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Securities identification code: 6859
May 30, 2019

To our shareholders:

Masaaki Ishida
President
ESPEC CORP.
3-5-6 Tenjinbashi, Kita-ku, Osaka

NOTICE OF THE 66TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

You are cordially invited to attend the 66th Ordinary General Meeting of Shareholders of ESPEC CORP. (the “Company”), which will be held as described below.

If you are unable to attend the meeting in person, you may exercise your voting rights by postal mail or electronic means (Internet), in which case we ask you to please exercise your voting rights after reviewing the attached Reference Documents for the General Meeting of Shareholders.

Guide to Voting

For those attending the General Meeting of Shareholders

[Submit at the venue reception]

Please submit the enclosed voting form at the venue reception on the day of the General Meeting of Shareholders.

For those not attending the General Meeting of Shareholders

[By post]

Please indicate your approval or disapproval of the proposals on the enclosed voting form and return it by postal mail to reach us by no later than 5:00 p.m., on Thursday, June 20, 2019 (Japan Standard Time).

[Online]

Please access the dedicated voting site (<https://soukai.mizuho-tb.co.jp/>) from a computer, smartphone, or other device, enter the voting rights exercise code and password printed on the enclosed voting form, and follow the instructions on screen to register your approval or disapproval of the proposals by no later than 5:00 p.m., Thursday, June 20, 2019 (Japan Standard Time).

1. Date and Time: Friday, June 21, 2019 at 10:00 a.m. (Japan Standard Time)

2. Venue: Yae Room 5th floor, Imperial Hotel, Osaka
1-8-50 Temmabashi, Kita-ku, Osaka

3. Purposes:

Items to be reported:

1. Business Report and Consolidated Financial Statements for the 66th Term (from April 1, 2018 to March 31, 2019), as well as the results of audit of the Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Board
2. Non-Consolidated Financial Statements for the 66th Term (from April 1, 2018 to March 31, 2019)

Items to be resolved:

- Proposal 1:** Appropriation of surplus
- Proposal 2:** Election of eight (8) Directors
- Proposal 3:** Election of one (1) Audit & Supervisory Board Member

Reference Documents for the General Meeting of Shareholders

Proposals and Reference Matters

Proposal 1: Appropriation of surplus

In addition to recognizing that returning profits to our shareholders is one of our major management challenges, the Company also considers increased shareholder value to be rooted in the perpetual expansion of corporate value, and as such makes it its basic policy to set dividends in light of continuity and dividend payout ratio.

Based on the basic policy described above, the Company would like to set the year-end dividends as follows:

Matters related to year-end dividends

(1) Allocation of dividend property and total amount thereof

46 yen per common share of the Company

Total amount of dividends: 1,060,310,442 yen

Further, the Company paid an interim dividend of 22 yen, so the dividend for the entire fiscal year is 68 yen per share.

(2) Effective date of distribution of dividends of surplus

June 24, 2019

Proposal 2: Election of eight (8) Directors

The term of all seven (7) current Directors expires at the close of this General Meeting of Shareholders. In order to further strengthen the executive management team, the Company proposes to elect eight (8) Directors.

The candidates for Directors are as follows:

No.	Name (Date of birth)	Career Summary, Position and Responsibilities (Significant concurrent positions outside the Company)		Number of Company shares held
1	Masaaki Ishida (November 26, 1954)	Apr. 1977	Joined the Company	72,152 shares
		June 2008	Director	
		June 2009	Managing Director	
		Apr. 2011	President (present position)	
		(Significant concurrent positions outside the Company) Director, ESPEC (CHINA) LIMITED		
	Reasons for nomination as a candidate for Director: The candidate has primarily committed himself to the development of the Company’s operations in the fields of research and development, quality assurance and international operations, etc. Since 2011 he has been demonstrating leadership and leading the Group’s growth strategy in his role as President. Further, on the Board of Directors, in addition to appropriately managing proceedings as Chairman, he draws on his wealth of experience and achievements to decide on important matters and oversee the execution of business operations. For these reasons, he has been nominated as a candidate having been deemed fully capable of continuing to fulfill his role as Director.			
2	Taneo Shimada (October 15, 1957)	Apr. 1981	Joined the Company	40,025 shares
		June 2009	Director	
		June 2012	Managing Director (present position)	
		Apr. 2019	In charge of Global Marketing (present position)	
		(Significant concurrent positions outside the Company) Representative Director, ESPEC KOREA CORP. Managing Director, ESPEC SOUTH EAST ASIA SDN. BHD. Representative Director, ESPEC ENGINEERING (THAILAND) CO., LTD.		
	Reasons for nomination as a candidate for Director: The candidate has primarily committed himself to the development of the Company’s operations in the fields of sales, after-sales service and international operations, etc., and is currently promoting growth strategy as a person in charge of Global Marketing. He also draws on his wealth of experience and achievements to decide on important matters and oversee the execution of business operations on the Board of Directors. For these reasons, he has been nominated as a candidate having been deemed fully capable of continuing to fulfill his role as Director.			
3	Kazuhiro Suehisa (November 26, 1963)	Apr. 1987	Joined the Company	4,502 shares
		Apr. 2014	Chief Officer, Custom Equipment Headquarters (present position)	
		Apr. 2018	Senior Executive Officer (present position)	
		June 2018	Director (present position)	
		Apr. 2019	In charge of Development Headquarters (present position) In charge of Business Development Department (present position)	
	Reasons for nomination as a candidate for Director: The candidate has primarily committed himself to the development of the Company’s operations in the fields of product development and design, etc., and is currently promoting growth strategy as the Chief Officer of Custom Equipment Headquarters and person in charge of Development Headquarters and Business Development Department. He also draws on his wealth of experience and achievements to decide on important matters and oversee the execution of business operations on the Board of Directors. For these reasons, he has been nominated as a candidate having been deemed fully capable of continuing to fulfill his role as Director.			

No.	Name (Date of birth)	Career Summary, Position and Responsibilities (Significant concurrent positions outside the Company)		Number of Company shares held
4	Satoshi Arata (October 7, 1966)	Apr. 1991	Joined the Company	11,933 shares
		Apr. 2017	General Manager, China Business Office (present position)	
		Apr. 2018	Senior Executive Officer (present position)	
		June 2018	Director (present position)	
		Apr. 2019	Chief Officer, Environmental Test Equipment Headquarters (present position) In charge of Customer Satisfaction Headquarters (present position)	
		(Significant concurrent positions outside the Company) Director, ESPEC NORTH AMERICA, INC. Chairman, SHANGHAI ESPEC ENVIRONMENTAL EQUIPMENT CORP. Chairman, ESPEC ENVIRONMENTAL EQUIPMENT (SHANGHAI) CO., LTD. Chairman, ESPEC TEST EQUIPMENT (GUANGDONG) CO., LTD. Director, ESPEC (CHINA) LIMITED		
Reasons for nomination as a candidate for Director: The candidate has primarily committed himself to the development of the Company’s operations in the fields of the China business, etc., and is currently promoting growth strategy as the Chief Officer of Environmental Test Equipment Headquarters, the General Manager of China Business Office and person in charge of Customer Satisfaction Headquarters. He also draws on his wealth of experience and achievements to decide on important matters and oversee the execution of business operations on the Board of Directors. For these reasons, he has been nominated as a candidate having been deemed fully capable of continuing to fulfill his role as Director.				
5	New candidate Toshiyuki Hamano (March 8, 1966)	Apr. 1986	Joined the Company	2,601 shares
		Apr. 2012	General Manager, Test Consulting Service Department, Reliability Research Headquarters	
		Apr. 2014	Chief Officer, Test Consulting Services Headquarters (present position) General Manager, Utsunomiya Technocomplex (present position)	
		Apr. 2016	Executive Officer (present position)	
		Apr. 2019	In charge of Environmental Management Department (present position)	
		(Significant concurrent positions outside the Company) Chairman, ESPEC TEST TECHNOLOGY (SHANGHAI) CO., LTD.		
Reasons for nomination as a candidate for Director: The candidate has primarily committed himself to the development of the Company’s operations in the field of test consulting services, etc. He is currently promoting growth strategy as the Chief Officer of Test Consulting Services Headquarters while promoting the Company's environmental management as a person in charge of Environmental Management Department. He has been nominated as a candidate having been deemed fully capable of drawing on his wealth of experience and achievements to fulfill his role as Director.				

No.	Name (Date of birth)	Career Summary, Position and Responsibilities (Significant concurrent positions outside the Company)		Number of Company shares held
6	New candidate Kenji Fuchita (September 18, 1964)	Apr. 1988	Joined the Company	14,173 shares
		Apr. 2008	General Manager, Central Japan Sales Headquarters	
		Apr. 2011	Chief Officer, Corporate Planning Headquarters	
		Apr. 2014	Chief Officer, Batteries & Energy System Equipment Headquarters	
		Apr. 2016	Executive Officer (present position) Chief Officer, Environmental Test Equipment Headquarters	
		Apr. 2019	Chief Officer, Sales Headquarters (present position) In charge of Maintenance and Support Headquarters (present position)	
	Reasons for nomination as a candidate for Director: The candidate has committed himself to the development of the Company’s operations in the fields of Sales, Corporate Planning and Energy Devices and is currently promoting growth strategy as the Chief Officer of Sales Headquarters and person in charge of Maintenance and Support Headquarters. He has been nominated as a candidate having been deemed fully capable of drawing on his wealth of experience and achievements to fulfill his role as Director.			
7	Hiroyuki Nagano (October 20, 1955) Candidate for Outside Director Candidate for Independent Officer	Apr. 1978	Joined Matsushita Electric Industrial Co., Ltd. (now Panasonic Corporation)	640 shares
		Apr. 2009	President, Panasonic Plasma Display Co., Ltd.	
		Apr. 2012	Specially Appointed Professor, Department of Management of Industry and Technology, Graduate School of Engineering, Osaka University	
		Apr. 2013	Professor, Institute for Research Promotion and Collaboration, University of Hyogo (present position)	
		June 2016	Director, the Company (present position)	
	Reasons for nomination as a candidate for Outside Director: In addition to his wealth of insight and experience gained through company management and research into industry-academia collaboration, etc., the candidate is considered to be highly independent and to present no risk of conflict of interest with general shareholders, and has therefore been nominated as a candidate having been deemed fully capable of continuing to fulfill his role as Outside Director.			

No.	Name (Date of birth)	Career Summary, Position and Responsibilities (Significant concurrent positions outside the Company)	Number of Company shares held
8	Toshiya Kosugi (July 30, 1958) Candidate for Outside Director Candidate for Independent Officer	Apr. 1982 Joined Nippon Electric Company, Limited Aug. 1991 Joined McKinsey & Company Oct. 1992 Manager, Personnel & General Affairs Department, Uniden Corporation Aug. 1994 Director, Human Resources Division, Apple Computer, Inc., Sr. Director, Apple Japan May 2010 Representative, Truth, Human Science and Management Organization Laboratory LLC (present position) Apr. 2016 Project Professor, Graduate School of Science and Technology, Keio University (present position) June 2017 Director, the Company (present position) Outside Director, Fukuoka Financial Group, Inc. / The Bank of Fukuoka, Ltd. (present position)	485 shares
Reasons for nomination as a candidate for Outside Director: In addition to his wealth of insight and experience gained through company management and research into organization management and human resources development at a company, etc., the candidate is considered to be highly independent and to present no risk of conflict of interest with general shareholders, and has therefore been nominated as a candidate having been deemed fully capable of continuing to fulfill his role as Outside Director.			

- Notes:
1. There is no special interest between any of the candidates and the Company.
 2. Toshiyuki Hamano and Kenji Fuchita are new candidates for Director.
 3. It has been three (3) years since Hiroyuki Nagano was appointed as an Outside Director of the Company.
 4. It has been two (2) years since Toshiya Kosugi was appointed as an Outside Director of the Company.
 5. The Company has appointed Hiroyuki Nagano and Toshiya Kosugi to the position of Independent Officer, a position required by the Tokyo Stock Exchange, and plans to renew their appointment as Independent Officers provided that this proposal is passed and they assume office as Outside Directors.
 6. The Company has entered into a limited liability agreement with Hiroyuki Nagano and Toshiya Kosugi to ensure that they can fulfill their expected roles, and plans to renew the said agreement provided that this proposal is passed and they assume office as Outside Directors. The summary of the limited liability agreement is as follows:
 - If the said Outside Director incurs liability for damages arising out of failure to perform his duties, his liability shall be limited to the minimum amount provided for in Article 425, paragraph 1 of the Companies Act.
 - The above limitation shall only apply when it is recognized that the Outside Director performed the duties giving rise to such liability in good faith and with no gross negligence.

(Reference) The Company shall judge outside directors and audit & supervisory board members to be independent unless any of the following items apply.

- (1) The party is a business executor of the ESPEC Group*1, or was a business executor of the ESPEC Group during the past 10 years.
- (2) The party is an entity for which the ESPEC Group is a major business partner*2, or a business executor of said entity.
- (3) The party is a major business partner of the ESPEC Group*3, or a business executor of said major business partner.
- (4) The party receives substantial monetary or other financial compensation, excluding remuneration as a director or audit & supervisory board member, from the ESPEC Group as a consultant, accountant, or lawyer (or an employee of a corporation, cooperative and other organization receiving such compensation)
- (5) The party is a person who falls under 2 through 5 above during the past 3 years.
- (6) The party is the next of kin*5 of a person who falls under 2 through 5 above (limited to important persons*4)

*1. "A business executor" refers to an executive director, executive officer or equivalent party or employee.

*2. "A major business partner" refers to a business partner providing products or services to the ESPEC Group whose transaction amounts exceeded 2% of yearly consolidated net sales in the most recent business year.

*3. "The party is a major business partner of the ESPEC Group" refers to a business partner refers to a business partner which the ESPEC Group provides products or services to whose transaction amounts exceeded 2% of yearly consolidated net sales in the most recent business year.

*4. "Important persons" refers to officers or employees in upper management with a rank of department head or higher.

*5. "Next of kin" refers to a spouse or relative to the second degree.

Proposal 3: Election of one (1) Audit & Supervisory Board Member

The term of Audit & Supervisory Board Member Mitsuru Murakami expires at the close of this General Meeting of Shareholders. As such, the Company proposes to elect one (1) Audit & Supervisory Board Member.

Furthermore, the Company has received the approval of the Audit & Supervisory Board concerning this proposal.

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

Name (Date of birth)	Career Summary and Position (Significant concurrent positions outside the Company)	Number of Company shares held
New candidate Kunikazu Ishii (May 27, 1958)	Apr. 1981 Joined the Company Apr. 2001 General Manager, Systems Sales & Engineering Department Apr. 2002 Executive Officer General Manager, Measurement and Test Systems Department Apr. 2008 President, ESPEC TECHNO CORP. (now ESPEC TEST SYSTEM CORP.) June 2009 Director Apr. 2011 Director, ESPEC NORTH AMERICA, INC. June 2012 Managing Director (present position)	31,354 shares
Reason for nomination as candidate for Audit & Supervisory Board Member: He has been nominated as a candidate having been deemed fully capable of fulfilling his role as an Audit & Supervisory Board Member because of his wealth of accumulated experience and knowledge gained through his professional experience as a Director of the Company and through the management of Japanese and U.S. subsidiaries.		

- Notes:
1. There is no special interest between the candidate and the Company.
 2. Kunikazu Ishii is a new candidate for Audit & Supervisory Board Member.