <p style="text-align: center;"><u>Date and time of the General Meeting of Shareholders:</u></p> <p style="text-align: center;">Tuesday, September 29, 2020 at 10:00 a.m. Japan time</p>	 <p style="text-align: center;">Exercise of voting rights in writing (via mail)</p> <p>Please indicate your vote for or against each proposal on the enclosed Voting Rights Exercise Form and send the form by postal mail.</p> <p style="text-align: center;"><u>Deadline for exercising voting rights:</u></p> <p style="text-align: center;">To be received no later than 5:00 p.m., Monday, September 28, 2020, Japan time</p>	 <p style="text-align: center;">Exercise of voting rights via the Internet, etc.</p> <p>Please follow the directions on pages 4 and 5 to vote for or against each proposal (available in Japanese only).</p> <p style="text-align: center;"><u>Deadline for exercising voting rights:</u></p> <p style="text-align: center;">Must finish input by 5:00 p.m., Monday, September 28, 2020, Japan time</p>
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If you do not indicate your vote for or against a proposal, your vote will be deemed as a vote in favor.
In the event that you exercise your voting rights both in writing (via mail) and via the Internet, etc. only your exercise of voting rights via the Internet, etc. will be considered valid.
In the event that you exercise your voting rights via the Internet, etc. multiple times, then only your final exercise of voting rights via the Internet, etc. will be considered valid.



Guidance on Exercise of Voting Rights via the Internet, etc.

Deadline
for
exercising
voting rights

Must finish input by 5:00 p.m.,

Monday, September 28, 2020, Japan time

“Smart Exercise” by scanning the QR Code

By scanning the QR Code, you can log in on the voting rights exercise website without entering the voting rights exercise code or password.

1. Scan the QR Code printed on the bottom right of the Voting Rights Exercise Form using a smartphone.

*The “QR Code” is a trademark of DENSO WAVE INCORPORATED.

2. Enter your vote for or against the proposals by following the on-screen instructions.

You can exercise your voting rights via “Smart Exercise” only once.

If you wish to change your vote, please access the PC-version website for exercising voting rights, log in using the “voting rights exercise code” and “password” printed on the Voting Rights Exercise Form, and exercise your voting rights again.

*You can access the PC-version website by scanning the QR Code again using a smartphone.



In the event that you exercise your voting rights both in writing (via mail) and via the Internet, etc. only your exercise of voting rights via the Internet, etc. will be considered valid.

In the event that you exercise your voting rights via the Internet, etc. multiple times, then only your final exercise of voting rights via the Internet, etc. will be considered valid.

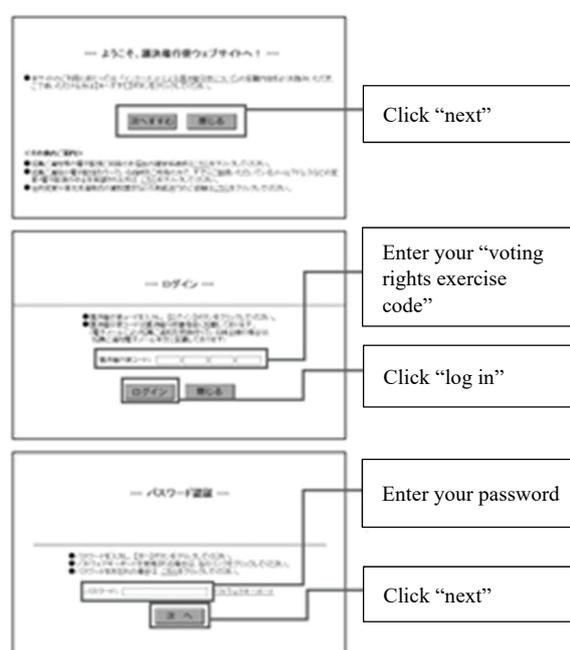
Stock Transfer Agency Web-support Helpdesk,
Sumitomo Mitsui Trust Bank
Tel: 0120-652-031 (toll free in Japan)
(Business hours: 9:00 a.m. to 9:00 p.m.)

Institutional investors can electronically exercise their voting rights for this meeting from the “Electronic Voting System Platform” operated by ICJ, Inc.

How to enter your voting rights exercise code and password

Voting rights exercise website: <https://www.web54.net>

1. Access the voting rights exercise website.
2. Enter the “voting rights exercise code” printed on the Voting Rights Exercise Form.
3. Enter the “password” printed on the Voting Rights Exercise Form.
4. Enter your vote for or against the proposals by following the on-screen instructions.



You may not be able to use the voting rights exercise website depending on the Internet settings, etc. of your PC or smartphone.

Reference Documents for the General Meeting of Shareholders

Proposal No. 1: Appropriation of Surplus

The Company recognizes the sharing of profits with the shareholders as one of its most important policies.

On the other hand, in an industry that undergoes significant changes in capital investment trends and technical innovations, the Company will strive to enhance internal reserves necessary to secure sufficient funds to invest in R&D in growth areas and build a stable financial base. Therefore, in distributing profits to shareholders, the Company makes it a basic policy to comprehensively consider the factors including such financing demands, cash flow, performance and payout ratio for each fiscal year.

For the 116th fiscal year, the Company, based on the above policy, has determined that the year-end dividend will be ¥80 per share (a decrease of ¥25 per share from the previous fiscal year) as per the following:

- | | |
|---|--|
| • Type of dividend property | Dividends shall be paid in Cash. |
| • Matters concerning the allotment of dividend property to shareholders and total amount thereof | ¥80 per share of the Company's common stock
The total amount of dividends shall be
¥3,948,191,200. |
| • Effective date of the distribution of surplus | September 30, 2020 |

Proposal No. 2: Election of Eight Directors

The terms of office of all eight directors will expire at the close of this General Meeting of Shareholders. Therefore, the Company proposes the election of eight directors.

The candidates for directors are as follows. The candidates for directors have been determined by the Board of Directors, following consultation procedures with the Nomination and Compensation Committee which was established in an effort to materialize more fair, impartial, and transparent discussions and to enhance the effectiveness of the Board.

Candidate No.	Name	Current positions	Attributes			Attendance at Board of Directors meetings
1	Setsuo Iwashita	President and Chief Executive Officer	Reelection			100% (12/12)
2	Mitsuru Motoyoshi	Director and Executive Vice President	Reelection			100% (12/12)
3	Masasuke Matsudai	Senior Managing Director	Reelection			100% (9/9)
4	Choong Ryul Paik	Senior Managing Director	Reelection			100% (12/12)
5	Hiroyuki Nishi	–	New election	External		–
6	Norio Uchida	External Director	Reelection	External	Independent Officer	100% (12/12)
7	Kozo Ishida	External Director	Reelection	External	Independent Officer	92% (11/12)
8	Yoshimi Nakajima	External Director	Reelection	External	Independent Officer	100% (12/12)

Reelection

Candidates for directors to be reelected

New election

New candidates for directors

External

Candidates for external directors

Independent Officer

Registered as independent officer with the Tokyo Stock Exchange

Candidate No. 1	Setsuo Iwashita Date of birth February 4, 1953 Number of shares of the Company held 27,314 shares Attendance at Board of Directors meetings 12/12 Reelection	Past experience, positions, and responsibilities	
		March 1984	Joined the Company
		August 1992	Manager of Beijing Business Office and Shanghai Business Office, Overseas Operation Division
		September 1995	Director and Chief Executive Officer of ULVAC (NINGBO) CO., Ltd.
		July 1998	General Manager of Chinese Region, Asia Division of the Company
		March 2006	Director and Chief Executive Officer of ULVAC (CHINA) HOLDING CO., LTD.
		October 2006	Chairman of ULVAC (Shanghai) Trading Co., Ltd. Chairman of ULVAC (SUZHOU) CO., LTD.
		September 2011	Director of the Company
		July 2012	Director and Executive Officer
		September 2013	Managing Executive Officer
July 2015	Senior Managing Executive Officer of the Company Chairman of ULVAC (CHINA) HOLDING CO., LTD.		
July 2016	Senior Managing Executive Officer and Senior Manager of Management Planning Department of the Company		
September 2016	Director and Senior Managing Executive Officer, Senior Manager of Management Planning Department		
July 2017	President and Chief Executive Officer		
January 2019	President and Chief Executive Officer and General Manager of Human Resource Center		
July 2020	President and Chief Executive Officer (current position)		
(Significant concurrent positions)			
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[Reasons for selection as a candidate for director] Mr. Setsuo Iwashita has accumulated extensive experience and achievements as a corporate manager in China as well as strived for medium- to long-term growth and the improvement of sustainable corporate value as President and Chief Executive Officer of the Company. Therefore, the Company has nominated Mr. Iwashita as a candidate for director based on its judgment that he will be able to continue contributing to the management of the Company.			

Candidate No. 2	Past experience, positions, and responsibilities		
		April 1980	Joined the Company
		July 1995	Senior Manager of Management Department, Ultra-High Vacuum Products Division
		July 1998	Staff Manager of Management Planning Department
		July 2000	Senior Manager of Accounting Department
		September 2005	Director and Senior Manager of Accounting Department
		July 2010	Director and Senior Manager of Management Planning Department
		July 2012	Director and Executive Officer, Senior Manager of Management Planning Department
		July 2013	Chairman of ULVAC TAIWAN INC.
		July 2014	Director and Managing Executive Officer, Senior Manager of Management Planning Department of the Company
		July 2015	Director and Senior Managing Executive Officer, Senior Manager of Management Planning Department
		July 2017	Director and Senior Managing Executive Officer, Senior General Manager of Business Strategy Headquarters of the Company Chairman of ULVAC (Shanghai) Trading Co., Ltd.
	Mitsuru Motoyoshi		Chairman of ULVAC (SUZHOU) CO., LTD. Chairman of ULVAC SINGAPORE PTE LTD (current position) Chairman of ULVAC MALAYSIA SDN. BHD. (current position)
	Date of birth January 1, 1957		
Number of shares of the Company held 9,200 shares	July 2018	Director and Executive Vice President of the Company	
Attendance at Board of Directors meetings 12/12	January 2019	Chairman and Chief Executive Officer of ULVAC (CHINA) HOLDING CO., LTD. Chairman of ULVAC Automation Technology (Shanghai) Corporation	
Reelection	July 2019	Director and Executive Vice President, General Manager of Management Empowerment Center of Excellence of the Company, responsible for associate companies Chairman of ULVAC Tianma Electric (Jingjiang) Co., Ltd.	
	January 2020	Chairman of ULVAC (CHINA) HOLDING CO., LTD. (current position)	
	July 2020	Director and Executive Vice President (in charge of Group companies) of the Company (current position)	
		(Significant concurrent positions) • Chairman of ULVAC (CHINA) HOLDING CO., LTD. • Chairman of ULVAC SINGAPORE PTE LTD • Chairman of ULVAC MALAYSIA SDN. BHD.	
		[Reasons for selection as a candidate for director] Mr. Mitsuru Motoyoshi has accumulated extensive experience and achievements primarily in the divisional administration, management planning and accounting departments of the Company and also has strived for medium- to long-term growth and the improvement of sustainable corporate value as the corporate manager of the Company and group companies. Therefore, the Company has nominated Mr. Motoyoshi as a candidate for director based on its judgment that he will be able to continue contributing to the management of the Company.	

Candidate No. 3	Past experience, positions, and responsibilities	
<p data-bbox="331 824 592 860">Masasuke Matsudai</p> <p data-bbox="331 891 520 949">Date of birth August 23, 1957</p> <p data-bbox="331 987 608 1077">Number of shares of the Company held 10,800 shares</p> <p data-bbox="331 1115 600 1205">Attendance at Board of Directors meetings 9/9</p> <p data-bbox="331 1234 504 1279">Reelection</p>	April 1981	Joined the Company
	July 1992	Senior Manager of Technology Group IV, Advanced Electronics & Ion Equipment Division
	July 1997	Senior Manager of Technology Department I, Advanced Electronics Equipment Division
	July 2003	General Manager of FPD Division I
	September 2006	Director and General Manager of FPD Division I
	July 2012	Director and Executive Officer, Senior General Manager of Global Manufacturing Promotion Division
	July 2013	Director and Executive Officer, Senior General Manager of Corporate Sales & Marketing Division
	June 2014	External Director of SHOWA SHINKU CO., LTD. (current position)
	July 2014	Director and Managing Executive Officer, Senior General Manager of Corporate Sales & Marketing Division of the Company
	July 2015	Director and Senior Managing Executive Officer, Senior General Manager of Corporate Sales & Marketing Division
	July 2016	President and Chief Executive Officer of ULVAC TECHNO, Ltd. Senior Managing Executive Officer of the Company
	January 2019	Senior Managing Executive Officer, Senior General Manager of Customer Support Headquarters
	July 2019	Senior Managing Executive Officer, General Manager of New Business Development Center of the Company and Chairman of ULVAC TECHNO, Ltd.
	September 2019	Director and Senior Managing Executive Officer, General Manager of New Business Development Center of the Company and Chairman of ULVAC TECHNO, Ltd.
	June 2020	Chairman of Japan Vacuum Industry Association (current position)
	July 2020	Senior Managing Director (in charge of New Business Development & CS business) of the Company (current position)
August 2020	President and Chief Executive Officer of ULVAC EQUIPMENT SALES, Inc. (current position)	
<p data-bbox="639 1704 1034 1740">(Significant concurrent positions)</p> <ul data-bbox="639 1740 1426 1924" style="list-style-type: none"> <li data-bbox="639 1740 1246 1776">• External Director of SHOWA SHINKU CO., LTD. <li data-bbox="639 1776 1225 1812">• Chairman of Japan Vacuum Industry Association <li data-bbox="639 1812 1426 1870">• President and Chief Executive Officer of ULVAC EQUIPMENT SALES, Inc. <li data-bbox="639 1870 1094 1906">• Chairman of ULVAC TECHNO, Ltd. (Scheduled to assume office in September 2020) 		

		<p>[Reasons for selection as a candidate for director]</p> <p>Mr. Masasuke Matsudai has accumulated extensive experience and achievements mainly in the FPD business and customer support business of the Company, and has also strived for medium- to long-term growth and the improvement of sustainable corporate value as the corporate manager of the Company and group companies. Therefore, the Company has nominated Mr. Matsudai as a candidate for director based on its judgment that he will be able to continue contributing to the management of the Company.</p>
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Candidate No. 4	<p>Choong Ryul Paik</p> <p>Date of birth February 14, 1959</p> <p>Number of shares of the Company held 10,000 shares</p> <p>Attendance at Board of Directors meetings 12/12</p>	Past experience, positions, and responsibilities	
		April 1991	Joined the Company
		September 1999	Joined ULVAC KOREA, Ltd. as Senior Director
		September 2000	President of ULVAC KOREA, Ltd.
		September 2012	Executive Officer of the Company
		July 2015	Managing Executive Officer
		September 2016	Chairman of ULVAC KOREA, Ltd. (current position)
		July 2018	Managing Executive Officer, Senior General Manager of R&D Headquarters of the Company
		September 2018	Director and Managing Executive Officer, Senior General Manager of R&D Headquarters
		July 2019	Director and Managing Executive Officer, General Manager of Innovation Center of Excellence
		July 2020	Senior Managing Director (in charge of Innovation) of the Company and President and Chief Executive Officer of ULVAC-PHI, Inc. (current position)
	Reelection	(Significant concurrent positions)	
		<ul style="list-style-type: none"> • Chairman of ULVAC KOREA, Ltd. • President and Chief Executive Officer of ULVAC-PHI, Inc. 	
		<p>[Reasons for selection as a candidate for director]</p> <p>Dr. Choong Ryul Paik has accumulated extensive experience and achievements as a corporate manager in South Korea, and has strived for medium- to long-term growth and the improvement of sustainable corporate value as the corporate manager of the Company and group companies. Therefore, the Company has nominated Dr. Paik as a candidate for director based on its judgment that he will be able to continue contributing to the management of the Company.</p>	

Candidate No. 5	<p>Hiroyuki Nishi</p> <p>Date of birth September 20, 1960</p> <p>Number of shares of the Company held None</p> <p>New election</p> <p>External</p>	Past experience, positions, and responsibilities	
		April 1983	Joined Nippon Life Insurance Company
		March 2007	General Manager of International Planning & Operations Dept. and General Manager of China Office
		March 2010	Executive Officer, General Manager of Europe, Deputy Director-General and General Manager of London Representative Office
		July 2011	Director and Executive Officer, General Manager of the Americas, General Manager of Europe, Deputy Director-General, and General Manager of New York Representative Office
March 2014	Director and Managing Executive Officer, General Manager of International Planning & Operations Dept., General Manager of the Americas, General Manager of Europe, and General Manager of Asia		
March 2017	Director and Senior Managing Executive Officer, General Manager of the Americas, General Manager of Europe, and General Manager of Asia		
March 2018	Director		
March 2018	President and Chief Executive Officer of Nissay Asset Management Corporation		
March 2020	Advisor of Nissay Credit Guarantee Co., Ltd.		
April 2020	President and Chief Executive Officer (current position)		
		(Significant concurrent positions)	
		<ul style="list-style-type: none"> • President and Chief Executive Officer of Nissay Credit Guarantee Co., Ltd. 	
		<p>[Reasons for selection as a candidate for external director]</p> <p>Mr. Hiroyuki Nishi has extensive experience and advanced insight as a corporate manager of other companies in Japan and overseas. The Company has nominated Mr. Nishi as a candidate for external director based on its judgment that he will be able to strive for medium- to long-term growth and the improvement of sustainable corporate value through providing appropriate advice on the overall management of the Company based on his broad perspective and properly supervising the management and properly carry out his duties as an external director.</p>	

Candidate No. 6		Past experience, positions, and responsibilities	
		<p>April 1973 Joined Tokyo Optical Co., Ltd. (currently TOPCON CORPORATION)</p> <p>June 1980 General Manager of Topcon Singapore Pte. Ltd.</p> <p>February 1989 President of Topcon Australia Pty Ltd.</p> <p>October 1994 Senior Vice President of Topcon Laser Systems, Inc. (currently Topcon Positioning Systems, Inc.)</p> <p>July 1999 President of Topcon Laser Systems Japan, Inc.</p> <p>June 2003 Executive Officer of TOPCON CORPORATION</p> <p>July 2003 Director and President of Topcon Sales Corporation (currently TOPCON SOKKIA POSITIONING JAPAN CO., LTD.)</p> <p>June 2005 Director and Executive Officer of TOPCON CORPORATION</p> <p>June 2007 Director and Managing Executive Officer</p> <p>June 2010 Director and Senior Managing Executive Officer</p> <p>June 2011 Representative Director, President & CEO</p> <p>June 2013 Advisor to the Board</p> <p>June 2015 External Director of Nabtesco Corporation (current position)</p> <p>September 2015 External Director of the Company (current position)</p>	
	Norio Uchida	(Significant concurrent positions)	
	Date of birth October 22, 1950	<ul style="list-style-type: none"> • External Director of Nabtesco Corporation 	
	Number of shares of the Company held None	[Reasons for selection as a candidate for external director]	
	Attendance at Board of Directors meetings 12/12	<p>Mr. Norio Uchida has extensive experience and advanced insight as a corporate manager of other companies in Japan and overseas. He has strived for medium- to long-term growth and the improvement of sustainable corporate value through providing appropriate advice on the overall management of the Company based on his broad perspective and properly supervising the management. Therefore, the Company has nominated Mr. Uchida as a candidate for external director based on its judgment that he will be able to continue to properly carry out his duties as an external director of the Company.</p> <p>In addition, as Mr. Uchida meets the independence standards set forth by the Tokyo Stock Exchange, while at the same time does not have any special interests in the Company and thus does not pose a risk of conflict of interests with the general shareholders from a practical perspective, the Company has registered Mr. Uchida as an Independent Officer with the Tokyo Stock Exchange. In the event that he is reelected, he will continue to serve as an Independent Officer.</p>	
	Reelection		
	External		
	Independent Officer		

Candidate No. 7		Past experience, positions, and responsibilities	
		<p>March 1970 Joined HORIBA, Ltd.</p> <p>June 1982 General Manager of Product Department I, Development and Sales Division</p> <p>June 1988 Director</p> <p>June 1991 Managing Director</p> <p>June 1996 Senior Managing Director</p> <p>June 2002 Vice President and Director</p> <p>June 2005 Executive Vice President and Representative Director</p> <p>March 2011 Director and Advisor of HORIBA STEC Co., Ltd.</p> <p>March 2014 Vice Chairman and Representative Director of HORIBA, Ltd.</p> <p>March 2016 Senior Advisor</p> <p>September 2016 External Director of the Company (current position)</p> <p>March 2017 External Director of Seiko Electric Co., Ltd. (current position)</p> <p>April 2018 Fellow of HORIBA, Ltd. (current position)</p>	
	<p>Kozo Ishida</p> <p>Date of birth November 4, 1944</p> <p>Number of shares of the Company held 300 shares</p> <p>Attendance at Board of Directors meetings 11/12</p> <p style="text-align: center;">Reelection</p> <p style="text-align: center;">External</p> <p style="text-align: center;">Independent Officer</p>	<p>(Significant concurrent positions)</p> <ul style="list-style-type: none"> • Fellow of HORIBA, Ltd. • External Director of Seiko Electric Co., Ltd. 	
		<p>[Reasons for selection as a candidate for external director]</p> <p>Dr. Kozo Ishida has extensive experience as a corporate manager of other companies as well as technical expertise. He has strived for medium- to long-term growth and the improvement of sustainable corporate value through providing appropriate advice on the overall management of the Company based on his broad perspective and properly supervising the management. Therefore, the Company has nominated Dr. Ishida as a candidate for external director based on its judgment that he will be able to continue to properly carry out his duties as an external director of the Company.</p> <p>In addition, as Dr. Ishida meets the independence standards set forth by the Tokyo Stock Exchange, while at the same time does not have any special interests in the Company and thus does not pose a risk of conflict of interests with the general shareholders from a practical perspective, the Company has registered Dr. Ishida as an Independent Officer with the Tokyo Stock Exchange. In the event that he is reelected, he will continue to serve as an Independent Officer.</p>	

Candidate No. 8	Yoshimi Nakajima	Past experience, positions, and responsibilities	
		April 1980	Joined The Yasuda Trust and Banking Co., Ltd. (currently Mizuho Trust & Banking Co., Ltd.)
		February 1982	Joined AVON PRODUCTS CO., LTD.
		May 1997	Joined Citibank, N.A. as Vice President
	Date of birth December 16, 1956	June 2000	Joined Societe Generale Securities Services as Senior General Manager
	Number of shares of the Company held None	April 2002	Joined American Express International, Inc. as Vice President in charge of Global Traveler's Check & Prepaid Card Service, Japan Branch
	Attendance at Board of Directors meetings 12/12	August 2011	Country Manager in Singapore (President)
	Reelection	February 2014	Senior Vice President of Japan Branch
	External	April 2014	President and Representative Director of American Express Japan Co., Ltd.
	Independent Officer	June 2017	External Director of Yamaha Corporation (current position)
		June 2018	External Director of AEON Financial Service Co., Ltd. (current position)
		September 2018	External Director of Japan Freight Railway Company (current position)
			External Director of the Company (current position)
			(Significant concurrent positions)
			<ul style="list-style-type: none"> • External Director of Yamaha Corporation • External Director of AEON Financial Service Co., Ltd. • External Director of Japan Freight Railway Company
			[Reasons for selection as a candidate for external director]
			Ms. Yoshimi Nakajima has extensive experience and advanced insight as a corporate manager of other companies both in Japan and overseas. She has strived for medium- to long-term growth and the improvement of sustainable corporate value through providing appropriate advice on the overall management of the Company based on her broad perspective and properly supervising the management. Therefore, the Company has nominated Ms. Nakajima as a candidate for external director based on its judgment that she will be able to continue to properly carry out her duties as an external director of the Company.
			In addition, as Ms. Nakajima meets the independence standards set forth by the Tokyo Stock Exchange, while at the same time does not have any special interests in the Company and thus does not pose a risk of conflict of interests with the general shareholders from a practical perspective, the Company has registered Ms. Nakajima as an Independent Officer with the Tokyo Stock Exchange. In the event that she is reelected, she will continue to serve as an Independent Officer.

(Notes)

1. No special interests exist between any of the candidates for director and the Company.
2. Messrs. Hiroyuki Nishi and Norio Uchida, Dr. Kozo Ishida and Ms. Yoshimi Nakajima are candidates for external director.
Mr. Norio Uchida, Dr. Kozo Ishida and Ms. Yoshimi Nakajima currently serve as external directors of the Company, and Mr. Uchida will have served for five years, Dr. Ishida will have served for four years, and Ms. Nakajima will have served for two years as external directors at the close of this General Meeting of Shareholders.
3. In accordance with the provisions of Article 427, Paragraph 1 of the Companies Act, the Company has entered into an agreement with Mr. Norio Uchida, Dr. Kozo Ishida and Ms. Yoshimi Nakajima respectively to limit their liability for damages, which is stipulated in Article 423, Paragraph 1 of the Companies Act. The Company plans to continue this liability limitation agreement with them if their election is approved as proposed at this General Meeting of Shareholders. In addition, if Mr. Hiroyuki Nishi is newly elected as proposed, the Company plans to conclude the same agreement with him as well. The amount of the liability limit under such agreement shall be the amount provided for by the relevant laws and regulations.

Proposal No. 3: Election of One Substitute Auditor

The effective tenure of Mr. Takao Nonaka, who was elected as substitute auditor at the 115th Ordinary General Meeting of Shareholders held on September 27, 2019, will expire at the start of this General Meeting of Shareholders. Accordingly, in order to prepare for the contingency in which the Company does not have the number of auditors required by laws and regulations, the Company proposes to elect one substitute auditor.

This Proposal has received prior consent from the Board of Corporate Auditors.

The candidate for substitute auditor is as follows.

<p>Takao Nonaka</p> <p>Date of birth January 29, 1949</p> <p>Number of shares of the Company held None</p> <p style="border: 1px solid black; padding: 2px; display: inline-block;">External</p> <p style="border: 1px solid black; padding: 2px; display: inline-block;">Independent Officer</p>	<u>Past experience and positions</u>	
	April 1971	Joined Banyu Pharmaceutical Co., Ltd. (currently MSD K.K.)
	March 1982	Registered as Certified Public Tax Accountant
	April 1982	Opened Takao Nonaka Certified Public Tax Accountant Office
		President of Takao Nonaka Certified Public Tax Accountant Office (current position)
	January 1989	President and Representative Director of Melies Co., Ltd.
	March 1991	Corporate Auditor of Kinashi Denki Co., Ltd. (current position)
	September 2009	External Corporate Auditor of the Company
	June 2011	Advisor of Kyobashi Branch, Tokyo Certified Public Tax Accountants' Association (current position)
	May 2012	Auditor of Incorporated Educational Institution Ishida Gakuen
	May 2013	Director of Incorporated Educational Institution Ishida Gakuen (current position)
	October 2013	Advisor of Kyobashi Certified Public Tax Accountants Political League (current position)
	June 2015	Auditor of Mutual Aid Association of Certified Public Tax Accountants in Japan (current position)
	Corporate Auditor of Nichizei Mutual Aid Co., Ltd. (current position)	
	February 2017	Corporate Auditor of FIT Leadintex, Inc. (current position)
	(Significant concurrent positions)	
	• President of Takao Nonaka Certified Public Tax Accountant Office	
	[Reasons for selection as a candidate for substitute external auditor] Mr. Takao Nonaka has insight gained through extensive experience as a certified public tax accountant and experience as an auditor of the Company as well as other companies. The Company has nominated Mr. Nonaka as a candidate for substitute external auditor, based on its expectation that he will leverage such knowledge and experience in the audits of the Company. In addition, as Mr. Nonaka meets the independence standards set forth by the Tokyo Stock Exchange, while at the same time does not have any special interests in the Company and thus does not pose a risk of conflict of interests with the general shareholders from a practical perspective, the Company will register Mr. Nonaka as an Independent Officer with the Tokyo Stock Exchange, in the event that he assumes the office of auditor.	

External	Candidate for substitute external auditor
Independent Officer	Registered as independent officer with the Tokyo Stock Exchange

- (Notes)
1. No special interests exist between the candidate for substitute auditor and the Company.
 2. Mr. Takao Nonaka is a candidate for substitute external auditor. Mr. Nonaka is a certified public tax accountant and possesses adequate knowledge in finance and accounting. In addition, Mr. Nonaka has served as an external auditor of the Company in the past.
 3. In the event that Mr. Takao Nonaka assumes the office of external auditor, the Company, in accordance with the provisions of Article 427, Paragraph 1 of the Companies Act, intends to enter into an agreement with Mr. Nonaka to limit his liability for damages, which is stipulated in Article 423, Paragraph 1 of the Companies Act. The amount of the liability limit under such agreement shall be the amount provided for by the relevant laws and regulations.

Consolidated Financial Statements
Consolidated Balance Sheets
(As of June 30, 2020)

(Unit: Millions of yen)

Description	Amount	Description	Amount
(Assets)		(Liabilities)	
Current assets	188,985	Current liabilities	72,285
Cash on hand and in banks	80,694	Notes and accounts payable, trade	31,439
Notes and accounts receivable, trade	66,702	Short-term loans payable	11,266
Merchandise and finished goods	3,883	Lease obligations	666
Work in process	21,004	Income taxes payable	1,340
Raw materials and supplies	10,217	Advances received	11,569
Other	6,903	Accrued employees' bonuses	2,686
Allowance for doubtful accounts	(419)	Accrued directors' bonuses	372
Non-current assets	93,365	Accrued warranty costs	1,672
Property, plant and equipment	65,189	Provision for loss on order received	1,323
Buildings and structures	29,115	Other	9,952
Machinery, equipment and vehicles	19,312	Long-term liabilities	48,972
Tools, furniture and fixtures	1,638	Long-term loans payable	38,577
Land	8,344	Lease obligations	1,999
Leased assets	2,567	Deferred tax liabilities	27
Construction in progress	4,213	Net defined benefit liability	7,363
Intangible assets	3,278	Provision for board benefit trust	156
Leased assets	53	Asset retirement obligations	402
Software	973	Other	447
Other	2,251	Total liabilities	121,256
Investments and other assets	24,898	(Net Assets)	
Investment securities	11,869	Shareholders' equity	151,007
Deferred tax assets	6,108	Capital stock	20,873
Other	9,343	Capital surplus	3,912
Allowance for doubtful accounts	(2,422)	Retained earnings	126,571
		Treasury shares	(349)
		Accumulated other comprehensive income	3,246
		Valuation difference on available-for-sale securities	5,301
		Foreign currency translation adjustment	(572)
		Remeasurements of defined benefit plans	(1,482)
		Non-controlling interests	6,840
		Total net assets	161,093
Total assets	282,350	Total liabilities and net assets	282,350

(Note) Figures presented in the financial statements are rounded off to the nearest million yen.

Consolidated Statements of Income

(July 1, 2019 – June 30, 2020)

(Unit: Millions of yen)

Description	Amount	
Net sales		185,402
Cost of sales		134,805
Gross profit		50,596
Selling, general and administrative expenses		34,638
Operating profit		15,958
Non-operating income		
Interest income	171	
Dividend income	634	
Compensation income	779	
Share of profit of entities accounted for using equity method	494	
Other	1,433	3,511
Non-operating expenses		
Interest expenses	437	
Other	980	1,418
Ordinary profit		18,052
Extraordinary income		
Gain on sales of investment securities	3,261	
Gain on sales of non-current assets	47	3,308
Extraordinary losses		
Loss on retirement of non-current assets	64	
Impairment loss	175	239
Income before income taxes		21,122
Current income taxes	4,790	
Deferred income taxes	4,596	9,386
Net income		11,736
Net income attributable to non-controlling interests		967
Net income attributable to owners of parent		10,769

(Note) Figures presented in the financial statements are rounded off to the nearest million yen.

Consolidated Statements of Changes in Equity

(July 1, 2019 – June 30, 2020)

(Unit: Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at the beginning of current period	20,873	3,912	120,985	(247)	145,522
Changes of items during the period					
Dividends of surplus			(5,182)		(5,182)
Net income attributable to owners of parent			10,769		10,769
Purchase of treasury shares				(120)	(120)
Disposal of treasury shares				18	18
Net changes of items other than shareholders' equity					
Total changes of items during the period	—	—	5,587	(102)	5,485
Balance at the end of current period	20,873	3,912	126,571	(349)	151,007

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at the beginning of current period	6,652	266	(1,528)	5,390	6,676	157,588
Changes of items during the period						
Dividends of surplus						(5,182)
Net income attributable to owners of parent						10,769
Purchase of treasury shares						(120)
Disposal of treasury shares						18
Net changes of items other than shareholders' equity	(1,351)	(838)	46	(2,143)	164	(1,979)
Total changes of items during the period	(1,351)	(838)	46	(2,143)	164	3,505
Balance at the end of current period	5,301	(572)	(1,482)	3,246	6,840	161,093

(Note) Figures presented in the financial statements are rounded off to the nearest million yen.

Non-consolidated Financial Statements
Non-consolidated Balance Sheets
(As of June 30, 2020)

(Unit: Millions of yen)

Description	Amount	Description	Amount
(Assets)		(Liabilities)	
Current assets	124,368	Current liabilities	57,672
Cash on hand and in banks	48,955	Notes payable, trade	931
Electronically recorded monetary claims, operating	891	Electronically recorded obligations, operating	10,779
Accounts receivable, trade	44,721	Accounts payable, trade	22,745
Finished goods	837	Current portion of long-term loans payable	7,380
Raw materials	2,970	Lease obligations	49
Work in process	9,930	Accounts payable, other	2,692
Short-term loans receivable	10,207	Advances received	4,111
Accounts receivable, other	3,624	Deposits received	5,047
Other	2,233	Accrued employees' bonuses	268
Non-current assets	76,559	Accrued directors' bonuses	161
Property, plant and equipment	37,908	Accrued warranty costs	925
Buildings	14,054	Provision for loss on order received	1,305
Structures	248	Other	1,278
Machinery and equipment	14,935	Long-term liabilities	35,429
Vehicles	10	Long-term loans payable	34,827
Tools, furniture and fixtures	522	Lease obligations	35
Land	5,603	Provision for board benefit trust	156
Leased assets	57	Provision for loss on guarantees	15
Construction in progress	2,479	Asset retirement obligations	210
Intangible assets	2,416	Other	187
Patent right	1,182	Total liabilities	93,101
Software	401	(Net Assets)	
Other	834	Shareholders' equity	102,549
Investments and other assets	36,234	Capital stock	20,873
Investment securities	8,387	Capital surplus	4,582
Shares of subsidiaries and associates	12,742	Legal capital surplus	105
Investments in capital of subsidiaries and associates	10,842	Other capital surplus	4,477
Long-term loans receivable	748	Retained earnings	77,442
Guarantee deposits	264	Legal retained earnings	1,960
Prepaid pension cost	212	Other retained earnings	75,482
Deferred tax assets	2,721	Reserve for advanced depreciation of non-current assets	530
Other	2,401	Retained earnings brought forward	74,952
Allowance for doubtful accounts	(2,083)	Treasury shares	(348)
		Valuation and translation adjustments	5,277
		Valuation difference on available-for-sale securities	5,277
		Total net assets	107,826
Total assets	200,927	Total liabilities and net assets	200,927

(Note) Figures presented in the financial statements are rounded off to the nearest million yen.

Non-consolidated Statements of Income

(July 1, 2019 – June 30, 2020)

(Unit: Millions of yen)

Description	Amount	
Net sales		97,377
Cost of sales		76,434
Gross profit		20,944
Selling, general and administrative expenses		17,653
Operating profit		3,290
Non-operating income		
Interest and dividend income	9,021	
Compensation income	550	
Rent income	417	
Other	428	10,417
Non-operating expenses		
Interest expenses	323	
Assets for lease expenses	317	
Other	634	1,274
Ordinary profit		12,433
Extraordinary income		
Gain on sales of investment securities	3,261	3,261
Extraordinary losses		
Loss on retirement of non-current assets	50	
Impairment loss	175	
Provision for loss on guarantees	15	240
Income before income taxes		15,454
Current income taxes	1,333	
Deferred income taxes	3,887	5,220
Net income		10,234

(Note) Figures presented in the financial statements are rounded off to the nearest million yen.

Non-consolidated Statements of Changes in Equity

(July 1, 2019 – June 30, 2020)

(Unit: Millions of yen)

	Shareholders' equity									
	Capital stock	Capital surplus			Retained earnings				Treasury shares	Total shareholders' equity
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings		Total retained earnings		
						Reserve for advanced depreciation of non-current assets	Retained earnings brought forward			
Balance at the beginning of current period	20,873	105	4,477	4,582	1,442	592	70,356	72,390	(246)	97,599
Changes of items during the period										
Dividends of surplus							(5,182)	(5,182)		(5,182)
Provision of legal retained earnings due to dividends of surplus					518		(518)	-		-
Reversal of reserve for advanced depreciation of non-current assets						(62)	62	-		-
Net income							10,234	10,234		10,234
Purchase of treasury shares									(120)	(120)
Disposal of treasury shares									18	18
Net changes of items other than shareholders' equity										
Total changes of items during the period	-	-	-	-	518	(62)	4,596	5,052	(102)	4,950
Balance at the end of current period	20,873	105	4,477	4,582	1,960	530	74,952	77,442	(348)	102,549

	Valuation and translation adjustments		Total net assets
	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at the beginning of current period	6,620	6,620	104,219
Changes of items during the period			
Dividends of surplus			(5,182)
Provision of legal retained earnings due to dividends of surplus			-
Reversal of reserve for advanced depreciation of non-current assets			-
Net income			10,234
Purchase of treasury shares			(120)
Disposal of treasury shares			18
Net changes of items other than shareholders' equity	(1,343)	(1,343)	(1,343)
Total changes of items during the period	(1,343)	(1,343)	3,606
Balance at the end of current period	5,277	5,277	107,826

(Note) Figures presented in the financial statements are rounded off to the nearest million yen.