

Note: This document has been translated from a part of the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail. The Company assumes no responsibility for this translation or for direct, indirect or any other forms of damages arising from the translation.

(Stock Exchange Code: 5333)  
June 7, 2021

**To Shareholders:**

Shigeru Kobayashi  
Representative Director and President  
NGK INSULATORS, LTD.  
2-56, Suda-cho, Mizuho-ku, Nagoya, Japan

## **CONVOCATION NOTICE OF THE 155TH ANNUAL SHAREHOLDERS' MEETING**

Dear Shareholders:

We would like to express our appreciation for your continued support and patronage.

You are cordially notified that the 155th Annual Shareholders' Meeting of NGK INSULATORS, LTD. (the "Company") will be held as described below.

In order to prevent the novel coronavirus from spreading, we strongly request you to exercise your voting rights in advance in writing or via the Internet as much as possible and refrain from attending the Shareholders' Meeting in person. Please review the attached Reference Documents for the Shareholders' Meeting and exercise your voting rights by 5:15 p.m. on Friday, June 25, 2021, Japan time.

- 1. Date and Time:** Monday, June 28, 2021 at 10:00 a.m., Japan time
- 2. Place:** Conference room on the first floor of the main building of the Company located at 3-16, Mutsuno 1-chome, Atsuta-ku, Nagoya, Japan
- 3. Meeting Agenda:**
  - Matters to be reported:**
    1. The Business Report, Consolidated Financial Statements for the Company's 155th Fiscal Year (April 1, 2020 - March 31, 2021) and results of audits of the Consolidated Financial Statements by the Accounting Auditors and the Audit & Supervisory Board
    2. Non-consolidated Financial Statements for the Company's 155th Fiscal Year (April 1, 2020 - March 31, 2021)

**Proposals to be resolved:**

- Proposal 1:** Appropriation of Surplus
  - Proposal 2:** Partial Amendments to the Articles of Incorporation
  - Proposal 3:** Election of 9 Directors
  - Proposal 4:** Election of 1 Audit & Supervisory Board Member
  - Proposal 5:** Determination of the Amount and Details of Remuneration Provided as Stock Compensation-type Stock Options for Directors
-

**Proposal 1:** Appropriation of Surplus

Taking into account such factors as strengthening of our business structure, future business development and earnings conditions, the year-end dividend for the year ended March 31, 2021 is proposed as follows.

Matters concerning the year-end dividend

- (1) Type of property distributed as dividend:  
Cash
- (2) Matters concerning the allocation of the dividend property to shareholders and the total amount thereof:  
20 yen per share of the Company's common shares, 6,331,459,900 yen in total
- (3) Effective date of the dividend from surplus:  
Tuesday, June 29, 2021

**Proposal 2:** Partial Amendments to the Articles of Incorporation

(1) Reason for the proposal

Toward the realization of carbon neutrality, the adoption of renewable energy utilizing storage batteries is expected to expand worldwide. To respond to changes in the market and prepare for providing new services aimed at a further expansion of earnings and sustainable growth, the Company proposes to add a business purpose to Article 3. (Purposes) of the current Articles of Incorporation and to renumber the existing items in accordance with the addition of the new item.

(2) Details of the amendments

Details of the amendments are as follows.

(The proposed amendments are underlined.)

Current Articles of Incorporation	Proposed amendments
<p style="text-align: center;">Chapter I. General Provisions</p> <p>(Purposes) Article 3. The purposes for which the Company is formed shall be: 1. through 11. (Provisions omitted)</p> <p style="text-align: center;">(New)</p> <p><u>12.</u> through <u>16.</u> (Provisions omitted)</p>	<p style="text-align: center;">Chapter I. General Provisions</p> <p>(Purposes) Article 3. (No amendment)</p> <p>1. through 11. (No amendment)</p> <p><u>12. To design, manufacture and sell products, systems, services and software for power generation, power storage, power distribution and electricity retailing, and related fields</u></p> <p><u>13.</u> through <u>17.</u> (No amendment)</p>

**Proposal 3: Election of 9 Directors**

The terms of office of all 13 Directors will expire at the conclusion of this Annual Shareholders' Meeting. Accordingly, in order to make decisions more flexibly, the Company proposes a decrease in the number of Directors by 4 and the election of 9 Directors. If this proposal is approved as originally proposed, one-third of the Company's Directors will be Independent Outside Directors.

The candidates for Director are as follows:

No.	Name	Current positions and responsibilities at the Company	Attendance at Board of Directors meetings
1	Taku Oshima [Reappointment]	Representative Director and Chairman	100% (14 out of 14 meetings)
2	Shigeru Kobayashi [Reappointment]	Representative Director and President	100% (11 out of 11 meetings)
3	Hiroshi Kanie [Reappointment]	Representative Director and Executive Vice President	100% (14 out of 14 meetings)
4	Chiaki Niwa [Reappointment]	Representative Director and Executive Vice President	100% (14 out of 14 meetings)
5	Ryohei Iwasaki [Reappointment]	Director and Senior Vice President	100% (14 out of 14 meetings)
6	Hideaki Shindo [New candidate]	Vice President	—
7	Hiroyuki Kamano [Reappointment] [Outside] [Independent]	Outside Director	100% (14 out of 14 meetings)
8	Emiko Hamada [Reappointment] [Outside] [Independent] [Female]	Outside Director	100% (14 out of 14 meetings)
9	Kazuo Furukawa [Reappointment] [Outside] [Independent]	Outside Director	100% (14 out of 14 meetings)

(Note) Attendance at Board of Directors meetings for Mr. Shigeru Kobayashi relates to meetings held since he assumed the position of Director on June 29, 2020.

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions		Number of shares of the Company held
1	<p>Taku Oshima (July 14, 1956)</p> <p>[Reappointment]</p> <p>[Number of stock acquisition rights owned] 56 (Equivalent to 56,000 shares)</p> <p>[Attendance at the Board of Directors meetings] 100% (14 out of 14 meetings)</p>	<p>March 1980</p> <p>June 2007</p> <p>June 2011</p> <p>June 2014</p> <p>April 2021</p>	<p>Joins NGK</p> <p>Appointed as vice president</p> <p>Appointed as senior vice president</p> <p>Appointed as representative director and president</p> <p>Appointed as representative director and chairman (incumbent)</p>	10,000
<p><b>[Reasons for the nomination of candidate for Director]</b>  After joining the Company, Mr. Taku Oshima belonged to Manufacturing Engineering Division, and experienced start-up of manufacturing lines at overseas subsidiaries. In addition, he engaged in the development and massive-volume production of NAS® batteries from the beginning, working on design, manufacturing, and marketing as Head of the NAS battery business, the world first large scale energy storage system. He served as Representative Director and President from 2014, and has been serving as Representative Director and Chairman since April 2021. We renominated him as a candidate for Director because he has abundant experience at the Company and insights in business operations.</p>				
2	<p>Shigeru Kobayashi (March 23, 1961)</p> <p>[Reappointment]</p> <p>[Number of stock acquisition rights owned] 11 (Equivalent to 11,000 shares)</p> <p>[Attendance at the Board of Directors meetings] 100% (11 out of 11 meetings) (Note) Attendance relates to the Board of Directors meetings held since he assumed the position of Director on June 29, 2020.</p>	<p>March 1983</p> <p>June 2016</p> <p>June 2018</p> <p>June 2020</p> <p>April 2021</p>	<p>Joins NGK</p> <p>Appointed as vice president</p> <p>Appointed as senior vice president</p> <p>Appointed as director and senior vice president</p> <p>Appointed as representative director and president (incumbent)</p>	10,126
<p><b>[Reasons for the nomination of candidate for Director]</b>  Mr. Shigeru Kobayashi engaged in overseas sales and marketing at Energy Infrastructure Business Division and assumed positions in various departments including the manager of sales and marketing department of the NAS battery business, president of an overseas subsidiary, manager of the overseas sales and marketing department at the Ceramic Products Business Group, and Group Executive of Energy Infrastructure Business Group. He has been serving as Representative Director and President since April 2021. We renominated him as a candidate for Director because he has an ample experience at the Company, as well as a wealth of knowledge and personal contacts for business operations.</p>				

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
3	Hiroshi Kanie (July 9, 1957)  [Reappointment]  [Number of stock acquisition rights owned] 31 (Equivalent to 31,000 shares)  [Attendance at the Board of Directors meetings] 100% (14 out of 14 meetings)	<p>March 1981 Joins NGK June 2010 Appointed as vice president June 2012 Appointed as senior vice president June 2014 Appointed as director and senior vice president June 2015 Appointed as director and senior vice president June 2018 Appointed as representative director and executive vice president (incumbent)</p> <p>(Responsibilities) Responsible for Auditing Dept., Corporate Planning Office, New Business Planning Dept., Human Resources Management Dept., Group Compliance Dept., Legal Dept., Intellectual Property Dept., and General Affairs Dept.; Senior Officer in charge of Group Companies; Chief Compliance Officer; Chair of Compliance Committee and Internal Controls Committee; in charge of overall personal information management, privacy protection, and Construction Business Act compliance</p>	10,000
	<p><b>[Reasons for the nomination of candidate for Director]</b> Mr. Hiroshi Kanie has gained a variety of practical experience in business operations and department management, by working in Industrial Process Division and serving as General Manager of Secretarial Office, Head Office, and Group Executive of Ceramic Products Business Group. He has been serving as Representative Director and Executive Vice President since 2018, and currently is responsible for Human Resources Management Department, Corporate Planning Office, Legal Department, and Auditing Department in Head Office. We renominated him as a candidate for Director because he has an ample experience at the Company and knowledge in business operations.</p>		
4	Chiaki Niwa (February 16, 1960)  [Reappointment]  [Number of stock acquisition rights owned] 20 (Equivalent to 20,000 shares)  [Attendance at the Board of Directors meetings] 100% (14 out of 14 meetings)	<p>March 1984 Joins NGK June 2013 Appointed as vice president June 2015 Appointed as director and vice president June 2016 Appointed as director and senior vice president June 2018 Appointed as director and senior vice president June 2020 Appointed as representative director and executive vice president (incumbent)</p> <p>(Responsibilities) Responsible for Corporate R&amp;D, Corporate Manufacturing Engineering, Quality Management Dept., Environment, Safety and Industrial Health Dept., and Digital Transformation and Innovation Dept.; Chair of Quality Committee, Environment, Safety and Industrial Health Committee</p>	10,000
	<p><b>[Reasons for the nomination of candidate for Director]</b> After his long engagement in engineering business division (currently, an independent company) and plant technology division in Industrial Process Division, Mr. Chiaki Niwa has been serving as representative director and executive vice president since 2020. He currently controls quality management, environmental management, safety and health management, and DX Promotion departments in Head Office, takes responsibility for Corporate Manufacturing Engineering Group, and plays a role of promoting new/reformed manufacturing structures as a whole. We renominated him as a candidate for Director because he has an ample experience at the Company as well as deep knowledge in project management and manufacturing technology.</p>		

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
5	Ryohei Iwasaki (January 30, 1960)  [Reappointment]  [Number of stock acquisition rights owned] 31 (Equivalent to 31,000 shares)  [Attendance at the Board of Directors meetings] 100% (14 out of 14 meetings)	March 1982 Joins NGK June 2008 Appointed as vice president June 2009 Appointed as director and vice president June 2012 Appointed as director and senior vice president June 2016 Appointed as director and senior vice president (incumbent) (Responsibilities) Group Executive, Process Technology Business Group; in charge of management affairs	10,000
<p><b>[Reasons for the nomination of candidate for Director]</b> Mr. Ryohei Iwasaki has accumulated a variety of practical experience in business operations including engagement in sales and marketing in Ceramic Products Business Group followed by overseas subsidiaries' president, as well as such position as General Manager of Corporate Strategy Office and Group Executive of Electronics Business Group and in management of Head Office. He currently serves as Director and Senior Vice President, and Group Executive of Process Technology Business Group, leading the operation thereof. We renominated him as a candidate for Director because he has an ample experience at the Company and knowledge in business operations.</p>			
6	Hideaki Shindo (November 1, 1964)  [New candidate]  [Number of stock acquisition rights owned] 6 (Equivalent to 6,000 shares)	April 1988 Joins NGK April 2011 Appointed as general manager, Corporate Planning Office April 2013 Appointed as general manager, Finance & Accounting Dept. June 2018 Appointed as vice president (incumbent) (Responsibilities) Responsible for ESG Management Dept., Secretarial Office, Finance Dept. and Purchasing Dept.	5,000
<p><b>[Reasons for the nomination of candidate for Director]</b> After joining the Company, Mr. Hideaki Shindo has gained experience in business operations including finance and accounting as well as in management of subsidiaries in North America and Mexico. He held positions such as General Manager of Corporate Planning Office and General Manager of Finance &amp; Accounting Department. He currently is responsible for ESG Promotion Department, Secretarial Office, Finance &amp; Accounting Department, and Purchasing Department in Head Office, and has an ample experience and knowledge at the Company. Therefore, we nominated him as a candidate for Director.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
7	<p>Hiroyuki Kamano (July 21, 1945)</p> <p>[Reappointment] [Outside] [Independent]</p> <p>[Number of stock acquisition rights owned] 0</p> <p>[Attendance at the Board of Directors meetings] 100% (14 out of 14 meetings)</p>	<p>April 1971 Joins Ministry of Foreign Affairs April 1979 Trains at Legal Training and Research Institute, Supreme Court of Japan April 1981 Becomes registered attorney October 1988 Becomes managing partner, Kamano Sogo Law Offices (incumbent) June 2007 Appointed as outside audit &amp; supervisory board member, Komatsu Ltd. July 2007 Appointed as outside director, Sumitomo Life Insurance Company April 2009 Appointed as vice president, Tokyo Bar Association June 2011 Appointed as director, NGK (incumbent) June 2015 Appointed as outside audit &amp; supervisory board member, House Foods Group Inc. (incumbent) June 2020 Appointed as outside director, SPANCRETE CORPORATION (incumbent)</p> <p>(Significant concurrent positions) Managing partner, Kamano Sogo Law Offices Outside audit &amp; supervisory board member, House Foods Group Inc. Outside director, SPANCRETE CORPORATION</p>	1,000
<p><b>[Reasons for the nomination of candidate for Outside Director and a summary of expected roles]</b> Having long engaged in legal practice as an attorney-at-law, Mr. Hiroyuki Kamano possesses a wealth of experience and achievements in the legal community, including his service as the vice president of Tokyo Bar Association. The Company expects him to oversee the management of the Company from an independent, objective standpoint based mainly on the perspective of compliance, by utilizing his expertise, ample experience, and broad insight. In addition, he has been appropriately fulfilling his duties as an Outside Director of the Company, by giving opinions on strengthening the compliance structure and establishing mid- to long-term business strategies, as well as offering suggestions to the Company's business operation and properly overseeing the management of the Company. Therefore, we renominated him as a candidate for Outside Director.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
8	<p>Emiko Hamada (November 23, 1958)</p> <p>[Reappointment] [Outside] [Independent] [Female]</p> <p>[Number of stock acquisition rights owned] 0</p> <p>[Attendance at the Board of Directors meetings] 100% (14 out of 14 meetings)</p>	<p>April 1984 Joins Taiyo Yuden Co., Ltd.</p> <p>December 2001 Appointed as general manager, Quality Assurance Control R Technology Div., Engineering Group, Taiyo Yuden</p> <p>September 2003 Appointed as chief engineer, Basic Research Div., General Research Laboratory, Engineering Group, Taiyo Yuden</p> <p>November 2008 Appointed as associate professor, Center for Social Contribution and Collaboration, Nagoya Institute of Technology (NITech)</p> <p>April 2011 Appointed as professor, Center for Social Contribution and Collaboration, NITech, and professor for Master of Techno-Business Administration, NITech Graduate School</p> <p>April 2012 Appointed as professor, Center for Research on Assistive Technology for Building a New Community, NITech</p> <p>May 2015 Appointed as third-area program officer, A-STEP (Adaptable and Seamless Technology Transfer Program through Target-driven R&amp;D), Japan Science and Technology Agency (incumbent)</p> <p>July 2016 Appointed as part-time lecturer, NITech (incumbent)</p> <p>August 2016 Appointed as visiting professor, Nagoya University (currently Nagoya University, Tokai National Higher Education and Research System)</p> <p>June 2017 Appointed as director, NGK (incumbent)</p> <p>June 2019 Appointed as outside director, Taiyo Yuden (incumbent)</p> <p>(Significant concurrent positions) Third-area program officer, A-STEP (Adaptable and Seamless Technology Transfer Program through Target-driven R&amp;D), Japan Science and Technology Agency Part-time lecturer, Nagoya Institute of Technology Outside director, Taiyo Yuden Co., Ltd.</p>	5,000
<p><b>[Reasons for the nomination of candidate for Outside Director and a summary of expected roles]</b> Ms. Emiko Hamada has made remarkable achievements such as leading the invention and the world's first commercialization of the CD-R (recordable CD) while working for Taiyo Yuden Co., Ltd. Since then, she has been engaged in research activities mainly through industry-academia-government collaborations as Professor at Nagoya Institute of Technology and Visiting Professor at Nagoya University. The Company expects her to oversee the management of the Company from an independent, objective standpoint based mainly on the perspective of research, development, and product commercialization, by utilizing the insights she has developed through her career. In addition, she has been appropriately fulfilling her duties as an Outside Director of the Company by giving her opinion in terms of strengthening technical capability, future of new business, and quality control, as well as offering suggestions to the Company's business operation and overseeing the management of the Company, therefore we renominated her as a candidate for Outside Director.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
9	Kazuo Furukawa (November 3, 1946)  [Reappointment] [Outside] [Independent]  [Number of stock acquisition rights owned] 0  [Attendance at the Board of Directors meetings] 100% (14 out of 14 meetings)	<p>April 1971 Joins Hitachi, Ltd.</p> <p>April 2005 Appointed as representative executive officer, executive vice president, and executive officer; general manager and CEO, Information &amp; Telecommunications Group; general manager, Export Control Div.; Hitachi</p> <p>April 2006 Appointed as representative executive officer and president, Hitachi</p> <p>June 2006 Appointed as director, representative executive officer, and president, Hitachi</p> <p>May 2007 Appointed as vice chair, Keidanren (Japan Business Federation)</p> <p>April 2009 Appointed as director, representative executive officer, and vice chair, Hitachi</p> <p>June 2009 Appointed as special advisor, Hitachi</p> <p>June 2011 Appointed as president, Information Processing Society of Japan</p> <p>October 2011 Appointed as chair, New Energy and Industrial Technology Development Organization</p> <p>June 2019 Appointed as director, NGK (incumbent)</p> <p>August 2019 Appointed as outside director (audit and supervisory committee member), Pasona Group Inc. (incumbent)</p> <p>(Significant concurrent positions) Outside director (audit and supervisory committee member), Pasona Group Inc.</p>	5,000
<p><b>[Reasons for the nomination of candidate for Outside Director and a summary of expected roles]</b></p> <p>Mr. Kazuo Furukawa has extensive knowledge of technical fields including information and telecommunications, as well as experience leading large organizations, through his work in important positions at Hitachi Ltd. such as President &amp; Chief Executive Officer of the Information &amp; Telecommunication Systems Group and subsequently President, as well as Chairman of the New Energy and Industrial Technology Development Organization. The Company expects him to oversee the management of the Company with a perspective as a management specialist and from an independent, objective standpoint, by utilizing his expertise, ample experience, by utilizing those insights and experience. In addition, he has been appropriately fulfilling his duties as an Outside Director of the Company, by giving his wide range of opinions on business strategies and business development from the perspective of investors, as well as offering suggestions to the Company's business operation and properly overseeing the management of the Company. Therefore, we renominated him as a candidate for Outside Director.</p>			

(Notes)

1. There is no special interest between each candidate for Director and the Company.
2. The Company has entered into a directors and officers liability insurance contract stipulated in Article 430-3, Paragraph 1 of the Companies Act with an insurance company to insure its Directors, Audit & Supervisory Board Members, and Vice Presidents (including the 9 candidates for Director). The said insurance contract covers damages and expenses (including litigation cost) in the event that a claim for damages is made against the insured due to an act (including nonfeasance) committed in the course of their duties as directors, audit & supervisory board members and officers of the Company. The Company bears the premium excluding the amount that insured persons bear (approximately 9% of the entire premium). If the election of the 9 candidates for Director is approved at this Shareholders' Meeting, all the 9 Directors will be included as the insured of the insurance contract. In addition, the Company plans to renew the insurance contract with the same contents during their terms of office.
3. Matters concerning the candidates for Outside Director are as follows.
  - (1) Mr. Hiroyuki Kamano, Ms. Emiko Hamada and Mr. Kazuo Furukawa are candidates for Outside Director as stipulated in Article 2, Paragraph 3, Item 7 of the Ordinance for Enforcement of the Companies Act. The Company has filed Independent Directors/Auditors Notification with Tokyo Stock Exchange, Inc. and Nagoya Stock Exchange, Inc. to designate Mr. Hiroyuki Kamano, Ms. Emiko Hamada and Mr. Kazuo Furukawa as Independent Directors. If the appointment of Mr. Hiroyuki Kamano, Ms. Emiko Hamada and Mr. Kazuo Furukawa is approved at this Annual Shareholders' Meeting, the Company plans to file Independent Directors/Auditors Notification with Tokyo Stock Exchange, Inc. and Nagoya Stock Exchange, Inc. to designate each of them as Independent Directors.
  - (2) Although Mr. Hiroyuki Kamano and Ms. Emiko Hamada have never been involved in corporate management except as Outside Director or Outside Audit & Supervisory Board Member, the Company has judged that they are capable of performing their duties appropriately as Outside Directors due to the reasons stated in Reasons for the

appointment of candidate for Outside Director and summaries of expected roles above.

- (3) Mr. Hiroyuki Kamano is currently in office as Outside Director of the Company, and will have served for ten years as Outside Director at the conclusion of this Annual Shareholders' Meeting. Ms. Emiko Hamada is currently in office as Outside Director of the Company, and will have served for four years as Outside Director at the conclusion of this Annual Shareholders' Meeting. Mr. Kazuo Furukawa is currently in office as Outside Director of the Company, and will have served for two years as Outside Director at the conclusion of this Annual Shareholders' Meeting.

- (4) Overview of the liability limitation agreement

The Company has entered into a liability limitation agreement with each of Mr. Hiroyuki Kamano, Ms. Emiko Hamada and Mr. Kazuo Furukawa which provides that if an Outside Director is without knowledge and is not grossly negligent in performing his/her duties, the liability of the Director to the Company under Article 423, Paragraph 1 of the Companies Act shall be limited to the amount provided in Article 425, Paragraph 1 of the Companies Act. Subject to the approval of the reappointment of them, the Company intends to continue the liability limitation agreements with them.

(5) The relationship between each concurrent organization of Outside Director candidates and the Company is as follows:

Candidate for Outside Director	Concurrent organization	Relationship with the concurrent organization as seen from the Company	Scale of transactions during the current consolidated fiscal year
Hiroyuki Kamano	Kamano Sogo Law Offices	None	—
	House Foods Group Inc.	None	—
	SPANCRETE CORPORATION	None	—
Emiko Hamada	Taiyo Yuden Co., Ltd.	Sales of ceramic products, etc.	Less than 0.1% of the Company's consolidated net sales
			Less than 0.1% of the (expected) consolidated operating expenses of the concurrent organization for the fiscal year ended March 31, 2021
	Nagoya Institute of Technology	Payment of research expenses, etc.	Less than 0.1% of the Company's consolidated operating expenses
			Less than 1% of the ordinary income of the concurrent organization for the fiscal year ended March 31, 2020
	Japan Science and Technology Agency	None	—
	Nagoya University, Tokai National Higher Education and Research System	Sales of products for electronics industry, etc.	Less than 0.1% of the Company's consolidated net sales
Less than 0.1% of the ordinary expenses of the concurrent organization for the fiscal year ended March 31, 2020			
Nagoya University, Tokai National Higher Education and Research System	Payment of research expenses, etc.	Less than 0.1% of the Company's consolidated operating expenses	
		Less than 0.1% of the ordinary income of the concurrent organization for the fiscal year ended March 31, 2020	

Kazuo Furukawa	Hitachi Ltd.	Sales of ceramic products, etc.	Less than 0.1% of the Company's consolidated net sales
			Less than 0.1% of the (expected) consolidated operating expenses of the concurrent organization for the fiscal year ended March 31, 2021
	Payment for the purchase of equipment etc.	Less than 0.1% of the Company's consolidated operating expenses	
		Less than 0.1% of the (expected) consolidated sales income of the concurrent organization for the fiscal year ended March 31, 2021	
	New Energy and Industrial Technology Development Organization	Receipt of research expenses for sponsored and subsidized projects	Less than 0.1% of the Company's consolidated net sales
			Less than 0.1% of the ordinary expenses of the concurrent organization for the fiscal year ended March 31, 2020
Pasona Group Inc.	None	—	
Pasona Inc. (A subsidiary wholly owned by Pasona Group Inc.)	Payment of temporary staffing fees	Less than 0.1% of the Company's consolidated operating expenses	
		Less than 0.1% of the consolidated net sales of Pasona Group Inc. for the fiscal year ended May 31, 2020	

(6) Ms. Emiko Hamada's name on the family register is Emiko Kato.

**Proposal 4: Election of 1 Audit & Supervisory Board Member**

Audit & Supervisory Board Member Mr. Ken Sugiyama will resign at the conclusion of this Annual Shareholders' Meeting. Accordingly, the Company proposes the election of 1 Audit & Supervisory Board Member.

The Audit & Supervisory Board has agreed to the submission of this Proposal.

The candidate for Audit & Supervisory Board Member is as follows:

Name (Date of birth)	Career summary, positions and significant concurrent positions	Number of shares of the Company held
Nobumitsu Saji (July 3, 1958)  [New candidate]  [Number of stock acquisition rights owned] 18 (Equivalent to 18,000 shares)	March 1984 Joins NGK June 2013 Appointed as vice president June 2014 Appointed as director and vice president June 2015 Appointed as director and executive officer June 2019 Appointed as director and senior vice president (incumbent)	5,000
<b>[Reasons for the nomination of candidate for Audit &amp; Supervisory Board Member]</b> Following a variety of experience in such areas as sales and marketing in Energy Infrastructure Business Division, finance division, overseas subsidiaries, and secondment to external organizations, Mr. Nobumitsu Saji served as General Managers of Business Planning Department in multiple business groups and General Manager of Legal Department. After that, he has served as Director, responsible for legal affairs, internal audit, and compliance-related divisions, as well as leading the Company's legal compliance system as a whole. Therefore, he has an ample experience at the Company and global insights in the legal and compliance fields. The Company has judged that, he can contribute to improving the corporate value by auditing the management of the Company as a whole through his experience and insights, and has therefore nominated him as a candidate for Audit & Supervisory Board Member.		

(Notes)

1. There is no special interest between the candidate for Audit & Supervisory Board Member and the Company.
2. The Company has entered into a directors and officers liability insurance contract stipulated in Article 430-3, Paragraph 1 of the Companies Act with an insurance company to insure its Directors, Audit & Supervisory Board Members, and Vice Presidents (including the candidate for Audit & Supervisory Board Member for Director). The said insurance contract covers damages and expenses (including litigation cost) in the event that a claim for damages is made against the insured due to an act (including nonfeasance) committed in the course of their duties as directors, audit & supervisory board members and officers of the Company. The Company bears the premium excluding the amount that insured persons bear (approximately 9% of the entire premium). If the election of the candidate for Audit & Supervisory Board Member is approved at this Shareholders' Meeting, the Audit & Supervisory Board Member will be included as the insured of the insurance contract. In addition, the Company plans to renew the insurance contract with the same contents during his term of office.

**Proposal 5:** Determination of the Amount and Details of Remuneration Provided as Stock Compensation-type Stock Options for Directors

In this Proposal, the Company once again seeks approval for the stock compensation-type stock options (hereinafter, the “Stock Compensation-type Stock Options”) approved at its 141st Annual Shareholders’ Meeting held on June 28, 2007 (hereinafter, the “141st Annual Shareholders’ Meeting”) as remuneration, etc. for the Company’s Directors (excluding Outside Directors). The approval is sought so that the Stock Compensation-type Stock Options will meet the requirement of a resolution of the Shareholders’ Meeting following the amendment of the Companies Act and the Ordinance for Enforcement of the Companies Act (hereinafter, the “amendment of the laws”). This will not change the current amount and details of remuneration, etc. for Directors.

The Company received approval of Proposal 7 “Determination of the Amount and Details of Remuneration Provided as Stock Compensation-type Stock Options for Directors” at the 141st Annual Shareholders’ Meeting, to establish the details of stock acquisition rights to be allotted as stock compensation-type stock options to the Company’s Directors (excluding Outside Directors) and to set the maximum amount thereof not exceeding 200 million yen per year. This is separate from the maximum annual amount of remuneration, etc. not exceeding 800 million yen for the Company’s Directors, in Proposal 5 “Revision of the Amount of Remuneration, etc. for Directors” approved at the 141st Annual Shareholders’ Meeting. The amount of remuneration, etc. of this Proposal (200 million yen per year) was determined, taking into account the amount obtained by multiplying the fair value of the Company’s stock acquisition rights calculated using the Black-Scholes model, by the total number of stock acquisition rights to be allotted as the Stock Compensation-type Stock Options, as well as the effect of the Stock Compensation-type Stock Options as an incentive, which is their purpose.

The amount of remuneration, etc. for Directors shall not include the executive officer remuneration portion of Vice Presidents concurrently serving as Directors, as before.

At present, there are thirteen Directors (including three Outside Directors), but if Proposal 3 is approved and passed as originally proposed, there will be nine Directors (including three Outside Directors).

The details of the Stock Compensation-type Stock Options and the reasons why their allotment is deemed reasonable are as follows.

<Details of the Stock Compensation-type Stock Options>

1. Total number of stock acquisition rights

The maximum total number of stock acquisition rights to be issued within one year from the date of the Annual Shareholders’ Meeting for each fiscal year shall be 50.

2. Class and number of shares to be issued upon exercise of stock acquisition rights

The maximum number of shares to be issued or transferred upon exercise of the stock acquisition rights that shall be issued within one year from the date of the Annual Shareholders’ Meeting for each fiscal year shall be 50,000 shares of the Company’s common stock. If the number of eligible shares specified below is adjusted, the same adjustment shall be made.

The number of shares to be issued upon exercise of each stock acquisition right (hereinafter, the “Number of Eligible Shares”) shall be 1,000 shares.

However, if a stock split or a stock consolidation is performed by the Company in regard to its common shares, the Company shall adjust the Number of Eligible Shares in accordance with the following formula:

$$\begin{array}{l} \text{Number of} \\ \text{Eligible Shares} \\ \text{after adjustment} \end{array} = \begin{array}{l} \text{Number of} \\ \text{Eligible Shares} \\ \text{before adjustment} \end{array} \times \begin{array}{l} \text{Ratio of split or} \\ \text{consolidation} \end{array}$$

Such adjustment shall be made only for the number of shares to be issued upon exercise of the stock acquisition rights that have not been exercised at the time of adjustment.

In addition, if the Company conducts a merger, company split, share exchange, share transfer, gratis allotment of its common stock, or if other circumstances arise that necessitate an adjustment to the above Number of Eligible Shares, the Company may make an adjustment it considers necessary.

Any fraction less than one share resulting from the above adjustment shall be disregarded.

3. Amount of assets to be contributed upon exercise of stock acquisition rights

The amount of assets to be contributed upon exercise of each stock acquisition right shall be determined by multiplying the cash amount per share to be issued or transferred upon exercise of stock acquisition rights, which shall be 1 yen, by the Number of Eligible Shares.

4. Period during which stock acquisition rights may be exercised

Stock acquisition rights may be exercised during a period determined by the Board of Directors of the Company (hereinafter, the “Exercisable Period”) within 30 years from the day after the date of allotment of stock acquisition rights.

5. Restriction on the acquisition of stock acquisition rights through transfer

The acquisition of stock acquisition rights through transfer shall be subject to approval by resolution of the Board of Directors of the Company.

6. Grounds for the acquisition of stock acquisition rights

If the Shareholders’ Meeting of the Company passes a proposal to seek approval of a merger agreement where the Company will be the disappearing company, or a proposal to seek approval of a share exchange agreement or share transfer plan where the Company will become a wholly owned subsidiary, and the Board of Directors of the Company sets a date for acquisition, the Company may acquire stock acquisition rights without consideration upon the arrival of that date.

7. Conditions for the exercise of stock acquisition rights

- (1) The stock acquisition holder may exercise stock acquisition rights only during a period commencing on the day on which one year has passed from the day after he or she loses all of his or her positions of Director, Audit & Supervisory Board Member, and Vice President at the Company (hereinafter, the “Exercise Period Start Date”), and ending on the day on which six years have passed from such day in the same manner or the last day of the Exercisable Period (hereinafter, the “Exercise Period End Date”), whichever is earlier.
- (2) The above item (1) notwithstanding, if the Exercise Period Start Date does not arrive for the stock acquisition holder until the corresponding date of one year prior to the Exercise Period End Date (hereinafter, the “Corresponding Date”), stock acquisition rights may be exercised from the day after the Corresponding Date onward.
- (3) Each stock acquisition right may not be exercised in part.
- (4) If the stock acquisition holder dies, the survivor of the holder stipulated in the “stock acquisition right allotment agreement,” concluded between the Company and the stock acquisition right holder, shall succeed to the stock acquisition rights.

8. Other details of stock acquisition rights

Other conditions, subscription requirements and details of stock acquisition rights shall be as set forth in a meeting of the Board of Directors and the “stock acquisition rights allotment agreement” that determine the subscription requirements for stock acquisition rights.

< Reasons why the allotment of the Stock Compensation-type Stock Options is deemed reasonable >

The purposes of the Stock Compensation-type Stock Options are to further raise the sensitivity of the Company’s Directors (excluding Outside Directors) to the stock price, for them to share the benefits and risks of stock price fluctuations with shareholders, and to increase their motivation to improve corporate value over the medium to long term.

At the meeting of the Board of Directors of the Company held on February 24, 2021, the Company established the “Policy regarding the determination of details of remuneration, etc. for Directors, etc.,” the outline of which is included on pages 53 to 55 of this convocation notice. The content of this proposal is necessary and reasonable to determine the details of individual remuneration, etc. for Directors in line with the policy. Even if this proposal is approved, the Company has no intention of changing the policy.

Even if 50 units of stock acquisition rights, which are the maximum total number of stock acquisition rights to be issued in one year, are issued and all of them are exercised (50,000 shares in total), the shares to be issued or transferred upon exercise of the Stock Compensation-type Stock Options would represent 0.01 % of the total number of shares issued (as of March 31, 2021) for each year, meaning dilution is minimum.

Based on the above, the Company believes that the allotment of the Stock Compensation-type Stock Options is reasonable.

(Reference)

#### Independence Standards for Independent Outside Directors

In addition to the requirements for an outside director under the Companies Act and for an independent director specified by the Tokyo Stock Exchange, NGK may not designate a person who falls under any of the following items as an outside director with independence (hereinafter referred to as the “Independent Outside Director”); provided, however, that if NGK considers that such person, who falls under any of the items, is appropriate as the Independent Outside Director of NGK in light of such person’s personality, insight, etc., NGK may designate said person as an Independent Outside Director on the condition that said person satisfies the requirements for an outside director under the Companies Act and for an independent director specified by the Tokyo Stock Exchange as well as on the condition that NGK externally explains the reason why such person is appropriate as the Independent Outside Director of NGK.

In these independence standards, a person who executes business refers to an executive director, executive officer, corporate officer, manager, or other employee, and NGK Group refers to NGK or NGK’s subsidiaries or affiliated companies.

1. A major shareholder who holds 10% or more of the current voting rights of NGK. If such major shareholder is a corporation, a person who has executed the business of said corporation during the last three fiscal years including the most recent fiscal year.
2. A person who currently executes the business of a business partner where the amount of transactions between NGK Group in any of the last three fiscal years including the most recent fiscal year is 2% or more of the consolidated sales of either said business partner or NGK Group.
3. A person who has executed the business of a financial institution or other corporation that is a major creditor, which is indispensable for NGK Group’s fundraising and on which NGK Group depends to the extent that it is irreplaceable, in the past three fiscal years including the most recent fiscal year.
4. An incumbent director or officer of an organization that receives a donation or grant from NGK Group in the amount exceeding ¥10 million per year or 30% of average annual total expenses of such organization, whichever the greater, in any of the last three fiscal years including the most recent fiscal year.
5. A certified public accountant, tax accountant or an incumbent employee of an auditing firm or tax accounting firm who served as an accounting auditor or accounting advisor of NGK Group in the past three fiscal years including the most recent fiscal year.
6. A person who is a lawyer, certified public accountant, tax accountant, or other consultant who does not correspond to any of the individuals mentioned in 5. above and who, in addition to his/her remuneration as an officer, has received cash and other property benefits of ¥10 million or more per year from the NGK Group in the past three fiscal years including the most recent fiscal year, or an incumbent employee, etc., of a law firm, auditing firm, tax accounting firm, consulting firm, or other advisory firm that does not correspond to any of the firms mentioned in 5. above, which received a payment of more than 2% of its annual consolidated gross sales from NGK Group in any of the last three fiscal years including the most recent fiscal year.
7. A person who has executed the business of a company, of which NGK is currently a major shareholder, in the last three fiscal years including the most recent fiscal year.

8. Relatives within the second degree of kinship to a person who falls under the items 1 to 7 above.

[Policies and procedures concerning the nomination of candidates for officers and the appointment and dismissal of senior management]

(Policies concerning nomination, appointment, and dismissal)

The NGK Group is mainly engaged in the manufacturing business supplying raw materials such as ceramics and related products to diverse business domains and a wide range of areas including overseas. NGK's senior management, which comprises representative directors and directors with special titles, as well as directors and corporate officers who assume business execution are, regardless of gender, age, or nationality, required to make business judgments and decisions based on their respective profound knowledge in the business operations of each NGK Group business field, manufacturing technology, research and development as well as their knowledge of finance, legal affairs, and labor affairs, and standing audit & supervisory board members are also required to conduct audit based on their expert knowledge in finance and knowledge obtained through individual business experience. Therefore, in nominating candidates for directors and standing audit & supervisory board members, NGK places emphasis on practical business experience in manufacturing technology, research and development, sales, planning, etc., in each business field, leadership, as well as on whether or not they have expertise, such as in finance, legal affairs, and labor affairs. With regard to outside directors and outside audit & supervisory board members, NGK nominates candidates from among persons who have a high level of expertise in legal knowledge, corporate finance and others, as well as knowledge of international affairs, social and economic trends, technology trends, and corporate management. The Articles of Incorporation of NGK stipulate that the prescribed number of directors shall not exceed fifteen.

In appointing representative directors and directors with special titles, NGK places emphasis on the capabilities to discern and formulate countermeasures for issues faced by the NGK Group, and on leadership skills required to demonstrate the ideal state of the NGK Group and spur the organization into action. On the other hand, when representative directors or directors with special titles commit a grave violation of laws and regulations, the Articles of Incorporation of NGK or other regulations of the NGK Group, or when a situation arises that would seriously impede their execution of duties, they may be dismissed if the Nomination and Compensation Advisory Committee has deemed the dismissal as appropriate and the Board of Directors have made a resolution on the dismissal.

The above policy is deliberated at the Nomination and Compensation Advisory Committee, comprised mainly of outside directors/audit & supervisory board members, and results thereof are reported to the Board of Directors.

(Procedures concerning nomination, appointment, and dismissal)

With regard to the nomination of candidates for directors and audit & supervisory board members, all representative directors deliberate on each candidate, and obtain approval from the Audit & Supervisory Board regarding the candidates for audit & supervisory board members. In addition, the nomination of each of the candidates for directors and audit & supervisory board members, as well as the appointment and dismissal of representative directors and directors with special titles are deliberated at the Nomination and Compensation

Advisory Committee, comprised mainly of outside directors/audit & supervisory board members. By having the Committee report the results thereof to the Board of Directors, NGK strives to ensure fairness, transparency and timeliness in the procedures concerning nomination, appointment, and dismissal. At the Board of Directors' meeting, candidates for directors and audit & supervisory board members are nominated, compliant to the reporting procedures of the Committee, as an agenda (proposal) for the General Meeting of Shareholders. After the directors are elected at the General Meeting of Shareholders, in consideration of reports of the Committee, the Board of Directors shall appoint the representative directors and directors with special titles.