

*This English translation is made for reference purposes only, and in the event of any discrepancies between the English version and the Japanese version, the Japanese version prevails.*

Securities Code: 5988

June 4, 2019

To Our Shareholders:

51 Iwai-cho, Hodogaya-ku,  
Yokohama-shi, Kanagawa

**Piolax, Inc.**

Yukihiko Shimazu, President

## **Notice of the 103rd Annual Meeting of Shareholders**

The Company would hereby like to request shareholders to attend the Company's 103rd Annual Meeting of Shareholders as described below.

**If you are unable to attend the meeting on the date, you may also exercise your voting rights in writing or via the Internet, etc. We kindly request you to read the following Reference Document for the Annual Meeting of Shareholders and exercise your voting rights no later than the close of business at 5:30 p.m., Monday, June 24, 2019 following the instructions below.**

Sincerely yours,

- 1. Date:** 10:00 a.m., June 25 (Tuesday), 2019  
(Reception start: 9:00 a.m.)
- 2. Venue:** Large Meeting Room, 7F West Tower, Yokohama Business Park  
134 Godo-cho, Hodogaya-ku, Yokohama-shi, Kanagawa
- 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 the Audit and Supervisory Committee for the 103rd business period (April 1, 2018 to March 31, 2019)
    2. The Non-Consolidated Financial Statements for the 103rd business period (April 1, 2018 to March 31, 2019)
  - Items to be resolved:**
    - Agenda No. 1:** Appropriation of Retained Earnings
    - Agenda No. 2:** Election of Five (5) Directors (excluding Directors who are Audit and Supervisory Committee Members)
- 4. Information on exercise of voting rights, etc.** Please see Information on Exercise of Voting Rights, etc. listed on Page 3.

- When you attend the meeting, we kindly request that you submit the enclosed voting form to the receptionist at the venue. Please also bring this notice to the meeting with you to help us preserve resources.
- Of the matters to be included in this notice, the following matters are not listed in this notice, but are put on the Company's website (<https://www.piolax.co.jp/en/>) in accordance with laws and regulations and the provisions of Article 19 of the Company's Articles of Incorporation.
  - Notes to the Consolidated Financial Statements
  - Notes to the Non-Consolidated Financial Statements
- The Consolidated Financial Statements and Non-Consolidated Financial Statements audited by the Audit and Supervisory Committee and Accounting Auditors in the preparation of the Auditor's Report and the Accounting Auditor's Report respectively include the matters stated in the document attached to this notice. They also include matters to be reported in the Notes to the Consolidated Financial Statements and Notes to the Non-Consolidated Financial Statements.
- If there are any revisions to the Reference Document for the Annual Meeting of Shareholders, the Business Report, and/or the Non-Consolidated and the Consolidated Financial Statements, the revised matters will be listed on the Company's website (<https://www.piolax.co.jp/en/>).

## **Information on exercise of voting rights, etc.**

You may exercise your voting rights by any of the following three methods.

### **If you attend the Annual Meeting of Shareholders:**

Please submit the voting form to the receptionist at the venue. (It is not necessary to affix a seal.)

**Date:** 10:00 a.m., Tuesday, June 25, 2019 (Reception start: 9:00 a.m.)

**Venue:** Large Meeting Room, 7F West Tower, Yokohama Business Park

### **If you exercise your voting rights by mail:**

Please indicate “for” or “against” on each agenda item on the voting form enclosed herewith and post it without attaching a stamp.

**Voting deadline:** must arrive by 5:30 p.m., Monday, June 24, 2019

### **If you exercise your voting rights via the Internet, etc.:**

Please access the Japanese-language voting rights exercise website (<https://www.web54.net>) through personal computer, smartphone, etc., enter your voting rights exercise code and password listed on the voting form enclosed herewith, and enter “for” or “against” according to the guidance on the screen.

**Voting deadline:** by 5:30 p.m., Monday, June 24, 2019

- (i) Please note that in order to prevent unauthorized access by parties other than shareholders (“spoofing”) and the alteration of votes submitted, shareholders who use this function will be asked to change their password on the voting site.
- (ii) We will inform you of your new voting rights exercise code and password at every convocation of a Meeting of Shareholders.
- (iii) The costs incurred for access to the website to exercise voting rights (such as Internet connection charge, phone charge) shall be borne by the shareholders.

## Information on exercise of voting rights via the Internet, etc.

If you exercise your voting rights via the Internet, etc., we kindly request that you access the voting rights exercise website designated by the Company through personal computer or smartphone, etc. and exercise your voting right according to the guidance on the screen.

**The voting rights exercise website designated by the Company:** <https://www.web54.net>

**Voting rights exercise deadline:** by 5:30 p.m., Monday, June 24, 2019

(i) Access to the voting rights exercise site



<https://www.web54.net>  
Click “continue to the next.”

(ii) Login



Enter your voting rights exercise code listed on the voting form and click “Login.”

(iii) Enter password



Enter your password listed on the voting form and click “Next.”

Please enter “for” or “against” according to the input guidance on the screen for the following.

- \* If you exercise your voting rights multiple times via the Internet, etc., the last vote shall be deemed valid.
- \* If you exercise your voting rights both via the Internet, etc. and in writing, the vote via the Internet, etc. shall be deemed valid.

## Inquiries about exercise of voting rights via the Internet, etc.

Sumitomo Mitsui Trust Bank, Limited (for Stock Transfer Agency Web Support)

Free dial 0120-652-031 (Hours 9:00 - 21:00)

## To institutional investors

Institutional investors may also use an electronic voting rights exercise platform for institutional investors that is operated by ICJ, Inc. as the method for exercising voting rights.

# Reference Document for the Annual Meeting of Shareholders

## Meeting Agenda and Referential Matters

### Agenda No. 1: Appropriation of Retained Earnings

The Company's fundamental policy on the appropriation of profits is to execute balanced management on steady returns of earnings to shareholders and adequate internal reserves to strengthen the business foundations. Based on this policy, the Company proposes the year-end dividends and the appropriation of other retained earnings for the fiscal year under review as follows.

#### 1. Year-end Dividend

(1) Type in which dividends are paid

Cash payment

(2) Allocation of dividends and total amount of dividends

The Company would like to disburse 22.5 yen per common share of the Company.

In this case, the total amount of dividends shall be 835,188,795 yen.

As a result, the dividends on an annual basis will be 45 yen per share including the interim dividends of 22.5 yen per share.

(3) Effective date on which dividends are disbursed from retained earnings

June 26, 2019

#### 2. Appropriation of Other Retained Earnings

(1) Increased retained earning item and its amount

General reserve	2,900,000,000 yen
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(2) Reduced retained earning item and its amount

Retained earnings brought forward	2,900,000,000 yen
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## **Agenda No. 2: Election of Five (5) Directors (excluding Directors who are Audit and Supervisory Committee Members)**

The term of office of all five (5) Directors (excluding Directors who are Audit and Supervisory Committee Members; hereinafter the same applies in this agenda) will expire upon conclusion of this Annual Meeting of Shareholders. Accordingly, the Company hereby proposes the election of five (5) Directors.

With respect to the agenda item, the Audit and Supervisory Committee of the Company deems all candidates for Directors to be appropriate based on their execution of duties and performance during the fiscal year under review.

The candidates for Directors are as follows.

Candidate No.	Name	Current position and responsibility, etc.	Attributes
1	Yukihiko Shimazu	President and Representative Director Supervision of Sales Department CEO, Wuhan Piolax Co., Ltd. CEO, Dongguan Piolax Co., Ltd. CEO, Shanghai Piolax Co., Ltd.	Re-election
2	Michio Nagamine	Managing Director Supervision of Planning and Administration Department, Purchasing Department, Information Technology Department, and affiliated companies	Re-election
3	Seiichi Sato	Managing Director Supervision of Design Department, Production and Logistics Department, and Quality Assurance Department	Re-election
4	Toru Suzuki	Senior Executive Officer President, Dongguan Piolax Co., Ltd. President, Wuhan Piolax Co., Ltd. President, Shanghai Piolax Co., Ltd.	New
5	Toru Oka	Director External Director, Ishizaki Honten Company, Limited	Re-election External

Re-election The candidates for Directors to be re-elected

New The candidate for new Director

External The candidate for External 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
1	Yukihiko Shimazu (September 10, 1957) <u>Re-election</u>	<p>March 1981      Joined Piolax, Inc.</p> <p>July 1999      General Manager, Overseas Sales Department, Piolax, Inc.</p> <p>August 2001    President, Piolax Corporation</p> <p>June 2005      Director, Piolax, Inc.</p> <p>June 2006      Director General Manager, Overseas Sales Department, Piolax, Inc.</p> <p>April 2010      <b>President and Representative Director, Piolax, Inc. (incumbent)</b></p> <p>(Responsibility) Supervision of Sales Department (Significant concurrent positions) CEO, Wuhan Piolax Co., Ltd. CEO, Dongguan Piolax Co., Ltd. CEO, Shanghai Piolax Co., Ltd.</p>	47,100
<p>Reason for the election of Director:</p> <p>Mr. Yukihiko Shimazu served as President and Representative Director of the Company from April 2010 up to the present and has led domestic and overseas the Company group companies under the slogan, "ONE PIOLAX," toward growth. He had undertaken the role of President of the U.S. subsidiary of the Company from August 2001 to May 2006, and currently has the concurrent position of CEO (Chairman) of three Chinese subsidiaries of the Company, thus having made contributions to transforming the Company as a global entity.</p> <p>The Company believes that Mr. Shimazu would continue to make use of his abundant experience, considerable insight and extensive networks gained over the years for contributing to decision-making of the Board of Directors, and bringing benefits for business development on a global scale as well as improvement in corporate value of the Company. Accordingly, the Company proposes that he be a candidate for Director.</p>			

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	Michio Nagamine (March 15, 1957) <div>Re-election</div>	April 1979      Joined Japan Development Bank (current Development Bank of Japan Inc.) June 2003      General Manager, Information Resources Department, Development Bank of Japan Inc. June 2007      Advisor, Piolax, Inc. July 2007      Advisor General Manager, ERP Promotion Department, Piolax, Inc. April 2008      Advisor General Manager, Purchasing Department, Piolax, Inc. June 2008      Director General Manager, Purchasing Department, Piolax, Inc. June 2012      Director General Manager, HR Office, Piolax, Inc. April 2013      Managing Director General Manager, HR Office, Piolax, Inc. April 2015 <b>Managing Director, Piolax, Inc. (incumbent)</b>  (Responsibility) Supervision of Planning and Administration Department, Purchasing Department, Information Technology Department, and affiliated companies	-	
		Reason for the election of Director: Mr. Michio Nagamine has served as Managing Director of the Company since April 2013 up to the present, and contributed to the growth of the Company by undertaking roles as General Manager responsible for Planning and Administration, Purchasing, and Information Technology Departments, as well as operations of the affiliates of the Company. He has gained considerable knowledge and insight in IT and finance fields through managerial jobs including the management of Development Bank of Japan Inc. prior to joining the Company in June 2007. The Company believes that Mr. Nagamine would continue to make use of his abundant experience, sufficient insight and extensive networks gained over the years for contributing to decision-making of the Board of Directors, and bringing benefits for business development on a global scale as well as improvement in corporate value of the Company. Accordingly, the Company proposes that he be 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	Seiichi Sato (May 31, 1955) <u>Re-election</u>	<p>March 1978      Joined Piolax, Inc.</p> <p>October 2002    President, Piolax OC Systems Co., Ltd.</p> <p>April 2004      Executive Officer, Piolax, Inc. President, Piolax OC Systems Co., Ltd.</p> <p>June 2011      Managing Executive Officer Director General Manager, Design Department, Piolax, Inc.</p> <p>June 2014      Managing Director General Manager, Design Department, Piolax, Inc.</p> <p>June 2017      <b>Managing Director, Piolax, Inc.</b> <b>(incumbent)</b>  (Responsibility) Supervision of Design Department, Production and Logistics Department, and Quality Assurance Department</p>	25,500
<p>Reason for the election of Director:</p> <p>Mr. Seiichi Sato has served as Managing Director of the Company since June 2014 up to the present, and contributed to the growth of the Company by undertaking roles as General Manager responsible for Design, Production and Logistics, and Quality Assurance Departments. He also gained managerial experience through the role as President of the Company's subsidiary from October 2002 to September 2005 and accumulated knowledge and insight in the fields of finance as well as design and production.</p> <p>The Company believes that Mr. Sato would continue to make use of his abundant experience, sufficient insight and extensive networks gained over the years for contributing to decision-making of the Board of Directors, and bringing benefits for business development on a global scale as well as improvement in corporate value of the Company. Accordingly, the Company proposes that he be a candidate for Director.</p>			

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	Toru Suzuki (March 1, 1962) <span>New</span>	<p>March 1985      Joined Piolax, Inc.</p> <p>December 2001      President, P.S.T. Inc.</p> <p>April 2005      Manager, Moka Plant, Piolax, Inc.</p> <p>June 2008      Manager, Moka Plant, Piolax, Inc. President, P.M.T. Inc.</p> <p>June 2010      Executive Officer Manager, Fuji Plant, Piolax, Inc. President, P.M.T. Inc.</p> <p>June 2011      Managing Executive Officer Director Manager, Fuji Plant, Piolax, Inc.</p> <p>January 2014      Managing Executive Officer Director, Piolax, Inc. President, Dongguan Piolax Co., Ltd. President, Wuhan Piolax Co., Ltd.</p> <p>June 2016      Senior Executive Officer, Piolax, Inc. President, Dongguan Piolax Co., Ltd. President, Wuhan Piolax Co., Ltd.</p> <p>January 2019      <b>Senior Executive Officer, Piolax, Inc.</b> <b>President, Dongguan Piolax Co., Ltd.</b> <b>President, Wuhan Piolax Co., Ltd.</b> <b>President, Shanghai Piolax Co., Ltd.</b> <b>(incumbent)</b></p> <p>(Significant concurrent positions) President, Dongguan Piolax Co., Ltd. President, Wuhan Piolax Co., Ltd. President, Shanghai Piolax Co., Ltd.</p>	11,100
<p>Reason for the election of Director:</p> <p>Mr. Toru Suzuki became Executive Officer of the Company in June 2010, and Director and the head of the Production and Logistics Department and the Quality Assurance Department in June 2011. In January 2014, he assumed the position of president of two subsidiaries in China and then became Senior Executive Officer of the Company in conjunction with the Company's transition to a company with an audit and supervisory committee in June 2016. In January 2019, he assumed the office of president of Shanghai Piolax Co., Ltd. From December 2001 to March 2005, he served as president of P.S.T. Inc., a subsidiary specializing in presswork, and from June 2008 to May 2011, he assumed the position of president of P.M.T. Inc., a subsidiary specializing in metal-mold production. Through various positions including the above, he has been working on improving the corporate characteristics of the subsidiaries of the Company.</p> <p>The Company believes that Mr. Suzuki has extensive knowledge of China as the world's largest automobile market, and that he would make use of his experience in managing multiple subsidiaries, sufficient insight and networks cultivated over the years for contributing to the decision-making at meetings of the Board of Directors and bringing benefits for business development on a global scale and the improvement of corporate value. Accordingly, the Company proposes that he be a candidate for Director.</p>			

Candi date No.	Name (Date of birth)	Brief profile, position and responsibility at the Company (Significant concurrent positions)	Number of the Company's shares owned
5	Toru Oka (February 26, 1950) <div>Re-election</div> <div>External</div>	<p>April 1972      Joined Toyo Kogyo Co., Ltd. (current Mazda Motor Corporation)</p> <p>April 1986      US manufacturing subsidiary of Mazda</p> <p>April 1992      Purchasing Division, Mazda Motor Corporation</p> <p>April 1997      General Manager, Parts Purchasing Dept. No. 1, Purchasing Division, Mazda Motor Corporation</p> <p>June 2002      Executive Officer, Mazda Motor Corporation</p> <p>April 2004      Executive Officer General Manager, Purchasing Division, Mazda Motor Corporation</p> <p>April 2006      Managing Executive Officer, Mazda Motor Corporation</p> <p>June 2010      President &amp; Representative Director, DaikyoNishikawa Corporation</p> <p>June 2015      Director and Senior Adviser, DaikyoNishikawa Corporation</p> <p>August 2016      External Director, Ishizaki Honten Company, Limited (incumbent)</p> <p>March 2018      Retired DaikyoNishikawa Corporation</p> <p>June 2018      <b>External Director, Piolax, Inc. (incumbent)</b></p> <p>(Significant concurrent positions) External Director, Ishizaki Honten Company, Limited</p>	-
<p>Reason for the election of External Director</p> <p>During the period from June 2010 to June 2015, Mr. Toru Oka served as President &amp; Representative Director of DaikyoNishikawa Corporation and has served in the managerial role of External Director of Ishizaki Honten Company, Limited from August 2016 to the present. He also gained experience in the US when he worked at Mazda Motor Corporation and accumulated extensive experience and knowledge and insight in Japan and overseas.</p> <p>The Company believes that Mr. Oka would make use of his abundant experience, considerable insight and extensive networks gained over the years for contributing to decision-making at the Board of Directors and bringing benefits for business development on a global scale and improvement in corporate value. Accordingly, the Company proposes that he be a candidate for External Director.</p>			

Notes:

1. There are no special conflicts of interests between the candidates and the Company.
2. Mr. Toru Oka is the candidate for External Director.
3. Mr. Toru Oka meets the requirements for Independent Director in conformity with the regulation of the Tokyo Stock Exchange, Inc. and provided that he is approved at the election of Director, he will continue to be Independent Director.
4. The Company has entered into a contract with Mr. Toru Oka to limit the liability for damages prescribed in Article 423, Paragraph 1 of the Companies Act in accordance with the provision of Article 427, Paragraph 1 thereof. The limited amount of liability under such contract is the amount stipulated in laws and regulations. Provided that the candidate is approved at the re-election of Director, the Company plans to continue such contract.

5. Mr. Toru Oka currently serves as External Director of the Company. The Director will have held office for one (1) year at the closing time of this Annual Meeting of Shareholders.