

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

Securities Code: 6882
June 4, 2019

To Our Shareholders:

3-1-56 Nishiawaji, Higashiyodogawa-ku, Osaka
Sansha Electric Manufacturing Co., Ltd.
President Hajimu Yoshimura

Notice of the 85th Annual Meeting of Shareholders

We would like to thank you for your continued support.

We cordially invite shareholders to attend the 85th Annual Meeting of Shareholders as described below.

If you are unable to attend the meeting, you may also exercise your voting rights by using the enclosed voting form or on the Internet. Please refer to the following “Reference Document for the Annual Meeting of Shareholders” and return the form no later than 5:10 p.m., on June 25 (Tuesday), 2019.

For details on how to exercise voting rights, see the “Guide to Exercise of Voting Rights” below.

Sincerely yours,

Details

1. Date: Wednesday, June 26, 2019 at 10:00 a.m. (sign-in starts at 9:00 a.m.)
2. Venue: 4-2-1 Miyahara Yodogawa-ku, Osaka
Hotel Mielparque Osaka, 4th Floor, room “Soleil”

3. Purposes:

- Items to be reported:
1. The business report, the consolidated financial statements and the results of consolidated financial statement audits by the Accounting Auditor and Audit & Supervisory Board Member for the 85th business period (April 1, 2018 to March 31, 2019)
 2. The non-consolidated financial statements for the 85th business period (April 1, 2018 to March 31, 2019)

Items to be resolved:

Agenda Election of Seven (7) Directors

- ◎ Of documents to be attached to this notice, we are statutorily required to post items which should be presented as “Consolidated statement of changes in equity,” “Notes to consolidated financial statements,” “Statement of changes in equity” and “Notes to financial statements” on the Company’s website (<https://www.sansha.co.jp/>). Hence, these documents are not included in the attachments.
Consolidated financial statements and non-consolidated financial statements the Audit & Supervisory Board Member and the Accounting Auditor used in preparing an audit report and an accounting audit report respectively include those in the attachments and items which should be presented as “Consolidated statement of changes in equity,” “Notes to consolidated financial statements,” “Statement of changes in equity” and “Notes to financial statements.”
- ◎ If there are any revisions to the Reference Document for the Annual Meeting of Shareholders, the business report or the consolidated and the non-consolidated financial statements, such revisions will be listed on the Company’s website. (<https://www.sansha.co.jp/>)
- ◎ Please note that no one other than shareholders who can exercise voting rights is allowed in the venue such as a proxy who is not a shareholder or a person accompanying a shareholder.

Reference Document for the Annual Meeting of Shareholders

Agenda Election of Seven (7) Directors

The term of office of all six (6) Directors will expire at the conclusion of the Annual Meeting of Shareholders. The Company requests to increase the number of Directors by one (1) and to elect seven (7) Directors in order to strengthen the management system. The candidates for Directors are as follows.

Candidate No.	Name		Position and responsibility at the Company and significant concurrent positions	Attendance at board meetings
1	Kunio Shikata	Reappointment	Chairman	100% (14/14 meetings)
2	Hajimu Yoshimura	Reappointment	President	100% (14/14 meetings)
3	Toru Arai	Reappointment	Director and Executive Operating Officer In charge of semiconductor business and technology Director, SANSHA ELECTRIC MFG. (SHANGHAI) CO., LTD. (CHINA)	100% (14/14 meetings)
4	Masaki Fujiwara	Reappointment	Director and Executive Operating Officer General Manager, Corporate Strategy Outside Corporate Auditor, KUBOTA Corporation	100% (14/14 meetings)
5	Hiroshi Sakagami	Reappointment	Director and Managing Officer In charge of power device business Director, SANREX LIMITED Director, SANSHA ELECTRIC MFG. (GUANGDONG) CO., LTD. (CHINA)	100% (14/14 meetings)
6	Akira Uno	Reappointment Independent Executive Officer Outside Director	Director Outside Director, HASHIMOTO SOGYO HOLDINGS Specially Appointed Professor at Graduate School of Economics and Faculty of Economics, Kyoto University	100% (14/14 meetings)
7	Koichi Ina	New appointment Independent Executive Officer Outside Director	Outside Director, KUBOTA Corporation Chairman, Special Committee on Light Motor Vehicles, JAMA	-

Candidate No.	Name (Date of birth)	Brief profile, position and responsibility at the Company (Significant concurrent positions)		Number of the Company's shares owned
1	Reappointment	July. 1963	Joined the Company	330,000 shares
	Kunio Shikata (June 15, 1936)	July 1971	General Sales Manager, the Company	
		Nov. 1972	Director, the Company	
		May 1981	Managing Director, the Company	
		May 1986	President, the Company	
		Apr. 2018	Chairman, the Company (incumbent)	
	[Reason for nomination as a candidate for Director] Kunio Shikata has been performing a decision-making function and supervisory function of overall management at the Company over many years and has held important positions in industry associations related to the Group. As such, he contributes to the further development not only of the Group but also of the entire industry related to the Group. As we believe he is qualified to properly perform his duties of Director as well as the supervisory function of overall management of the Company, we nominate him as a candidate for Director.			

Candidate No.	Name (Date of birth)	Brief profile, position and responsibility at the Company (Significant concurrent positions)		Number of the Company's shares owned
2	<div>Reappointment</div> Hajimu Yoshimura (January 10, 1954)	Apr. 1976	Joined Matsushita Electric Works, Ltd. (currently Panasonic Corporation)	12,500 shares
		Jan. 2001	Vice President, U.S. Research Lab, Matsushita Electric Works, Ltd.	
		Apr. 2007	Operating Officer and General Manager of Lighting Device Development Division, Matsushita Electric Works, Ltd.	
		June 2007	President, SUNX Co., Ltd. (currently Panasonic Industrial Devices SUNX Co., Ltd.)	
		June 2012	President, Panasonic Ecology Systems Co., Ltd. Managing Director, Panasonic Eco Solutions Co., Ltd.	
		Aug. 2014	Advisor, the Company	
		Jan. 2015	Vice President and Operating Officer in charge of overall management, the Company	
		June 2015	Director, Vice President and Operating Officer, Planning Division, the Company	
		June 2017	Representative Director, Vice President and Operating Officer, the Company	
		Apr. 2018	President, the Company (incumbent)	
		[Reason for nomination as a candidate for Director] Hajimu Yoshimura has abundant experience and extensive knowledge he has gained as a management executive in the Panasonic Group. In addition, he has served as Vice President of an overseas affiliate of the Group and thus has broad-based knowledge of global corporate management. Furthermore, after he assumed the presidency of the Company from April 1, 2018, he developed a medium-term management plan with “Global Power Solution Partner” as its slogan and promoted a growth strategy and managerial reform to improve the corporate value. As we believe it appropriate to manage the Company under his leadership to ensure sustainable growth and further development of the Company, we nominate him as a candidate for Director.		

Candidate No.	Name (Date of birth)	Brief profile, position and responsibility at the Company (Significant concurrent positions)	Number of the Company's shares owned
3	<div>Reappointment</div> <div>Toru Arai (May 11, 1955)</div>	<div>Apr.1979 Joined the Company</div> <div>Apr.2001 General Manager, Development, the Company</div> <div>May2002 General Manager, Technology, the Company</div> <div>Apr.2007 Operating Officer, the Company</div> <div>June2009 Director, the Company (incumbent)</div> <div>Apr.2011 General Manager, Planning, the Company</div> <div>Apr.2014 Executive Operating Officer, the Company (incumbent)</div> <div>Apr.2016 In charge of semiconductor business, the Company (incumbent)</div> <div>Director, SANSHA ELECTRIC MFG. (SHANGHAI) CO., LTD. (CHINA) (incumbent)</div> <div>Nov.2016 General Manager, Technology, the Company</div> <div>Apr.2019 In charge of technology, the Company (incumbent)</div> <div>(Significant concurrent positions)</div> <div>Director, SANSHA ELECTRIC MFG. (SHANGHAI) CO., LTD. (CHINA)</div>	19,900 shares
		<div>[Reason for nomination as a candidate for Director]</div> <div>Since assuming the post of Director of the Company in June 2009 after holding a series of important positions in technology development, Toru Arai has been performing his duties with high ability and expertise in product development of the Group and supervising the management of the Company. As he supervises the semiconductor business division as a director and properly fulfills his role, and as we believe he is capable of fully leveraging his abundant experience in the Company's future business development, we nominate him as a candidate for Director.</div>	

Candidate No.	Name (Date of birth)	Brief profile, position and responsibility at the Company (Significant concurrent positions)	Number of the Company's shares owned
4	<div>Reappointment</div> <div>Masaki Fujiwara (December 23, 1953)</div>	<div>Apr. 1977 Joined Matsushita Electric Industrial Co., Ltd. (currently Panasonic Corporation)</div> <div>Jan. 2000 Director, Administration, Malaysia Matsushita Television Co., Ltd.</div> <div>Nov. 2004 Director, Technology and Accounting Center, Matsushita Electric Industrial Co., Ltd.</div> <div>Dec. 2006 Director, Accounting Center, Panasonic AVC Networks, Matsushita Electric Industrial Co., Ltd.</div> <div>May 2010 President, Panasonic Insurance Service Co., Ltd.</div> <div>Mar. 2014 Advisor, the Company</div> <div>June 2014 Director, Executive Operating Officer and General Manager of Administration, the Company</div> <div>Mar. 2018 Outside Corporate Auditor, KUBOTA Corporation (incumbent)</div> <div>Apr. 2018 Director, Executive Operating Officer and General Manager of Corporate Strategy, the Company</div> <div>(Significant concurrent positions)</div> <div>Outside Corporate Auditor, KUBOTA Corporation</div>	10,000 shares
	<div>[Reason for nomination as a candidate for Director]</div> <div>Masaki Fujiwara has abundant corporate management experience and extensive knowledge of administration he has gained as a management executive in the Panasonic Group. In addition, he has served as Director of an overseas affiliate of the Group and thus is equipped with global perspectives. As he supervises the administration division as General Manager of Corporate Strategy of the Company and properly fulfills his role, and as we believe he is capable of fully leveraging his abundant experience in the Company's future business development, we nominate him as a candidate for Director.</div>		

Candidate No.	Name (Date of birth)	Brief profile, position and responsibility at the Company (Significant concurrent positions)		Number of the Company's shares owned
5	<div>Reappointment</div> Hiroshi Sakagami (April 14, 1955)	Apr.1979	Joined the Company	9,900 shares
		May2005	General Manager, Quality Assurance, the Company	
		May2006	Manager, Shiga Plant, the Company	
		Feb.2010	General Manager, Production Control, the Company	
		Apr.2011	Operating Officer, the Company	
			General Manager, Power Device Manufacturing, the Company	
		Apr.2012	Director, FOSHAN SHUNDE SANSHA ELECTRIC MFG. CO., LTD. (currently SANSHA ELECTRIC MFG. (GUANGDONG) CO., LTD. (CHINA)) (incumbent)	
		June2012	Director, the Company (incumbent)	
		Apr.2013	Director, SANREX LIMITED (incumbent)	
		Apr.2014	Managing Officer, the Company (incumbent)	
Apr.2015	In charge of power device business, the Company (incumbent)			
(Significant concurrent positions)				
Director, SANREX LIMITED				
Director, SANSHA ELECTRIC MFG. (GUANGDONG) CO., LTD. (CHINA)				
[Reason for nomination as a candidate for Director] Since assuming the post of Director of the Company in June 2012 after holding a series of important positions in power device manufacturing, Hiroshi Sakagami has been performing his duties with high ability and expertise in power device business and supervising the management of the Company. As he supervises the power device business division as a director and properly fulfills his role, and as we believe he is capable of fully leveraging his abundant experience in the Company's future business development, we nominate him as a candidate for Director.				

Candidate No.	Name (Date of birth)	Brief profile, position and responsibility at the Company (Significant concurrent positions)		Number of the Company's shares owned
6	<div>Reappointment</div> <div>Independent Executive Officer</div> <div>Outside Director</div> <div>Akira Uno (August 15, 1942)</div>	Apr. 1966	Joined The Sumitomo Bank, Limited (currently Sumitomo Mitsui Banking Corporation)	7,900 shares
		June 1993	Director and Manager of Ningyocho Branch, The Sumitomo Bank, Limited	
		Feb. 1996	Representative Executive Director, Sumitomo Credit Service Co., Ltd.	
		June 2000	Representative Director and Vice President, Sumitomo Credit Service Co., Ltd.	
		Apr. 2001	Representative Director and Vice President, Sumitomo Mitsui Card Company, Limited due to merger	
		June 2003	Chairman and Operating Officer, SMBC Consulting Co., Ltd.	
		Feb. 2006	Operating Officer, Japan Post Holdings Co., Ltd.	
		Oct. 2007	Managing Officer, Japan Post Bank Co., Ltd.	
		June 2009	Outside Director, HASHIMOTO SOGYO Ltd. (currently HASHIMOTO SOGYO HOLDINGS) (incumbent)	
		Aug. 2009	Special Advisor, the Company	
		June 2014	Outside Director, the Company (incumbent)	
		(Significant concurrent positions)		
		Outside Director, HASHIMOTO SOGYO HOLDINGS Specially Appointed Professor at Graduate School of Economics and Faculty of Economics, Kyoto University		
[Reason for appointment as a candidate for Outside Director] Akira Uno has abundant experience and knowledge he has gained as a management executive of many companies. He provides recommendations and advice on the Company's growth strategy and managerial reform at its board meetings as Outside Director and performs the decision-making function and supervisory function. As we believe he is qualified to supervise the management of the Company, we nominate him as a candidate for Outside Director.				

Candidate No.	Name (Date of birth)	Brief profile, position and responsibility at the Company (Significant concurrent positions)	Number of the Company's shares owned
7	<div>Reappointment</div> <div>Independent Executive Officer</div> <div>Outside Director</div> Koichi Ina (May 6, 1948)	Apr. 1973 Joined Toyota Motor Co., Ltd. (currently Toyota Motor Corporation) June 2002 Director, Toyota Motor Co., Ltd. June 2007 Senior Managing Director, Toyota Motor Co., Ltd. June 2009 Advisor, Toyota Motor Co., Ltd. Director and Vice President, DAIHATSU MOTOR CO., LTD. June 2010 President, DAIHATSU MOTOR CO., LTD June 2013 Chairman, DAIHATSU MOTOR CO., LTD June 2015 Outside Director, KUBOTA Corporation (incumbent) June 2016 Senior Adviser, DAIHATSU MOTOR CO., LTD (Significant concurrent positions) Outside Director, KUBOTA Corporation Chairman, Special Committee on Light Motor Vehicles, JAMA	- shares
[Reason for appointment as a candidate for Outside Director] Koichi Ina has abundant corporate management experience and extensive knowledge. As we can expect the function of the Board to be enhanced as he reflects such experience and knowledge in board meetings, supervises the overall management of the Company from an independent perspective and participates in decision-making of important matters, we nominate him as a candidate for Outside Director.			

- Note:
1. There is no special conflict of interest between each of the candidates for Director and the Company.
 2. Akira Uno and Koichi Ina are candidates for Outside Director.
 3. Akira Uno currently serves as Outside Director of the Company, and his term in office as Outside Director will have been five years at the conclusion of the Annual Meeting of Shareholders.
 4. The Company plans to conclude an agreement with Akira Uno and Koichi Ina to limit their liability pursuant to the provisions of Article 427, Paragraph 1 and Article 423, Paragraph 1 of the Companies Act in the event that they are re-elected as proposed. The amount of liability under the said agreement shall be the amount provided for by the laws and regulations.
 5. The Company has registered Akira Uno with the Tokyo Stock Exchange as Independent Officer as set forth by the Tokyo Stock Exchange, and once he gets reappointed as Director as proposed, the Company will register him as Independent Officer as before. If Koichi Ina gets elected as Director as proposed, the Company will register him with the Tokyo Stock Exchange as Independent Officer as set forth by the Tokyo Stock Exchange.
 6. Koichi Ina has been serving as Outside Director of KUBOTA Corporation since his assumption in June 2015. KUBOTA announced in November 2018 an inappropriate act regarding the inspection record of expendable parts (mill roll) used in facilities to produce steel sheet, etc. He had not been aware of this fact until this issue was uncovered, and he had been making recommendations at board meetings from the perspectives of compliance. After he came to know the fact, he has been carrying out his duty such as thoroughly investigating the cause, developing preventive measures and reviewing the inspection system.

<Reference>

Criteria for Appointment of Outside Officers and for Judgment of Independence of the Company

[Criteria for Appointment of Outside Officers]

1. Such person has excellent personality, high ethical standards and is physically and mentally fit.
2. Such person has high level of expertise and abundant experience in areas such as business management, corporate management, legal affairs and accounting.
3. Such person can secure sufficient time to attend board meetings, etc. and is qualified to perform his/her duties.
4. Such person satisfies statutory eligibility requirements for Outside Officer.

[Criteria for Judgment of Independence]

Outside Officers to whom none of the following conditions applies can be “Independent Officers.”

1. Person who performs or has performed duties of the Group
2. Person who performs duties of a major business partner of the Group (customer or supplier whose transaction amount exceeds 1% of the annual consolidated sales in the latest business period) or its parent company or important subsidiary
3. Person who performs duties of a financial institution which is essential to the Group’s funding and cannot be replaced and on which the Group relies, or other major creditor or its parent company or important subsidiary
4. Consultant, accountant, tax accountant or lawyer who earns money or other assets over 10 million yen (average of the past three years) in a year from the Group other than director’s remuneration
5. Member of the audit firm which performs an accounting audit of the Group or staff who has been directly engaged in audit of the Group
6. Person who performs duties of a major shareholder, a major shareholder organization or its group whose shareholding ratio is more than 10% in the Company’s latest shareholder registry
7. Person who satisfied conditions 2 through 5 above in the past three years or a partner/relative within the second degree of kinship of a person listed in 1 through 6 above