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(Stock Exchange Code 6652)
May 27, 2019

To Shareholders with Voting Rights:

2-6-64 Nishimiyahara, Yodogawa-ku,
Osaka
IDEC CORPORATION
Toshiyuki Funaki
Chairman and Chief Executive Officer

NOTICE OF THE 72ND ANNUAL GENERAL MEETING OF SHAREHOLDERS

Dear Shareholders:

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

You are cordially invited to attend the 72nd Annual General Meeting of Shareholders of IDEC CORPORATION (the "Company"). The meeting will be held for the purposes as described below.

If you are unable to attend this meeting, you may exercise your voting rights by document or via the Internet. Please examine the attached Reference Documents for the General Meeting of Shareholders, and exercise your voting rights in accordance with the guidance on Page 3.

1. Date and Time: Friday, June 14, 2019 at 3:00 p.m. Japan time
(The reception is scheduled to start at 1:30 p.m.)

2. Place: 2F Hall at the Head Office of the Company located at
2-6-64 Nishimiyahara, Yodogawa-ku, Osaka

3. Meeting Agenda:

- Matters to be reported:**
1. The Business Report, Consolidated Financial Statements for the Company's 72nd Fiscal Year (April 1, 2018 - March 31, 2019) and results of audits by the Accounting Auditors and the Audit and Supervisory Committee of the Consolidated Financial Statements
 2. Non-consolidated Financial Statements for the Company's 72nd Fiscal Year (April 1, 2018 - March 31, 2019)

Proposals to be resolved:

- Proposal 1:** Election of Five (5) Directors (excluding those who are Audit and Supervisory Committee Members)
- Proposal 2:** Delegation to the Board of Directors of the Company of Determination of Matters Regarding Subscription of Stock Acquisition Rights to be Issued as Stock Options

4. Matters concerning Reference Documents for the General Meeting of Shareholders and the Appendix to the Convocation Notice:

(1) In accordance with the provisions of laws and Article 15 of the Company's Articles of Incorporation, the following items in the Appendix to this Convocation Notice are posted on the Company's website (<http://jp.idec.com>).

1. "Matters concerning stock acquisition rights of the Company", "Matters concerning Accounting Auditors", "Matters concerning establishment of the system to ensure the appropriateness of business operations, and the operational status of the said system", and "Basic policy regarding control over the Company" of the Business Report.
2. "Consolidated statements of changes in shareholders' equity" and "Consolidated notes" of the consolidated financial statements.
3. "Non-consolidated statements of changes in shareholders' equity" and "Non-consolidated notes" of the non-consolidated financial statements.

The Business Report, the consolidated financial statements and the non-consolidated financial statements, which have been audited by company auditors and the accounting auditor when preparing the respective audit reports, include the above 1. to 3. in addition to the Appendix to this Convocation Notice.

(2) If any revisions are made to the Reference Documents for the General Meeting of Shareholders, the Business Report, the consolidated financial statements, and the non-consolidated financial statements, such revisions will be posted on the Company's website as mentioned in the above (1).

Guidance on the Exercise of Voting Rights

A voting right at the Annual General Meeting of Shareholders is an important right for shareholders to participate in the management of the Company. We would like you to exercise your voting right by using one of the following three methods after referring to the Reference Materials for the Annual Shareholders' Meeting.

- If you attend the meeting, you are not required to follow the procedures to exercise your voting rights by postal mail or via the Internet.
- If you have exercised your voting rights in duplicate by mail and via the Internet, the vote via the Internet will be treated as valid.
- If you have exercised your voting rights multiple times via the Internet, or exercised voting rights in duplicate by using personal computer, smartphone, and mobile phone, the last vote will be deemed valid.

1. In case of attending the Annual General Meeting of Shareholders

Please submit the Voting Form to the receptionist at the meeting. You are also requested to bring this Convocation Notice with you.

Date and time of the Annual General Meeting of Shareholders:

3:00 p.m. on Friday, June 14, 2019
(Reception will start at 1:30 p.m.)

2. In case of mailing by postal mail the Voting Form

Please post the Voting Form indicating whether you are for or against each of the agenda items.

Exercise deadline:

Required to arrive by 5:15 p.m. on Thursday, June 13, 2019

3. In case of exercising voting rights via the Internet

Please indicate whether you are for or against each of the agenda items on the Voting Rights Exercise Website (<http://www.web54.net>) after referring to the following page.

Exercise deadline:

Required to be submitted by 5:15 p.m. on Thursday, June 13, 2019

Reference Documents for the
General Meeting of Shareholders

Proposal 1: Election of Five (5) Directors (excluding those who are Audit and Supervisory Committee Members)

The terms of all five (5) Directors (excluding those who are Audit and Supervisory Committee Members; the same shall apply hereinafter in this Proposal), Toshiyuki Funaki, Mikio Funaki, Keijiro Fujita, Takeshi Nakagawa, Nobuo Hatta, and Takuji Yamamoto will expire at the conclusion of this Annual General Meeting of Shareholders. Accordingly, you are requested to elect five (5) Directors (including three (3) Outside Directors). As for this Proposal, the Audit and Supervisory Committee has judged that all the candidates for Directors are eligible.

The candidates for directors are as follows.

| Candidate number | Name | Current Position and primary area of responsibility in the Company |
|------------------|---|--|
| 1 | <u>Reappointment</u> Toshiyuki Funaki | Representative Executive Officer of the Company Chairman and Chief Executive Officer of the Company |
| 2 | <u>Reappointment</u> Mikio Funaki | Senior Managing Executive Officer of the Company Senior Executive Vice President of the Company |
| 3 | <u>Reappointment</u> Nobuo Hatta | Director <u>Outside Director candidate</u> <u>Independent Officer candidate</u> |
| 4 | <u>Reappointment</u> Takuji Yamamoto | Director <u>Outside Director candidate</u> <u>Independent Officer candidate</u> |
| 3 | <u>New candidate</u> Hiroshi Kobayashi | <u>Outside Director candidate</u> <u>Independent Officer candidate</u> |

(Note) Notes to Proposal 1 are described on page 8.

Candidate No. 1 Reappointment

Name: Toshiyuki Funaki

Date of birth: August 30, 1947

Number of shares of the Company held: 625,850 shares

Attendance at the Board of Directors meeting (FY 2019): 100 % (7/7 times)

Career summary (positions and responsibilities)

October 1975 Executive Vice President of IDEC CORPORATION (USA)

July 1985 Director of the Company

December 1990 Executive Director of the Company

June 1994 Senior Executive Director of the Company

June 1997 Chief Executive Officer of the Company

April 2000 Representative Executive Officer of the Company (to present)

June 2006 Chairman and Chief Executive Officer of the Company (to present)

Reasons for election

Mr. Toshiyuki Funaki has served as the Chairman and Chief Executive Officer of the Company, and to strive for the sustained growth as a continuing Company based on his abundant experience and achievements, the Company has elected him as a candidate for Director as in the previous year in the belief that he would be best suited to continue in his current position.

Significant concurrent positions

Chairman, C.E.O., IDEC CORPORATION (USA)

Candidate No. 2 Reappointment

Name: Mikio Funaki

Date of birth: January 17, 1953

Number of shares of the Company held: 517,328 shares

Attendance at the Board of Directors meeting (FY 2019): 100 % (7/7 times)

Career summary (positions and responsibilities)

June 1979 Joined IDEC CORPORATION (USA)

June 1991 Vice President of IDEC CORPORATION (USA)

April 1993 Joined the Company

June 1997 Director of the Company

April 1999 Executive Officer in charge of IT of the Company

May 2003 Senior Executive Director of the Company

May 2003 Senior Managing Executive Officer of the Company (to present)

June 2006 Senior Executive Vice President of the Company (to present)

Reasons for election

Mr. Mikio Funaki has been engaged in the management of the Company and its Group companies for many years and has abundant experience and achievements mainly in overseas businesses. The Company has elected him as a candidate for Director as in the previous year in the belief that his abundant experience and achievements would link to the sustained growth of the Company.

Significant concurrent positions

President, C.O.O., IDEC CORPORATION (USA)

Candidate No.3 Reappointment Outside Independent

Name: Nobuo Hatta

Date of birth: December 13, 1946

Number of shares of the Company held: 12,872 shares

Attendance at the Board of Directors meeting (FY 2019): 100 % (7/7 times)

Career summary (positions and responsibilities)

June 1997 Director and General Manager of Overseas Sales Headquarters of ROHM Co., Ltd.

July 2003 Director in charge of Public Relations of ROHM Co., Ltd.

September 2004 Director and General Manager of Administrative Headquarters of ROHM Co., Ltd.

December 2009 Director in charge of Special Missions of ROHM Co., Ltd.

June 2011 Chief Advisor of ROHM Co., Ltd.

June 2012 Director of the Company (to present)

Reasons for election

Mr. Nobuo Hatta has been engaged mainly in overseas businesses for many years in the semiconductor industry and is highly regarded for his abundant knowledge and experience. The Company has elected him as a candidate for Director as in previous year in the belief that his precise and productive advice, given from an independent perspective with no special interests, on the Company's management in general would lead to further reinforcement of the Company's management system.

Significant concurrent positions

Outside Company Auditor of Pharma Foods International Co., Ltd.

Candidate No.4 Reappointment Outside Independent

Name: Takuji Yamamoto

Date of birth: November 26, 1949

Number of shares of the Company held: 4,210 shares

Attendance at the Board of Directors meeting (FY 2019): 100 % (7/7 times)

Career summary (positions and responsibilities)

September 1995 Vice President of OMRON MANAGEMENT CENTER OF EUROPE

June 2001 Executive Officer of OMRON CORPORATION

April 2003 Division General Manager in charge of Industrial Products of OMRON CORPORATION

June 2005 Senior Executive Officer of OMRON CORPORATION

April 2009 CEO of OMRON MANAGEMENT CENTER OF AMERICA, INC.

June 2015 Director of the Company (to present)

Reasons for election

Mr. Takuji Yamamoto has been engaged mainly in starting up overseas businesses, planning and implementing business strategies for many years in the control instrument business and is highly regarded for his abundant knowledge and experience. The Company has elected him as a candidate for Director as in previous year in the belief that his precise and productive advice, given from an independent perspective with no special interests, on the Company's management in general would lead to further reinforcement of the Company's management system.

Significant concurrent positions

Not applicable.

Candidate No. 5 New candidate Outside Independent

Name: **Hiroshi Kobayashi**

Date of birth: **November 12, 1954**

Number of shares of the Company held: **0 shares**

Career summary (positions and responsibilities)

April 2003 Vice President of Honda Motor Europe Ltd.

June 2003 Director of Honda Motor Co., Ltd.

April 2004 President of Honda Canada Inc.

June 2005 Executive Officer of Honda Motor Co., Ltd.

April 2009 Executive Officer, Division General Manager in charge of Japan Sales of Honda Motor Co., Ltd.

June 2009 Director of Honda Motor Co., Ltd.

April 2011 Senior Executive Officer, Division General Manager in charge of Regional Operations (Asia & Oceania) of Honda Motor Co., Ltd.

President of Asian Honda Motor Co., Ltd.

President of Honda Automobile (Thailand) Co., Ltd.

Reasons for election

Mr. Hiroshi Kobayashi has been engaged mainly in Japan and overseas businesses for many years in the Automobile business and is highly regarded for his abundant knowledge and experience.

The Company has elected him as a candidate for new Director in the belief that his precise and productive advice, given from an independent perspective with no special interests, on the Company's management in general would lead to further reinforcement of the Company's management system.

Significant concurrent positions

Not applicable.

(Notes)

1. There are no special interests between each candidate and the Company.
2. Mr. Hiroshi Kobayashi is a candidate for a new Director
3. Candidates for Directors, Messrs. Nobuo Hatta, Takuji Yamamoto and Hiroshi Kobayashi are candidates for Outside Directors.
4. Candidates for Directors, Messrs. Nobuo Hatta and Takuji Yamamoto are designated as independent officers required by Tokyo Stock Exchange, Inc., who will not have conflicts of interests with general shareholders. The Company has judged that Mr. Hiroshi Kobayashi, a candidate for Director, is not likely to cause any conflicts of interest with general stockholders and that he is independent; therefore, the Company plans to nominate him as such independent officer.
5. The Company does not have transactional relationships with ROHM Co., Ltd., where Mr. Nobuo Hatta served as director, OMRON CORPORATION, where Mr. Takuji Yamamoto served as executive officer, and Honda Motor Co., Ltd., where Mr. Hiroshi Kobayashi served as Director etc., so there is no problem with regards to their independence.
6. Candidates for Directors, Messrs. Nobuo Hatta, and Takuji Yamamoto are currently Outside Directors of the Company and Mr. Nobuo Hatta will have served 7 years, and Mr. Takuji Yamamoto will have served 4 years as Directors at the conclusion of this Annual General Meeting of Shareholders.
7. The Company has entered into agreements with candidates for Directors, Messrs. Nobuo Hatta, and Takuji Yamamoto in accordance with the provisions of Article 427, Paragraph 1 of the Companies Act, limiting their liabilities for damages. Based on these agreements, the maximum amount of liabilities for damages shall be an amount provided by laws and regulations. Upon election of candidates as proposed, the Company intends to continue these agreements.
8. If Mr. Hiroshi Kobayashi, a candidate for director, is elected as originally planned, the Company will enter into an agreement with him, in accordance with the provisions of Article 427, Paragraph 1 of the Companies Act, limiting their liabilities for damages. Based on this agreement, the maximum amount of liabilities for damages shall be an amount provided by laws and regulations.

<The policy regarding the independence of an outside officer>

The Company has positively elected outside officers for their high levels of professional knowledge, extensive experience, and views on management and the execution of business. Furthermore, if an outside officer falls under all of the following items, we consider that he or she is independent:

- (1) He or she is not an executive officer of our company (including group companies. The same shall apply hereinafter).
- (2) He or she is not an executive officer of a company that has material transactions with our company.
- (3) He or she is not an executive officer of a major customer of our company.
- (4) He or she is not a consultant or an accounting expert or a legal expert employed by the company who receives a material sum of money or other assets, with the exception of executive compensation (if it is a group or a party such as a corporation or a partnership, he or she is not a member of such a group or a party).
- (5) He or she does not receive material donations or subsidies from our company.
- (6) He or she is not a major holder of our company's shares or an (a major holder) executive officer of the company.
- (7) He or she has not fallen under any of the above (1) – (6) for the five years prior to being nominated as a director.
- (8) He or she is not a spouse or a relative within the second degree of kinship of any person who falls under any of the above (1) – (6).

Proposal 2: Delegation to the Board of Directors of the Company of Determination of Matters Regarding Subscription of Stock Acquisition Rights to be Issued as Stock Options

Pursuant to Articles 236, 238 and 239 of the Companies Act, the Company seeks approval for delegating to the Board of Directors the determination of matters regarding subscription of stock acquisition rights to be issued as stock options to the Company's employees and the directors of the Company's subsidiaries (hereinafter referred to as "Employees").

1. Reason for soliciting from non-shareholders who will subscribe to stock acquisition rights under especially favorable terms

In order to boost the motivation and morale of Employees, and to contribute to the improvement of the Group's performance and the enhancement of its international competitiveness, the Company shall issue without consideration, stock acquisition rights without the need of payment of cash, in the following manner.

2. Maximum number of stock acquisition rights, for which the Board of Directors shall be entitled to determine the matters for subscription, based on the resolution at the General Meeting of Shareholders

395 units

3. Amount of cash to be paid for the stock acquisition rights

To be issued without consideration (The stock acquisition rights shall not require the payment of cash.)

4. Details of the stock acquisition rights

- (1) Persons to whom the stock acquisition rights shall be allocated

Employees

- (2) Type and number of shares subject to the stock acquisition rights

The total number of shares of the stock acquisition rights shall not exceed 39,500 shares of the Company's common stock, and the number of shares subject to one unit of the said stock acquisition rights shall be 100 shares.

In the event that the Company conducts a stock split or stock consolidation, the Company may adjust the number of shares subject to the stock acquisition rights in accordance with the following formula. However, such adjustments shall only be made with respect to the number of shares subject to the stock acquisition rights that have not been exercised at the time of adjustment of the said stock acquisition rights. Any fractions of less than one share resulting from the adjustment shall be rounded down.

$$\text{Number of shares after adjustment} = \text{Number of shares before adjustment} \times \text{Ratio of split or consolidation}$$

- (3) Value of assets contributed upon exercise of the stock acquisition rights

The value of assets to be contributed upon exercise of each unit of stock acquisition right shall be calculated by multiplying the amount to be paid in per share as set below by the number of shares subject to each unit of stock acquisition right.

The amount to be paid in per share shall be calculated by multiplying the average of the daily closing prices of common stock of the Company in the regular transactions at the Tokyo Stock Exchange for trading days (excluding days on which there is no trading) during each day of the month prior to the month of the allocation date, by 1.05, and any fractions of less than one yen shall be rounded up to the nearest one yen.

However, if the foregoing amount is less than the closing price of the common stock of the Company on the date of allocation of the stock acquisition rights (if there is no trading on that day, then the closing price for the immediate preceding trading day), it shall be the closing price on the date of allocation of the stock acquisition rights.

In the event that the Company conducts a stock split or stock consolidation after the date of allocation of the stock acquisition rights, the amount to be paid in shall be adjusted according to the following formula, and any fractions of less than one yen resulting from the adjustment shall be rounded up.

$$\begin{array}{l} \text{Amount to be} \\ \text{paid in after} \\ \text{adjustment} \end{array} = \begin{array}{l} \text{Amount to be} \\ \text{paid in before} \\ \text{adjustment} \end{array} \times \frac{1}{\text{Rate of split or} \\ \text{consolidation}}$$

Furthermore, in the event that the Company issues new shares or disposes its treasury stock at a price

less than the market price, the amount to be paid in shall be adjusted according to the following formula, and any fractions of less than one yen resulting from the adjustment shall be rounded up.

$$\frac{\text{Amount to be paid in after adjustment} \times \text{Amount to be paid in before adjustment} \times \left(\frac{\text{Number of previously issued shares} + \frac{\text{Number of newly issued shares} \times \text{Amount to be paid in per share}}{\text{Market price per share prior to new issue}}}{\text{Number of previously issued shares} + \text{Number of increased shares through new issue}} \right)}{1}$$

- (4) Exercise period of stock acquisition rights
From July 1, 2021 to June 30, 2023
- (5) Conditions for exercise of stock acquisition rights
 - 1) At the time of exercise of the right, the stock acquisition right holder must be a Director, Executive Officer or employee of the Company or its subsidiary. However, right holder may exercise his or her stock acquisition right, if he or she has retired due to the expiration of his or her term of office, or if he or she has reached the mandatory retirement age, or has any other valid reason.
 - 2) Other conditions shall be set forth in the “Stock Acquisition Rights Allocation Agreement” between the Company and the person to whom the stock acquisition rights have been allocated pursuant to the resolution of the Board of Directors with regard to the issuance of the stock acquisition rights.
- (6) Matters concerning an increase in capital stock and capital surplus in the event of issuance of shares upon exercise of stock acquisition rights
The increased amount in capital stock in the event of the issuance of shares upon the exercise of stock acquisition rights shall be equal to one half of the maximum increase in the amount of capital or the like calculated in accordance with Article 17, Paragraph 1 of the Company Calculation Rules. Any fractions of less than one yen resulting from the calculation shall be rounded up.
Remaining amounts shall be incorporated into capital surplus.
- (7) Restrictions on acquiring stock acquisition rights by way of transfer
Any acquisition of stock acquisition rights by way of transfer shall require the approval of the Board of Directors of the Company.
- (8) Reasons for acquiring stock acquisition rights
 - 1) In the event that a proposal for approval of a share exchange agreement or share transfer, in which the Company is to become a wholly-owned subsidiary, is approved at the Company’s General Meeting of Shareholders, the Company may acquire stock acquisition rights without consideration on a date separately determined at the Board of Directors.
 - 2) If any person to whom stock acquisition rights have been allocated is no longer eligible under the terms for the exercise of the stock acquisition rights, the Company may acquire the stock acquisition rights without consideration on a date separately determined at the Board of Directors.
- (9) Handling of stock acquisition rights upon restructuring
In the event that the Company conducts a merger (limited to where the Company is dissolved as a result of the merger), an absorption-type demerger, an incorporation-type demerger, a share exchange or a stock transfer (hereinafter collectively referred to as “Restructuring”), stock acquisition rights of one of the companies listed in Article 236, Paragraph 1, Item 8 (a) through (e) of the Companies Act, as the case may be, (hereinafter referred to as “Restructured Company”), will be each delivered to the holders of the stock acquisition rights remaining at the time the Restructuring takes effect (hereinafter referred to as “Remaining Stock Acquisition Rights”), in accordance with the following conditions. However, the foregoing applies only where the delivery of the stock acquisition rights of the Restructured Company, in accordance with the following terms, is provided for in the relevant absorption-type merger agreement, incorporation-type merger agreement, absorption-type demerger agreement, incorporation-type demerger agreement, share exchange agreement or stock transfer agreement.
 - 1) The type of shares of the Restructured Company subject to the stock acquisition rights
The Restructured Company’s common stock
 - 2) The number of shares of the Restructured Company subject to the stock acquisition rights
A decision will be made according to (2) above, upon considering the terms, etc., for the Restructuring.
 - 3) Value of assets contributed upon exercise of the stock acquisition rights
The amount calculated by multiplying the exercise price, which has been adjusted considering the terms, etc., for the Restructuring, by the number of shares determined in accordance with 2) above.

- 4) Exercise period of stock acquisition rights
The exercise period shall be the same as the exercise period of the Remaining Stock Acquisition Rights.
- 5) Restrictions on acquiring stock acquisition rights by way of transfer
Any acquisition of stock acquisition rights by way of transfer shall require the approval of the Restructured Company.
- 6) Other terms shall be determined subject to the terms of the Restructured Company.
- (10) Other details of the stock acquisition rights
Other details of the stock acquisition rights shall be determined, together with the other matters for the subscription of the stock acquisition rights, at the Board of Directors meeting to be held with regard to the issuance of stock acquisition rights for subscription.

End