

[Note]

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(Securities code: 7224)

June 5, 2018

## **ShinMaywa Industries, Ltd.**

1-1, Shinmeiwa-cho,  
Takarazuka-shi, Hyogo, Japan

### **Notice of the 94th Annual General Meeting of Shareholders**

Dear Shareholders:

You are cordially invited to attend the 94th Annual General Meeting of Shareholders of ShinMaywa Industries, Ltd. (the “Company”) to be held as follows:

**If you are unable to attend the meeting, you may exercise your voting rights in writing or via the Internet. Please review the reference materials attached hereto and exercise your voting rights in accordance with “4. Matters Regarding Exercise of Voting Rights” on the next page.**

Very truly yours,

Tatsuyuki Isogawa

President and Chief Executive Officer

**1. Date and Time** Tuesday, June 26, 2018 at 10:00 a.m. (JST)

**2. Location** Main Conference Room, on the 5th floor of  
ShinMaywa Industries, Ltd. Head Office  
1-1, Shinmeiwa-cho, Takarazuka-shi, Hyogo

**3. Agenda**

**Matters to Be Reported**

1. Report on the Business Report, the Consolidated Financial Statements and the Non-Consolidated Financial Statements for the 94th Business Term (from April 1, 2017 to March 31, 2018)
2. Report on the audit results of the Consolidated Financial Statements for the 94th Business Term (from April 1, 2017 to March 31, 2018) by the Accounting Auditors and the Audit & Supervisory Board

**Matters to Be Resolved**

<b>Item No. 1</b>	Appropriation of Retained Earnings
<b>Item No. 2</b>	Election of Nine (9) Directors, Members of the Board
<b>Item No. 3</b>	Election of Three (3) Audit & Supervisory Board Members
<b>Item No. 4</b>	Payment of Bonuses to Directors, Members of the Board

#### 4. Matters Regarding Exercise of Voting Rights

##### [Exercise of Voting Rights in writing]

Please indicate your approval or disapproval of each Matter to Be Resolved on the enclosed Form for Exercise of Voting Rights, and return the Form to the Company **by 5:00 p.m. on Monday, June 25, 2018 (JST)**.

##### [Exercise of Voting Rights via the Internet]

Please access the website designated by the Company for the exercise of voting rights (<https://evote.tr.mufg.jp/>), using “Log in ID” and “Provisional password” indicated in the enclosed Form for Exercise of Voting Rights, and vote on each Matter to Be Resolved (approval or disapproval) **by 5:00 p.m. on Monday, June 25, 2018 (JST)** in accordance with the guidance provided on the website.

The Company participates in the Electronic Proxy Voting Platform for Institutional Investors operated by ICJ, Inc.

##### [If voting rights are exercised redundantly]

- (1) If you exercise your voting rights both in writing and via the Internet, only the vote submitted via the Internet shall be valid.
- (2) If you exercise your voting rights multiple times via the Internet, only the last vote shall be valid. If you exercise your voting rights multiple times by PC, smartphone and cellular phone, only the last vote shall also be valid.

To equally treat shareholders regardless of their capability or incapability of attending to the Annual General Meeting of Shareholders, we have decided that we will cease to provide gifts at the Annual General Meeting of Shareholders. We sincerely appreciate your understanding.

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- ◎ Those attending the meeting are requested to present the enclosed Form for Exercise of Voting Rights to the receptionist on arrival.
  - ◎ 5. Development of Systems Necessary to Ensure the Properness of Operations in the Business Report, and the Consolidated Statement of Changes in Equity, the Non-Consolidated Statement of Changes in Equity, the Notes to the Consolidated Financial Statements and the Notes to the Non-Consolidated Financial Statements, four of the documents to be provided to shareholders in conjunction with this notice, are provided via the Internet on the Company's website (<http://www.shinmaywa.co.jp/>) in accordance with the provision of Article 16 of the Company's Articles of Incorporation as well as the provisions of laws and regulations. Therefore, they have not been included in the documents appended to this notice.
  - ◎ In the event the Business Report, the Consolidated Financial Statements, the Non-Consolidated Financial Statements and the Reference Materials for General Meeting of Shareholders need to be modified, the Company will post such modification on its website (<http://www.shinmaywa.co.jp/>).

## **Reference Materials for General Meeting of Shareholders**

### **Matters to be Resolved and References**

#### **Item No. 1: Appropriation of Retained Earnings**

The proposed appropriation of retained earnings for the 94th Business Term is described as follows:

##### **Year-end Dividend**

The Company regards the appropriate distribution of profits to shareholders as one of its most important management priorities, and so the Company's basic policy is to provide stable dividends continuously while securing internal reserves required for reinforcing its financial strength and management base from a long-term perspective.

Considering the achievement of the Company's management index set as a goal in the three-year medium-term management plan "New Challenge 100" which was established in 2015 and the current condition of shareholders' equity, the year-end dividend for this fiscal year be 16 yen per share.

Including the interim dividend (7 yen per share), the total annual dividend for this fiscal year will therefore be 23 yen per share.

(1) Allocation of the asset distributed as dividend to shareholders and the total amount thereof

Dividend per Share of Common Stock: 16 yen

Total Amount: 1,527,434,864 yen

(2) Dividend Effective Date: June 27, 2018

(Reference) Change of Dividend and Payout Ratio

	91st (Fiscal year ended March 31, 2015)	92nd (Fiscal year ended March 31, 2016)	93rd (Fiscal year ended March 31, 2017)	94th (Fiscal year ended March 31, 2018)
Dividend per share (Yen)	14	14	14	23
Interim (Yen)	6	7	7	7
Year-end (Yen)	8	7	7	16
Consolidated payout ratio (%)	15.2	13.6	15.0	31.0

## Item No. 2: Election of Nine (9) Directors, Members of the Board

The term of office for all eight (8) Directors, Members of the Board expires at the close of this Annual General Meeting of Shareholders. Accordingly, to strengthen the management supervising system, the Company proposes that nine (9) Directors, Members of the Board, be elected.

The detailed information of the candidates for Directors, Members of the Board are as described on pages 5 to 18:

No	Name	Category of Candidates	Current Position and Responsibilities in the Company	Attendance at Meetings of the Board of Directors (Attendance Ratio)
1	Tatsuyuki Isogawa	<u>Reappointment</u>	Representative Director, President and Chief Executive Officer	12/12 (100%)
2	Keisuke Endo	<u>Reappointment</u>	Director, Member of the Board Senior Managing Executive Officer (Management of Finance & Accounting, Human Resources and CSR) (Responsible for Internal Audit Office, Business Development Office, President's Office, and Procurement Dept.)	12/12 (100%)
3	Kanji Ishimaru	<u>Reappointment</u>	Director, Member of the Board Senior Managing Executive Officer (Management of Research & Development and Quality Assurance) (Responsible for Aircraft business, Parking Systems business and Research & Development Dept.)	12/12 (100%)
4	Katsuyuki Tanuma	<u>Reappointment</u>	Director, Member of the Board Senior Managing Executive Officer (Responsible for Special Purpose Truck business) President, Special Purpose Truck Div.	11/12 (91%)
5	Koji Fukai	<u>Reappointment</u>	Director, Member of the Board Managing Executive Officer President, Aircraft Div.	12/12 (100%)
6	Atsushi Itami	<u>Reappointment</u>	Director, Member of the Board Managing Executive Officer Senior Vice President, Special Purpose Truck Div. and Vice President, Sales & Marketing Dept.	10/10 (100%)
7	Kazuo Hiramatsu	<u>Reappointment</u> <u>Outside</u> <u>Independent</u>	Outside Director, Member of the Board	10/12 (83%)
8	Yoshifumi Kanda	<u>New</u> <u>Outside</u> <u>Independent</u>	Outside Audit & Supervisory Board Member	10/10 (100%)
9	Nobuya Hideshima	<u>New</u> <u>Outside</u> <u>Independent</u>	-	-

Reappointment	Candidate for Director, Member of the Board to be reappointed
New	Candidate for Director, Member of the Board to be newly appointed
Outside	Candidate for Outside Director, Member of the Board
Independent	Candidate for Independent Director as prescribed by the Tokyo Stock Exchange Group, Inc.

- (Notes) 1. Outside Audit & Supervisory Board Member Yoshifumi Kanda will resign from the office of Audit & Supervisory Board Member at the close of this Annual General Meeting of Shareholders.
2. The attendance at meetings of the Board of Directors (attendance ratio) of each of Mr. Atsushi Itami and Mr. Yoshifumi Kanda presents the number thereof after their assuming office on June 27, 2017.

No.	Name	Category of Candidates	Date of Birth	Gender
1	Tatsuyuki Isogawa	Reappointment	Jul. 2, 1959	Male
Number of Shares Owned		13,400		
Term of Office of Director, Member of the Board Served at the Close of This Annual General Meeting of Shareholders		3 years		
Attendance at Meetings of the Board of Directors (attendance ratio)		12/12 (100%)		
Special Interests between the Candidate and the Company		None		
Career Summary, Position and Responsibility at the Company, and Important Concurrent Positions				
Apr. 1983    Joined the Company				
Apr. 2012    Officer of the Company Deputy General Manager, Parking Systems Div. of the Company Managing Director, TOKYO ENGINEERING SYSTEMS CORPORATION (currently ShinMaywa Parking Technologies, Ltd.)				
Apr. 2014    President, Parking Systems Div. of the Company				
Apr. 2015    Executive Officer of the Company				
Jun. 2015    Director, Member of the Board of the Company				
Apr. 2016    Senior Managing Executive Officer of the Company				
Apr. 2017    Representative Director, Member of the Board of the Company (up to present) President and Chief Executive Officer of the Company (up to present)				
Reasons for Selection as Candidate for Director, Member of the Board				
Having held important posts in the Parking Systems Division ,etc., Mr. Tatsuyuki Isogawa has the knowledge and experience for accurately, justly and effectively making important management decisions as well as supervising execution of duties by Directors, Members of the Board and Officers. He is currently taking on a central role in the management of the Company as Representative Director, Member of the Board as well as President and Chief Executive Officer. Therefore, the Company expects his continuous efforts to share information with other Directors, Members of the Board and strengthen decision-making functions as a constituting member of the Board of Directors.				
Other Special Matters				
None				

No.	Name	Category of Candidates	Date of Birth	Gender
2	Keisuke Endo	Reappointment	Sep. 17, 1957	Male
Number of Shares Owned		21,800		
Term of Office of Director, Member of the Board Served at the Close of This Annual General Meeting of Shareholders		10 years		
Attendance at Meetings of the Board of Directors (attendance ratio)		12/12 (100%)		
Special Interests between the Candidate and the Company		None		
Career Summary, Position and Responsibility at the Company, and Important Concurrent Positions				
Apr. 1981    Joined the Company				
Apr. 2008    Officer of the Company				
Jun. 2008    Director, Member of the Board of the Company (up to present)				
Jul. 2009    General Manager, Office of the President and General Manager, Human Resources & General Affairs Dept. of the Company				
Apr. 2011    Executive Officer of the Company				
Apr. 2013    Manager, Business Development Office of the Company				
Apr. 2014    Senior Managing Executive Officer of the Company (up to present)				
Apr. 2015    General Manager, Office of the President of the Company				
[Responsibility at the Company]				
Management of Finance & Accounting, Human Resources and CSR, responsible for Internal Audit Office, Business Development Office, Office of the President, and Procurement Dept.				
Reasons for Selection as Candidate for Director, Member of the Board				
Having held important posts such as in the Legal and the Human Resources & General Affairs Departments, Mr. Keisuke Endo has the knowledge and experience for accurately, justly and effectively making important management decisions as well as supervising execution of duties by Directors, Members of the Board and Officers. He is currently taking on a role in the management of the Company as Director, Member of the Board and Senior Managing Executive Officer. Therefore, the Company expects his continuous efforts to share information with other Directors, Members of the Board and strengthen decision-making functions as a constituting member of the Board of Directors.				
Other Special Matters				
None				

No.	Name	Category of Candidates	Date of Birth	Gender
3	Kanji Ishimaru	Reappointment	Sep. 20, 1957	Male
Number of Shares Owned		4,200		
Term of Office of Director, Member of the Board Served at the Close of This Annual General Meeting of Shareholders		6 years		
Attendance at Meetings of the Board of Directors (attendance ratio)		12/12 (100%)		
Special Interests between the Candidate and the Company		None		
<b>Career Summary, Position and Responsibility at the Company, and Important Concurrent Positions</b> Apr. 1982    Joined the Company Apr. 2011    Officer of the Company General Manager, International Business Management Div. and Aircraft Div. of the Company Apr. 2012    Executive Officer of the Company General Manager, Aircraft Div. of the Company Jun. 2012    Director, Member of the Board of the Company (up to present) Apr. 2014    Senior Managing Executive Officer of the Company (up to present) [Responsibility at the Company] Management of Research & Development and Quality Assurance, responsible for Aircraft business, Parking Systems business and Research & Development Dept.				
<b>Reasons for Selection as Candidate for Director, Member of the Board</b> Having held important posts such as in the Aircraft and the International Business Management Divisions, Mr. Kanji Ishimaru has the knowledge and experience for accurately, justly and effectively making important management decisions as well as supervising execution of duties by Directors, Members of the Board and Officers. He is currently taking on a role in the management of the Company as Director, Member of the Board and Senior Managing Executive Officer. Therefore, the Company expects his continuous efforts to share information with other Directors, Members of the Board and strengthen decision-making functions as a constituting member of the Board of Directors.				
<b>Other Special Matters</b> None				

No.	Name	Category of Candidates	Date of Birth	Gender
4	Katsuyuki Tanuma	Reappointment	Mar. 5, 1956	Male
Number of Shares Owned		3,800		
Term of Office of Director, Member of the Board Served at the Close of This Annual General Meeting of Shareholders		2 years		
Attendance at Meetings of the Board of Directors (attendance ratio)		11/12 (91%)		
Special Interests between the Candidate and the Company		None		
Career Summary, Position and Responsibility at the Company, and Important Concurrent Positions				
Apr. 1974    Joined the Company				
Apr. 2015    Officer of the Company				
Deputy General Manager, Special Purpose Truck Div. of the Company				
Apr. 2016    Managing Executive Officer of the Company				
President, Special Purpose Truck Div. of the Company (up to present)				
Jun. 2016    Director, Member of the Board of the Company				
(up to present)				
Apr. 2017    Senior Managing Executive Officer of the Company (up to present)				
[Responsibility at the Company]				
Responsible for Special Purpose Truck business				
Reasons for Selection as Candidate for Director, Member of the Board				
Having fulfilled his duties for a long time as a person responsible for the Special Purpose Truck Division, Mr. Katsuyuki Tanuma has the knowledge and experience for accurately, justly and effectively making important management decisions as well as supervising execution of duties by Directors, Members of the Board and Officers. He is currently taking on a role in the management of the Company as Director, Member of the Board and Senior Managing Executive Officer. Therefore, the Company expects his continuous efforts to share information with other Directors, Members of the Board and strengthen decision-making functions as a constituting member of the Board of Directors.				
Other Special Matters				
None				

No.	Name	Category of Candidates	Date of Birth	Gender
5	Koji Fukai	Reappointment	May 18, 1962	Male
Number of Shares Owned		5,300		
Term of Office of Director, Member of the Board Served at the Close of This Annual General Meeting of Shareholders		2 years		
Attendance at Meetings of the Board of Directors (attendance ratio)		12/12 (100%)		
Special Interests between the Candidate and the Company		None		
Career Summary, Position and Responsibility at the Company, and Important Concurrent Positions				
Apr. 1987    Joined the Company				
Apr. 2014    Officer of the Company President, Aircraft Div. of the Company (up to present)				
Apr. 2016    Managing Executive Officer of the Company (up to present)				
Jun. 2016    Director, Member of the Board of the Company (up to present)				
Reasons for Selection as Candidate for Director, Member of the Board				
Having fulfilled his duties for a long time as a person responsible for the Aircraft Division, Mr. Koji Fukai has the knowledge and experience for accurately, justly and effectively making important management decisions as well as supervising execution of duties by Directors, Members of the Board and Officers. He is currently taking on a role in the management of the Company as Director, Member of the Board and Managing Executive Officer. Therefore, the Company expects his continuous efforts to share information with other Directors, Members of the Board and strengthen decision-making functions as a constituting member of the Board of Directors.				
Other Special Matters				
None				

No.	Name	Category of Candidates	Date of Birth	Gender
6	Atsushi Itami	Reappointment	Aug. 22, 1956	Male
Number of Shares Owned		24,300		
Term of Office of Director, Member of the Board Served at the Close of This Annual General Meeting of Shareholders		1 year		
Attendance at Meetings of the Board of Directors (attendance ratio)		10/10 (100%)		
Special Interests between the Candidate and the Company		None		
Career Summary, Position and Responsibility at the Company, and Important Concurrent Positions				
Apr. 1979    Joined the Company				
Apr. 2014    Officer of the Company General Manager, Sales & Marketing Dept., Special Purpose Truck Div. of the Company (up to present)				
Apr. 2015    Deputy General Manager, Special Purpose Truck Div. of the Company (up to present)				
Apr. 2017    Managing Executive Officer of the Company (up to present)				
Jun. 2017    Director, Member of the Board of the Company (up to present)				
Reasons for Selection as Candidate for Director, Member of the Board				
Having held important posts such as in the Special Purpose Truck Division, Mr. Atsushi Itami has the knowledge and experience for accurately, justly and effectively making important management decisions as well as supervising execution of duties by Directors, Members of the Board and Officers. He is currently engaged in management of the Company as Directors, Members of the Board and Managing Executive Officer. Therefore, the Company expects him to continue to share information with other Directors, Members of the Board and strengthen decision-making functions as a constituting member of the Board of Directors.				
Other Special Matters				
None				

(Note) The attendance at meetings of the Board of Directors (attendance ratio) of Mr. Atsushi Itami presents the attendance thereof after his assuming office on June 27, 2017.

No.	Name	Category of Candidates	Date of Birth	Gender
7	Kazuo Hiramatsu	Reappointment Outside Independent	Aug. 10, 1947	Male
Number of Shares Owned		0		
Term of Office of Director, Member of the Board Served at the Close of This Annual General Meeting of Shareholders		8 years		
Attendance at Meetings of the Board of Directors (attendance ratio)		10/12 (83%)		
Special Interests between the Candidate and the Company		None		
Career Summary, Position and Responsibility at the Company, and Important Concurrent Positions				
Apr. 1985 Professor, School of Business Administration, Kwansei Gakuin University				
Apr. 2001 Trustee, Kwansei Gakuin				
Apr. 2002 President, Kwansei Gakuin University				
Apr. 2007 Standing Trustee, Kwansei Gakuin				
Apr. 2008 Trustee, Kwansei Gakuin				
Jun. 2008 Outside Director, Member of the Board, Sumitomo Electric Industries, Ltd. (up to present)				
Jun. 2010 Outside Audit & Supervisory Board Member, Daido Life Insurance Co. (up to present)				
Outside Director, Member of the Board of the Company (up to present)				
Jun. 2011 Outside Director, Member of the Board, Senshu Ikeda Holdings, Inc. (up to present)				
Outside Director, Member of the Board, The Senshu Ikeda Bank, Ltd.				
Apr. 2016 Professor Emeritus, Kwansei Gakuin University (up to present)				
Standing Trustee, Kwansei Gakuin (up to present)				
[Important concurrent positions]				
Professor Emeritus, Kwansei Gakuin University				
Standing Trustee, Kwansei Gakuin				
Outside Director, Member of the Board, Sumitomo Electric Industries, Ltd.				
Outside Director, Member of the Board, Senshu Ikeda Holdings, Inc.				
Outside Audit & Supervisory Board Member, Daido Life Insurance Co.				

(Note) Dr. Kazuo Hiramatsu will resign from the office of Outside Audit & Supervisory Board Member, Daido Life Insurance Co. at the close of the annual general meeting of shareholders of the same company to be held on June 22, 2018 and the office of Outside Director, Member of the Board, Sumitomo Electric Industries, Ltd. at the close of the annual general meeting of shareholders of the same company to be held on June 27, 2018, respectively.

As a result, his important concurrent positions will be the following three (3) positions: Professor Emeritus, Kwansei Gakuin University; Standing Trustee, Kwansei Gakuin; and Outside Director, Member of the Board, Senshu Ikeda Holdings, Inc.

**Reasons for Selection as Candidate for Outside Director, Member of the Board**

Dr. Kazuo Hiramatsu has been involved primarily in accounting research and education for many years at the School of Business Administration of Kwansei Gakuin University. He has also held various important posts at government councils and private organizations for accounting, etc. such as President of the Japan Accounting Association. Moreover, he assumed the position of President of the International Association for Accounting Education and Research (IAAER) in February 2013 and Chairman of the Business Accounting Council, Financial Services Agency in February 2017. Thus, he possesses a high level of knowledge in finance and accounting, and is the world authority on financial accounting and international accounting. In addition to all of this, he has also gained a wealth of hands-on experience in management while serving at various important posts at school corporations and private enterprises, such as President of Kwansei Gakuin University, Standing Trustee of Kwansei Gakuin, and Outside Director, Member of the Board of Sumitomo Electric Industries, Ltd. The Company has selected Dr. Kazuo Hiramatsu as a candidate for Outside Director, Member of the Board because the Company expects him to provide supervision and advice concerning the execution of duties by its Directors, Members of the Board from an objective standpoint, thereby further enhancing its corporate governance and revitalizing its Board of Directors.

Although Dr. Kazuo Hiramatsu has never directly been involved in corporate management other than as Outside Director or Outside Audit & Supervisory Board Member, for the reasons given above, the Company expects him to appropriately carry out his duties as Outside Director, Member of the Board.

**Independence of Outside Director, Member of the Board**

There are no special interests including business relationships between the Company and each of Kwansei Gakuin University, Kwansei Gakuin and Senshu Ikeda Holdings, Inc.

Although the Company and Sumitomo Electric Industries, Ltd. have a business relationship pertaining to sale, etc. of equipment, the ratio of the annual transaction amount to sales of each of the Company and Sumitomo Electric Industries, Ltd. is less than one percent (1%). Accordingly, such relationship has no effect on his independence as Outside Director, Member of the Board of the Company.

Although the Company and Daido Life Insurance Co. have a business relationship pertaining to life insurance policies, the ratio of the annual transaction amount to sales of each of the Company and Daido Life Insurance Co. is less than one percent (1%). Accordingly, such relationship has no effect on his independence as Outside Director, Member of the Board of the Company.

The Company has registered him with the Tokyo Stock Exchange Group, Inc. as an independent director. If he is re-appointed as Director, Member of the Board at this Annual General Meeting of Shareholders, the Company will continue to register him with the said exchange as an independent director.

**Limited Liability Agreement**

The Company has entered into an agreement with Dr. Kazuo Hiramatsu that provides a limit on liability for damages under Article 423, paragraph 1 of the Companies Act pursuant to the provisions of the Articles of Incorporation of the Company. The limit on liability under the agreement is the minimum amount of liability stipulated by Article 425, paragraph 1 of the Companies Act. If Dr. Kazuo Hiramatsu is re-appointed as Director, Member of the Board, at this Annual General Meeting of Shareholders, the Company intends to maintain the limited liability agreement with Dr. Kazuo Hiramatsu.

**Other Special Matters**

The Japan Fair Trade Commission issued Cease and Desist Orders and other orders in December 2013 to Sumitomo Electric Industries, Ltd., where Dr. Kazuo Hiramatsu serves as Outside Director, Member of the Board, concerning deal of overhead transmission facility works for Tokyo Electric Power Company, Incorporated. Furthermore, Sumitomo Electric Industries, Ltd. received the decision finding violations of EU competition law from the European Commission in connection with the supply of automotive wiring harness and related products in July 2013, and the surcharge payment order from the National Development and Reform Commission of People's Republic of China, in August 2014.

Although Dr. Kazuo Hiramatsu had not been aware of the abovementioned events that were subject to the orders until the situation was publicly known, he regularly reviews and offers his

opinions on the internal control system of Sumitomo Electric Industries, Ltd. and its concrete measures relating to compliance, and since the occurrence of the above events, he has made comments on such topics as development and enhancement of a Competition Act compliance regime of the entire Sumitomo Electric Group and also ensuring the effectiveness thereof.

No.	Name	Category of Candidates	Date of Birth	Gender
8	Yoshifumi Kanda	New Outside Independent	Mar. 10, 1952	Male
Number of Shares Owned		0		
Term of Office of Director, Member of the Board Served at the Close of This Annual General Meeting of Shareholders		-		
Term of Office of Audit & Supervisory Board Member Served at the Close of This Annual General Meeting of Shareholders		1 year		
Attendance at Meetings of the Board of Directors (Attendance Ratio)		10/10 (100%)		
Attendance at Meetings of the Audit & Supervisory Board (Attendance Ratio)		10/10 (100%)		
Special Interests between the Candidate and the Company		None		
Career Summary, Position and Responsibility at the Company, and Important Concurrent Positions				
Apr. 1974    Joined Hitachi, Ltd.				
Apr. 2002    Deputy General Manager, Kansai Area Operation, Hitachi, Ltd.				
Apr. 2004    General Manager, Government & Public Corporation Information Systems Sales Management Division, Information & Telecommunications Group, Hitachi, Ltd.				
Jan. 2006    Executive, Hitachi, Ltd.				
Dec. 2008    General Manager, Chugoku Area Operation, Hitachi, Ltd.				
Apr. 2011    Vice President and Executive Officer, Hitachi, Ltd.				
General Manager, Power Management Marketing Division, Hitachi, Ltd.				
Apr. 2012    Deputy General Manager, Corporate Sales & Marketing Group, and General Manager, Domestic Division, and General Manager, CS Promotion Center, and General Manager, Power Management Division, Power Systems Company, Power Systems Group, Hitachi, Ltd.				
Apr. 2015    Executive Vice President and Executive Officer, Hitachi Systems Power Services, Ltd.				
Mar. 2017    Retired from Hitachi Systems Power Services, Ltd.				
Apr. 2017    Adviser, Corporate Sales & Marketing Group, Hitachi, Ltd.				
Jun. 2017    Outside Audit & Supervisory Board Member of the Company (up to present)				
Outside Director, Member of the Board, RENESAS EASTON Co., Ltd. (up to present)				
Mar. 2018    Retired from Hitachi, Ltd.				
Apr. 2018    Part-time Lecturer, Faculty of Science and Engineering, Waseda University (up to present)				
[Important concurrent positions]				
Outside Director, Member of the Board, RENESAS EASTON Co., Ltd.				
Part-time Lecturer, Faculty of Science and Engineering, Waseda University				

**Reasons for Selection as Candidate for Outside Director, Member of the Board**

Mr. Yoshifumi Kanda has held various important posts at corporations, including Vice President and Executive Officer, Hitachi, Ltd. Thus, he possesses a high level of knowledge in management based on his abundant hands-on experience related to corporate management. Heretofore, he has performed objective and fair audits and provided useful comments to the Board of Directors as Outside Audit & Supervisory Board Member based on his knowledge. In order to further improve the effectiveness of the functions of the Board of Directors to supervise business execution by Directors, Members of the Board and to further promote the improvement of corporate governance and the activation of the Board of Directors of the Company, the Company has decided that it is appropriate to utilize his knowledge as Outside Director, Member of the Board with voting rights at meetings of the Board of Directors. Therefore, the Company has selected him as a candidate for Outside Director, Member of the Board.

**Independence of Outside Director, Member of the Board**

Although the Company and Hitachi, Ltd. have a business relationship pertaining to sales, etc. of products, the ratio of the annual transaction amount to sales of each of the Company and Hitachi, Ltd. is less than one percent (1%). Accordingly, such relationship has no effect on his independence as Outside Director, Member of the Board of the Company.

There are no special interests including business relationships between the Company and each of Hitachi Systems Power Services, Ltd., RENESAS EASTON Co., Ltd. and Waseda University. If he is elected as Director, Member of the Board at this Annual General Meeting of Shareholders, the Company will register him with the Tokyo Stock Exchange Group, Inc. as an independent director.

**Limited Liability Agreement**

The Company has entered into an agreement with Mr. Yoshifumi Kanda that provides a limit on liability for damages under Article 423, paragraph 1 of the Companies Act pursuant to the provisions of the Articles of Incorporation of the Company. The limit on liability under the agreement is the minimum amount of liability stipulated by Article 425, paragraph 1 of the Companies Act. If Mr. Yoshifumi Kanda is elected as Director, Member of the Board, at this Annual General Meeting of Shareholders, the Company intends to maintain the limited liability agreement with Mr. Yoshifumi Kanda.

**Other Special Matters**

Outside Audit & Supervisory Board Member Yoshifumi Kanda will resign from the office of Audit & Supervisory Board Member at the close of this Annual General Meeting of Shareholders.

(Note) The attendance at meetings of the Board of Directors (attendance ratio) of Mr. Yoshifumi Kanda presents the attendance thereof after his assuming office on June 27, 2017.

No.	Name	Category of Candidates	Date of Birth	Gender
9	Nobuya Hideshima	New Outside Independent	Jan. 9, 1954	Male
Number of Shares Owned		0		
Term of Office of Director, Member of the Board Served at the Close of This Annual General Meeting of Shareholders		-		
Attendance at Meetings of the Board of Directors (Attendance Ratio)		-		
Special Interests between the Candidate and the Company		None		
Career Summary, Position and Responsibility at the Company, and Important Concurrent Positions				
Apr. 1978    Joined Yamaha Motor Co., Ltd.				
Mar. 2009    Officer General Manager, Procurement Dept., Yamaha Motor Co., Ltd.				
Mar. 2010    Senior Officer General Manager, Procurement Dept., Yamaha Motor Co., Ltd.				
Mar. 2011    Director, Member of the Board Senior Officer General Manager, Procurement Dept., Yamaha Motor Co., Ltd.				
Mar. 2013    Director, Member of the Board Executive Officer General Manager, Procurement Dept., Yamaha Motor Co., Ltd.				
Jan. 2014    Director, Member of the Board Executive Officer Manager, Engine Unit and General Manager, CS Dept.				
Dec. 2016    Trustee, the Graduate School for the Creation of New Photonics Industries (up to present)				
Mar. 2017    Adviser, Yamaha Motor Co., Ltd. (up to present)				
Jun. 2017    Outside Director, Fujibo Holdings, Inc. (up to present)				
[Important concurrent positions]				
Adviser, Yamaha Motor Co., Ltd.				
Outside Director, Fujibo Holdings, Inc.				
Trustee, the Graduate School for the Creation of New Photonics Industries				

**Reasons for Selection as Candidate for Outside Director, Member of the Board**

After having served as important posts such as Member of the Board, Executive Officer of Yamaha Motor, Co., Ltd., Mr. Nobuya Hideshima has held various important posts, including Trustee, the Graduate School for the Creation of New Photonics Industries and Outside Director, Fujibo Holdings, Inc. as well as holding important posts, including Director. Thus, he possesses a high level of knowledge in management based on his abundant hands-on experience. Therefore, the Company believes that he will provide supervision and advice on business execution by Directors, Members of the Board of the Company from his objective position, which will promote the improvement of corporate governance of the Company and the activation of the Board of Directors.

**Independence of Outside Director, Member of the Board**

There are no special interests including business relationships between the Company and each of Yamaha Motor Co., Ltd., Fujibo Holdings, Inc. and the Graduate School for the Creation of New Photonics Industries.

If he is elected as Director, Member of the Board at this Annual General Meeting of Shareholders, the Company will register him with the Tokyo Stock Exchange Group, Inc. as an independent director.

**Limited Liability Agreement**

If Mr. Nobuya Hideshima is elected as Director, Member of the Board at this Annual General Meeting of Shareholders, the Company intends to enter into an agreement with him that provides a limit on liability for damages under Article 423, paragraph 1 of the Companies Act pursuant to the provisions of the Articles of Incorporation of the Company. The limit on liability under the agreement is the minimum amount of liability stipulated by Article 425, paragraph 1 of the Companies Act.

**Other Special Matters**

None

### Item No. 3: Election of Three (3) Audit & Supervisory Board Members

The term of office of Audit & Supervisory Board Members Masao Mizuta and Yuka Shimokobe expires, and Audit & Supervisory Board Member Yoshifumi Kanda will resign, at the close of this Annual General Meeting of Shareholders.

Accordingly, to maintain the audit system, the Company proposes that three (3) Audit & Supervisory Board Members be elected.

As for the proposal, the consent of the Audit & Supervisory Board has been obtained.

The candidates for Audit & Supervisory Board Members are as described in page 20 to 24:

No	Name	Category of Candidates	Current position in the Company	Attendance at Meetings of the Board of Directors (Attendance Ratio)	Attendance at Meetings of the Audit & Supervisory Board (Attendance Ratio)
1	Masao Mizuta	Reappointment	Audit & Supervisory Board Member (Full-time)	12/12 (100%)	12/12 (100%)
2	Tomosaburo Kinda	New Outside Independent	-	-	-
3	Eri Sugiyama	New Outside Independent	-	-	-

Reappointment

New

Outside

Independent

Candidate for Audit & Supervisory Board Member to be reappointed

Candidate for Audit & Supervisory Board Member to be newly appointed

Candidate for Outside Audit & Supervisory Board Member

Candidate for Independent Director as prescribed by the Tokyo Stock Exchange Group, Inc.

No.	Name	Category of Candidates	Date of Birth	Gender
1	Masao Mizuta	Reappointment	May 2, 1950	Male

<b>Number of Shares Owned</b>	18,800
<b>Term of Office of Audit &amp; Supervisory Board Member Served at the Close of This Annual General Meeting of Shareholders</b>	4 years
<b>Attendance at Meetings of the Board of Directors (Attendance Ratio)</b>	12/12 (100%)
<b>Attendance at Meetings of the Audit &amp; Supervisory Board (Attendance Ratio)</b>	12/12 (100%)
<b>Special Interests between the Candidate and the Company</b>	None
<b>Career Summary, Position and Responsibility at the Company, and Important Concurrent Positions</b> Apr. 1973    Joined the Company Apr. 2006    Officer of the Company Manager, Internal Audit Office, the Company Jun. 2009    Director, Member of the Board of the Company Jul. 2009    Manager, Finance & Accounting Management Dept., the Company Apr. 2012    Executive Officer of the Company Jun. 2012    Representative Director, President and Chief Executive Officer, ShinMaywa Shoji, Ltd. Jun. 2014    Member of the Audit & Supervisory Board of the Company (Full-time) (up to present)	
<b>Reasons for Selection as Candidate for Audit &amp; Supervisory Board Member</b> Mr. Masao Mizuta has held various important posts, including Director, Member of the Board and Managing Executive Officer of the Company, Representative Director, President and Chief Executive Officer, ShinMaywa Shoji, Ltd. He has also fulfilled his responsibilities as Manager, Finance & Accounting Management Department of the Company for many years. Thus, he is familiar with practice of accounting and finance and related laws and regulations and has a broad range of knowledge and experience in corporate management. Therefore, the Company believes that he will contribute to the further improvement of the Company's audit functions and the corporate governance.	
<b>Limited Liability Agreement</b> The Company has entered into an agreement with Mr. Masao Mizuta that provides a limit on liability for damages under Article 423, paragraph 1 of the Companies Act pursuant to the provisions of the Articles of Incorporation of the Company. The limit on liability under the agreement is the minimum amount of liability stipulated by Article 425, paragraph 1 of the Companies Act. If Mr. Masao Mizuta is re-appointed as Outside Audit & Supervisory Board Member at this Annual General Meeting of Shareholders, the Company intends to maintain the limited liability agreement with Mr. Masao Mizuta.	
<b>Other Special Matters</b> None	

No.	Name	Category of Candidates	Date of Birth	Gender
2	Tomosaburo Kinda	New Outside Independent	Jan. 2, 1952	Male

<b>Number of Shares Owned</b>	0
<b>Term of Office of Audit &amp; Supervisory Board Member Served at the Close of This Annual General Meeting of Shareholders</b>	-
<b>Attendance at Meetings of the Board of Directors (Attendance Ratio)</b>	-
<b>Attendance at Meetings of the Audit &amp; Supervisory Board (Attendance Ratio)</b>	-
<b>Special Interests between the Candidate and the Company</b>	None
<b>Career Summary, Position and Responsibility at the Company, and Important Concurrent Positions</b>	
Apr. 1974 Joined Taiyo-Kobe Bank Limited (currently Sumitomo Mitsui Banking Corporation)	
Oct. 1994 Manager, Utajimabashi Branch, The Sakura Bank, Limited (currently Sumitomo Mitsui Banking Corporation)	
Jan. 1996 Deputy Manager, Kansai Investigation Dept. of The Sakura Bank, Limited	
Apr. 2001 Manager, Dojima Corporate Business Second Office, Sumitomo Mitsui Banking Corporation	
Oct. 2002 Manager, Dojima Corporate Business First Office, Sumitomo Mitsui Banking Corporation	
Dec. 2003 Provisional Auditor, Noritz Corporation	
Mar. 2004 Full-time Audit & Supervisory Board Member, Noritz Corporation Retired from Sumitomo Mitsui Banking Corporation	
Mar. 2009 Director, Managing Executive Officer General Manager, Administrative Division, Noritz Corporation President, Noritz Capital Corporation	
Jan. 2014 Retired from Noritz Capital Corporation	
Sep. 2014 Director (in charge of Governance), Noritz Corporation	
Mar. 2015 Retired from Noritz Corporation	
May 2015 Standing Director Secretary General, Kobe Association of Corporate Executives	

<p><b>Reasons for Selection as Candidate for Outside Audit &amp; Supervisory Board Member</b></p> <p>Mr. Tomosaburo Kinda has held various important posts, including Manager, Dojima Corporate Business First Office, Sumitomo Mitsui Banking Corporation and Audit &amp; Supervisory Board Member and Director, Managing Executive Officer, etc., Noritz Corporation as well as Standing Director Secretary General, Kobe Association of Corporate Executives. Thus, he possesses a high level of knowledge in corporate management based on his abundant hands-on experience. Therefore, the Company believes that he will perform objective and fair audits and provide valuable opinions to the Board of Directors.</p>
<p><b>Independence of Outside Audit &amp; Supervisory Board Member</b></p> <p>There are no special interests including business relationships between the Company and each of Noritz Corporation, Noritz Capital Corporation and Kobe Association of Corporate Executives. If he is elected as Audit &amp; Supervisory Board Member at this Annual General Meeting of Shareholders, the Company will register him with the Tokyo Stock Exchange Group, Inc. as an independent auditor.</p>
<p><b>Limited Liability Agreement</b></p> <p>If Mr. Tomosaburo Kinda is elected as Audit &amp; Supervisory Board Member at this Annual Meeting of Shareholders, the Company will enter into an agreement with Mr. Tomosaburo Kinda that provides a limit on liability for damages under Article 423, paragraph 1 of the Companies Act pursuant to the provisions of the Articles of Incorporation of the Company. The limit on liability under the agreement is the minimum amount of liability stipulated by Article 425, paragraph 1 of the Companies Act.</p>
<p><b>Other Special Matters</b></p> <p>None</p>

No.	Name	Category of Candidates	Date of Birth	Gender
3	Eri Sugiyama	New Outside Independent	Jul. 10, 1975	Female

<b>Number of Shares Owned</b>	0
<b>Term of Office of Audit &amp; Supervisory Board Member Served at the Close of This Annual General Meeting of Shareholders</b>	-
<b>Attendance at Meetings of the Board of Directors (Attendance Ratio)</b>	-
<b>Attendance at Meetings of the Audit &amp; Supervisory Board (Attendance Ratio)</b>	-
<b>Special Interests between the Candidate and the Company</b>	None
<b>Career Summary, Position and Responsibility at the Company, and Important Concurrent Positions</b> Oct. 2001 Registered as Lawyer (Osaka Bar Association) Joined Habataki Law Office Nov. 2008 Joined Financial Services Agency (fixed term employee) Financial Securities Inspector, Inspection Coordination Division, Inspection Bureau, Financial Services Agency Jan. 2010 Expert Inspector, Inspection Coordination Division, Inspection Bureau, Financial Services Agency Jun. 2010 Expert Inspector, Inspection Coordination Division, Inspection Bureau and Assistant Manager, Policy and Legal Division, Planning and Coordination Bureau, Financial Services Agency Dec. 2010 Retired from Financial Services Agency Jul. 2013 Partner, Habataki Law Office (up to present) Oct. 2017 Civil Conciliator, Osaka Summary Court (up to present) [Important concurrent positions] Partner, Habataki Law Office Civil Conciliator, Osaka Summary Court	
<b>Reasons for Selection as Candidate for Outside Audit &amp; Supervisory Board Member</b> Ms. Eri Sugiyama has a high level of legal knowledge based on her abundant hands-on experience as a lawyer. As she is also familiar with corporate legal practices, the Company concluded that she will perform objective and fair audits and provide valuable opinions to the Board of Directors primarily from the legal viewpoints. Although she has never been involved in corporate management, for the reasons given above, the Company expects her to appropriately carry out her duties as Outside Audit & Supervisory Board Member.	
<b>Independence of Outside Audit &amp; Supervisory Board Member</b> There are no special interests including business relationships between the Company and Habataki Law Office. If she is elected as Audit & Supervisory Board Member at this Annual General Meeting of Shareholders, the Company will register her with the Tokyo Stock Exchange Group, Inc. as an independent auditor.	

**Limited Liability Agreement**

If Ms. Eri Sugiyama is elected as Audit & Supervisory Board Member at this Annual General Meeting of Shareholders, the Company will enter into an agreement with Ms. Eri Sugiyama that provides a limit on liability for damages under Article 423, paragraph 1 of the Companies Act pursuant to the provisions of the Articles of Incorporation of the Company. The limit on liability under the agreement is the minimum amount of liability stipulated by Article 425, paragraph 1 of the Companies Act.

**Other Special Matters**

Her name registered in the family register is Eri Shingu.

**Item No. 4: Payment of Bonuses to Directors, Members of the Board**

It is proposed that, taking into consideration the business performance of the Company during the fiscal year ended March 31, 2018 and other factors, a total of 100,600,000 yen (3,600,000 yen for Outside Directors, Members of the Board) be paid to eight (8) Directors, Members of the Board (two (2) of whom are Outside Directors, Members of the Board) who held office at the end of the said fiscal year. It is also proposed that the Board of Directors shall decide the specific amounts to be paid to each Director, Member of the Board, timing of payment, and other details of the bonuses.

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