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(Securities code: 7283)  
May 24, 2019

**To Shareholders with Voting Rights:**

Tokuhisa Nomura  
President  
AISAN INDUSTRY CO., LTD.  
1-1-1 Kyowa-Cho, Obu, Aichi, Japan

**Notice of the 117th Ordinary 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 117th Ordinary General Meeting of Shareholders (the “Meeting”) of Aisan Industry Co., Ltd. (the “Company”). The Meeting will be held for the purposes as described below.

If you are unable to attend the Meeting, you may exercise your voting rights in writing or via the Internet, etc. Please review the attached Reference Documents for the General Meeting of Shareholders, and exercise your voting rights by 5:00 p.m. Japan time on Tuesday, June 11, 2019.

- 1. Date and Time:** Wednesday, June 12, 2019 at 10:00 a.m. Japan time
- 2. Place:** The Main Building of the Company located at 1-1-1 Kyowa-cho, Obu, Aichi, Japan
- 3. Meeting Agenda:**
- Matters to be reported:**
1. The Business Report, Consolidated and Non-consolidated Financial Statements for the Company’s 117th Fiscal Year (April 1, 2018 - March 31, 2019)
  2. Results of audits of the Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Board
- Proposals to be resolved:**
- Proposal No. 1:** Appropriation of Surplus
- Proposal No. 2:** Election of Six (6) Directors
- Proposal No. 3:** Election of Three (3) Audit & Supervisory Board Members
- Proposal No. 4:** Issuance of Stock Acquisition Rights without Consideration to the Company’s Directors, Executive Officers and Employees
- Proposal No. 5:** Payment of Bonuses to Directors and Audit & Supervisory Board Members
- Proposal No. 6:** Revision of Amount of Remuneration for Audit & Supervisory Board Members

1. When attending the Meeting, please bring this Notice with you, and submit the enclosed Voting Rights Exercise Form at the reception.
2. In the event of non-uniform exercise of voting rights, please notify the Company in writing to this effect together with the reason therefor, no later than three days prior to the Meeting.
3. The Notes to the Consolidated and Non-consolidated Financial Statements are posted on the Company's website (<https://www.aisan-ind.co.jp/en/>) pursuant to laws and regulations and Article 16 of the Company's Articles of Incorporation, and therefore are not included in the Appendix of this Notice.  
The Consolidated and Non-consolidated Financial Statements audited by the Accounting Auditor and the Audit & Supervisory Board comprise the Consolidated and Non-consolidated Financial Statements included in the Appendix of this Notice as well as the Notes to the Consolidated and Non-consolidated Financial Statements posted on the aforementioned website.
4. Any revisions to the Reference Documents for the General Meeting of Shareholders and the Appendix will be posted on the Company's website (<https://www.aisan-ind.co.jp/en/>).

# Reference Documents for the General Meeting of Shareholders

## Proposals and References

### Proposal No. 1: Appropriation of Surplus

The Company strives to respond to the expectation of shareholders by comprehensively taking into account factors such as continued stable dividends, consolidated business performance and consolidated dividend payout ratio.

The Company proposes year-end dividend for the fiscal year under review as follows:

- (1) Type of dividend property  
Cash
- (2) Allotment of dividend property and its total amount  
13 yen per share of the Company's common stock  
Total dividend amount: 818,829,700 yen  
The annual dividend amount including the interim dividend for this fiscal year is 27 yen per share, decreasing by 2 yen year on year.
- (3) Effective date of the distribution of surplus  
June 13, 2019

## Proposal No. 2: Election of Six (6) Directors

The terms of office of all eight (8) incumbent Directors will expire at the conclusion of the Meeting. The Company proposes to elect six (6) Directors, decreasing by two (2) Directors, in order to accelerate decision making.

The candidates for Directors are as follows:

No.	Name (Date of birth)	Career summary, positions and responsibilities at the Company, and significant concurrent positions	Number of the Company's shares held
1	Tokuhiisa Nomura (December 16, 1960)	<p>April 1985      Joined Toyota Motor Corporation</p> <p>January 2008    General Manager, Vehicle Electronics Design Division</p> <p>January 2012    General Manager, Electronics Engineering Division</p> <p>April 2013      Executive General Manager; Field General Manager, Electronics Technology Field</p> <p>April 2016      Executive General Manager; Advanced R&amp;D and Engineering Company</p> <p>June 2017      Executive Vice President; Vice President and Executive Officer, the Company</p> <p>June 2018      President (to present)</p>	12,300
2	Tomoya Ishida (May 10, 1956)	<p>April 1980      Joined Toyota Motor Co., Ltd. (currently Toyota Motor Corporation)</p> <p>January 2006    General Manager, Cost Planning Department, Cost KAIZEN Division</p> <p>January 2009    CFO, Toyota Motor Europe NV/SA</p> <p>June 2011      Director, the Company</p> <p>June 2012      Executive Officer</p> <p>June 2013      Managing Executive Officer, Member of the Board</p> <p>June 2014      Senior Managing Executive Officer, Member of the Board</p> <p>June 2017      Executive Vice President (to present)</p> <p>[Responsibilities] Assistant to President; Chief Division Officer, Value Chain Executive Division; In charge of Safety &amp; Health Promotion Center, Environmental Promotion Section, General Administration &amp; Human Resources Department and Accounting &amp; Finance Department</p>	33,800
3	Toru Nakane (August 24, 1959)	<p>April 1980      Joined the Company</p> <p>June 2008      General Manager, Marketing &amp; Sales Department I</p> <p>June 2010      Director</p> <p>June 2012      Executive Officer</p> <p>June 2013      Executive Officer, Member of the Board</p> <p>June 2014      Managing Executive Officer, Member of the Board</p> <p>June 2017      Senior Managing Executive Officer, Member of the Board (to present)</p> <p>[Responsibilities] Assistant to President; In charge of Corporate Planning Department and Indian Motorcycle Business Production Preparation Section</p>	12,400

No.	Name (Date of birth)	Career summary, positions and responsibilities at the Company, and significant concurrent positions		Number of the Company's shares held
4	Kazuhiko Nishimura (January 15, 1962)	April 1985 January 2010 January 2012 June 2013 June 2018	Joined the Company General Manager, Product Development Department I General Manager, Product Development Department II Executive Officer Managing Executive Officer (to present)  [Responsibilities] In charge of Engineering Division; Deputy Chief Division Officer, Value Chain Executive Division	10,000
5	Hitoshi Iwata (April 10, 1950)  <div>Outside Independent</div>	April 1975 January 1998 June 2002 June 2003 June 2007 June 2010 June 2015	Joined TOKAI RIKI CO., LTD. General Manager, IC Department, Electronics Business Group President, TRCZ s.r.o. Director, TOKAI RIKI CO., LTD. Managing Director Senior Managing Director Director, the Company (to present)	5,000
6	Satoe Tsuge (March 9, 1968)  <div>Outside Independent</div>	April 1990  April 1995 January 1999 June 2007 June 2015	Joined Tohmatsu & Co. (currently Deloitte Touche Tohmatsu LLC) Registered as a certified public accountant Established Tsuge CPA Office Representative Director, La Vida Planning Co., Ltd. (to present) Director, the Company (to present)  [Significant concurrent positions] Representative, Tsuge CPA Office Representative Director, La Vida Planning Co., Ltd. Outside Director, FUJIKYU CORPORATION Outside Director, HOSHIZAKI CORPORATION	0

- Notes:
- There are no special interests between the Company and any of the candidates.
  - Information on the candidates for Outside Directors are as follows:
    - Mr. Hitoshi Iwata and Ms. Satoe Tsuge are candidates for Outside Directors.  
The Company has designated them as independent directors provided by the Tokyo Stock Exchange and the Nagoya Stock Exchange and notified the Exchanges as such.
    - Reasons for nomination as candidates for Outside Directors:  
Mr. Hitoshi Iwata has abundant experience and knowledge in the automotive industry, while Ms. Satoe Tsuge has expertise in finance and accounting as a certified public accountant. Therefore the Company believes that they can provide suggestions and views on overall management in a fair and objective manner.
    - Years served as Outside Director of the Company (up to the conclusion of the Meeting)  
Mr. Hitoshi Iwata: Four (4) years  
Ms. Satoe Tsuge: Four (4) years
    - Outline of the liability limitation agreement  
The Company has entered into agreements with Mr. Hitoshi Iwata and Ms. Satoe Tsuge to limit their liabilities under Article 423, Paragraph 1 of the Companies Act to the amount provided in Article 425, Paragraph 1 of the said Act.

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

Among five Audit & Supervisory Board Members, three persons, Audit & Supervisory Board Members Mr. Hisanao Torii and Mr. Hiroyuki Inoue, and Audit & Supervisory Board Member Mr. Akihiro Yamanaka will resign at the conclusion of the Meeting. Accordingly, the Company proposes to elect three (3) Audit & Supervisory Board Members as substitutes to take over their offices.

The Company has already obtained consent from the Audit & Supervisory Board in advance with respect to this Proposal.

The candidates for Audit & Supervisory Board Members are as follows:

No.	Name (Date of birth)	Career summary, positions at the Company, and significant concurrent positions	Number of the Company's shares held
1	Takaaki Takagi (August 13, 1956)	April 1979      Joined the Company June 2005      General Manager, Technical Planning Department August 2006    General Manager, Human Resources Department June 2007      Director June 2012      Managing Executive Officer, Member of the Board June 2015      Senior Managing Executive Officer, Member of the Board April 2019      Director (to present)	27,500
2	Takanori Taga (March 22, 1959)	April 1982      Joined the Company January 2010    General Manager, Power Train Compatibility Development Department April 2015      General Manager, System Development Department June 2015      Executive Officer April 2019      Advisor (to present)	11,800
3	Mitsumasa Yamagata (June 29, 1970)  <div style="border: 1px solid black; padding: 2px; display: inline-block;">New Appointment Outside</div>	April 1995      Joined Toyota Motor Corporation January 2018    Chief Engineer, Powertrain Product Planning Division January 2019    Field General Manager, Product Planning / System Development Field, Powertrain Company (to present)  [Significant concurrent positions] Field General Manager, Product Planning / System Development Field, Powertrain Company, Toyota Motor Corporation	0

- Notes:
- There are no special interests between the Company and any of the candidates.
  - Information on the candidates for Outside Audit & Supervisory Board Members is as follows:
    - Mr. Mitsumasa Yamagata is a candidate for Outside Audit & Supervisory Board Member. He holds a senior professional/ senior management (*kanbushoku* in Japanese) at Toyota Motor Corporation, a major counterparty of the Company.
    - Reasons for nomination as a candidate for Outside Audit & Supervisory Board Member:  
Mr. Mitsumasa Yamagata has abundant experience and knowledge in the automotive industry. Therefore the Company believes that he can provide suggestions and views on overall management in a fair and objective manner.
    - Outline of the liability limitation agreement  
In the event that the election of Mr. Mitsumasa Yamagata is approved, the Company plans to enter into an agreement with Mr. Mitsumasa Yamagata to limit his liabilities under Article 423, Paragraph 1 of the Companies Act to the amount provided in Article 425, Paragraph 1 of the said Act.

**Proposal No. 4: Issuance of Stock Acquisition Rights without Consideration to the Company's  
Directors, Executive Officers and Employees**

The Company asks for your approval to issue stock acquisition rights without consideration to the Company's Directors, Executive Officers and employees pursuant to the provisions of Articles 236, 238, 239 and 361 of the Companies Act.

1. Reasons for issuing stock acquisition rights without consideration

In order to further boost the motivation and morale of the Company's Directors, Executive Officers and employees to enhance business performance as well as to contribute to improving the corporate standing, the Company proposes to issue stock acquisition rights without consideration in the following terms and conditions:

2. Terms and conditions of the stock acquisition rights

(1) The allottees of the stock acquisition rights

The Company's Directors (excluding Outside Directors), Executive Officers and employees

(2) Class and number of shares underlying the stock acquisition rights

A maximum of 350,000 shares of the Company's common stock

(of which, a maximum of 61,000 shares to be allotted to the Company's Directors)

In the event of a stock split or a reverse stock split by the Company, the number of shares underlying the stock acquisition rights shall be adjusted by the following formula; provided that the adjustment shall be made only for unexercised stock acquisition rights at the time of the split, and any fractions of less than one share upon the adjustment shall be discarded.

$$\begin{array}{l} \text{Number of shares} \\ \text{after adjustment} \end{array} = \begin{array}{l} \text{Number of shares} \\ \text{before adjustment} \end{array} \times \begin{array}{l} \text{Ratio of stock split or} \\ \text{reverse stock split} \end{array}$$

(3) Total number of stock acquisition rights

A maximum of 3,500 units

(of which, a maximum of 610 units to be allotted to the Company's Directors)

The number of shares underlying each stock acquisition right (the "Number of Shares Granted") shall be 100 shares; provided that if the number of shares is adjusted pursuant to (2) above, it shall be adjusted accordingly.

(4) Cash to be contributed in exchange of the stock acquisition rights

The allottees of the stock acquisition rights do not need to pay cash.

(5) Amount of assets to be contributed upon the exercise of the stock acquisition rights

The amount of assets to be contributed upon the exercise of the stock acquisition rights shall be obtained by multiplying (i) the average closing price of the Company's stock for ordinary transactions on the Tokyo Stock Exchange of days of the month (excluding days without transactions) preceding the month including the date which the stock acquisition rights were allotted multiplied by 1.025 (fractions of less than 1 yen shall be rounded up; the "Exercise Price") by (ii) the Number of Shares Granted. However, if the Exercise Price falls below the closing price of the allotment date of the stock acquisition rights (the immediately preceding closing price in case there were no transactions on that day), the said closing price shall be treated as the Exercise Price.

In the event of a stock split or a reverse stock split by the Company after the allotment date of the stock acquisition rights, the Exercise Price shall be adjusted by the following formula, and any resulting fractions of less than 1 yen shall be rounded up.

$$\begin{array}{l} \text{Exercise Price} \\ \text{after adjustment} \end{array} = \begin{array}{l} \text{Exercise Price} \\ \text{before adjustment} \end{array} \times \frac{1}{\begin{array}{l} \text{Ratio of stock split or} \\ \text{reverse stock split} \end{array}}$$

If the Company is issuing new stock or disposing of its treasury stock at a price below market value after the allotment date of the stock acquisition rights (excluding those intended for the exercise of the stock acquisition rights), the Exercise Price shall be adjusted by the following formula, and any

resulting fractions of less than 1 yen shall be rounded up.

$$\text{Exercise Price after adjustment} = \text{Exercise Price before adjustment} \times \frac{\text{Number of shares already issued} + \frac{\text{Number of shares newly issued} \times \text{Payment amount per share}}{\text{Share price before new issuance}}}{\text{Number of shares already issued} + \text{Number of shares newly issued}}$$

In the above formula, “Number of shares already issued” refers to a number obtained by deducting the total number of treasury stock held by the Company from the total number of shares issued. In the case of disposal of treasury stock, “Number of shares newly issued” shall be replaced by “Number of treasury stock to be disposed of.”

- (6) Exercise period of the stock acquisition rights  
From July 1, 2021 to June 30, 2025.
- (7) Conditions for the exercise of the stock acquisition rights
  - 1) The holder of the stock acquisition rights shall be either a Director, Executive Officer or employee of the Company at the time of exercise; provided if the holder had lost such position due to retirement, mandatory retirement or transfer (excluding the case of death), he or she may exercise the rights for one (1) year from the time the position was lost or the beginning of the exercise period, whichever comes later.
  - 2) Other conditions for exercise shall be provided by an agreement to be concluded between the Company and the rights holder based on the resolutions of the general meeting of shareholders and the Board of Directors.
- (8) Trigger and condition for the Company to acquire the stock acquisition rights
  - 1) In the event the rights holder ceases to satisfy the conditions for the exercise of the stock acquisition rights, the Company may acquire the stock acquisition rights without consideration.
  - 2) In the event the general meeting of shareholders approves a merger wherein the Company becomes the disappearing company, or a stock exchange/stock transfer wherein the Company becomes a wholly-owned subsidiary, the Company may acquire the stock acquisition rights without consideration.
- (9) Transfer restrictions on the stock acquisition rights  
Acquisition of the stock acquisition rights by transfer is subject to the approval of the Board of Directors.
- (10) Increases in share capital and legal capital surplus upon issuance of shares for the exercise of the stock acquisition rights
  - 1) Increase in share capital upon issuance of shares for the exercise of the stock acquisition rights shall be half of the maximum amount of increase in share capital calculated pursuant to Article 17, Paragraph 1 of the Regulation on Corporate Accounting, and any resulting fractions of less than 1 yen shall be rounded up.
  - 2) Increases in legal capital surplus upon issuance of shares for the exercise of the stock acquisition rights shall be obtained by subtracting (i) the increase in share capital provided in 1) from (ii) the maximum amount of increase in share capital stated in 1) above.
- (11) Delegation to the Board of Directors  
Matters related to the stock acquisition rights other than those provided above shall be stipulated by a resolution of the Board of Directors.
- (12) Calculation method as compensation, etc. relating to allotment to the Company’s Directors  
The calculation method of compensation, etc. for the Company’s Directors shall be obtained by multiplying (i) the fair value per stock acquisition right calculated on the allotment date of the stock acquisition rights by (ii) the total number of stock acquisition rights to be allotted to the Company’s Directors (up to four (4) Directors excluding Outside Directors) in office on the allotment date of the stock acquisition rights. The fair value per stock acquisition right shall be based on a fair unit price evaluated by the Black-Scholes model using the share price at the allotment date of the stock acquisition rights, exercise price, etc.

**Proposal No. 5: Payment of Bonuses to Directors and Audit & Supervisory Board Members**

In consideration of the business performance for the fiscal year under review and other matters, the Company proposes to pay to eight (8) Directors (including two (2) Outside Directors) and five (5) Audit & Supervisory Board Members in office at the end of the fiscal year under review, directors' bonuses of 74,818,000 yen (including 1,500,000 yen for Outside Directors) and auditors' bonuses of 14,995,000 yen, respectively.

**Proposal No. 6: Revision of Amount of Remuneration for Audit & Supervisory Board Members**

The amount of remuneration for Audit & Supervisory Board Members of the Company is an amount not exceeding 4 million yen per month, as approved at the Ordinary General Meeting of Shareholders held in June 2002. In order to further strengthen the independence of Audit & Supervisory Board Members from management, and taking into account various circumstances including abolishment of officers' bonuses to Audit & Supervisory Board Members, the Company proposes to revise the amount of remuneration for Audit & Supervisory Board Members to an amount not exceeding 7 million yen per month.

The current number of Audit & Supervisory Board Members is five (5) (including three (3) Outside Audit & Supervisory Board Members). If Proposal No.3 is approved as proposed, the number of Audit & Supervisory Board Members will remain to be five (5) (including three (3) Outside Audit & Supervisory Board Members).