

Securities Code: 1828

June 7, 2019

To our shareholders:

Yoshio Watanuki  
Representative Director and President  
**TANABE ENGINEERING CORPORATION**  
20 Fukuda, Joetsu City, Niigata Prefecture

## Notice of the 51st Annual General Meeting of Shareholders

You are cordially invited to attend the 51st Annual General Meeting of Shareholders of TANABE ENGINEERING CORPORATION (the “Company”), which will be held as indicated below.

If you are unable to attend the meeting in person, you may exercise your voting rights in writing. Please review the attached Reference Documents for the General Meeting of Shareholders, and indicate your approval or disapproval of the proposals in the enclosed voting form and then return the form to the Company by postal mail so that your vote is received by 5:00 p.m. on Tuesday, June 25, 2019 (JST).

**1. Date and Time:** Wednesday, June 26, 2019 at 10:00 a.m. (JST). Reception opens at 9:30 a.m.

**2. Venue:** Hiten banquet room, 3rd floor of the Main Building, Hotel Century Ikaya  
1-2-7, Chuo, Joetsu City, Niigata Prefecture

### 3. Purpose of the Meeting

#### Matters to be reported:

1. The Business Report and the Non-consolidated Financial Statements for the 51st fiscal year (from April 1, 2018 to March 31, 2019)
2. The Consolidated Financial Statements for the 51st fiscal year (from April 1, 2018 to March 31, 2019), and the results of audits of the Consolidated Financial Statements by the Financial Auditor and the Audit & Supervisory Board

#### Matters to be resolved:

- |                       |   |
|-----------------------|---|
| <b>Proposal No. 1</b> | Appropriation of Surplus                            |
| <b>Proposal No. 2</b> | Partial Amendments to the Articles of Incorporation |
| <b>Proposal No. 3</b> | Election of Six Directors                           |
| <b>Proposal No. 4</b> | Election of Three Audit & Supervisory Board Members |

### 4. How to Exercise Your Voting Rights

Please refer to “How to Exercise Your Voting Rights” (Japanese only).

- If you attend the meeting in person, please submit the enclosed voting form at the venue’s reception.
- If any changes are made to items in the Reference Documents for the General Meeting of Shareholders, the Business Report, the Non-consolidated Financial Statements and the Consolidated Financial Statements, such changes will be posted on the Company’s website.

Company website: <https://www.tanabe-ind.co.jp>

## Reference Documents for the General Meeting of Shareholders

### Proposal No. 1      Appropriation of Surplus

The Company proposes the appropriation of surplus as follows:

#### Year-end dividends

The Company maintains a basic policy to return profits to its shareholders by paying stable dividends on a continual basis while striving to strengthen the corporate structure by enhancing internal reserves, and furthermore by distributing a special dividend considering matters including improvement of business performance.

The Company proposes to add a commemorative dividend of 5 yen per share to the ordinary dividend of 22 yen for a total of 27 yen (an increase of 7 yen year on year) as an expression of our gratitude to our shareholders for making it to our 50th anniversary in February 2019.

#### Type of dividend property

Cash

Allotment of dividend property and their aggregate amount

¥27 per common share of the Company

Total dividends: ¥288,924,732

Effective date of dividends of surplus

June 27, 2019

## Proposal No. 2 Partial Amendments to the Articles of Incorporation

### 1. Reasons for proposal

In light of the current conditions of the businesses, the Company proposes the amendments of Article 2 (Purpose) of the current Articles of Incorporation in order to clarify the business purpose.

### 2. Details of the amendments

The details of the amendments are as follows:

(Underlined parts are amended)

Current Articles of Incorporation	Proposed amendments
(Purpose) Article 2 The Company's purpose shall be to engage in the following businesses: (1) to (4) (Omitted) (Newly established) <u>(5) to (13)</u> (Omitted)	(Purpose) Article 2 The Company's purpose shall be to engage in the following businesses: (1) to (4) (No change) <u>(5) Design of buildings and construction management</u> <u>(6) to (14)</u> (No change)

**Proposal No. 3** Election of Six Directors

The terms of office of all six Directors will expire at the conclusion of this meeting. As such, the Company proposes the election of six Directors.

The candidates for Director are as follows:

Candidate No.	Name	Current position and responsibility	Attributes
1	Yoshio Watanuki	Representative Director, President and Executive Officer	Reelection
2	Fumio Mizusawa	Executive Managing Director Branch Manager of OSAKA Branch Office in charge of NAGOYA Branch Office and HIMEJI Technology Center	Reelection
3	Hisayuki Yamaguchi	Executive Managing Director Branch Manager of OUMI Branch Office in charge of Quality and Safety Promotion Office and HOKURIKU Branch Office	Reelection
4	Yuichi Gommori	Senior Executive Director General Manager of Corporate Administration Division	Reelection
5	Yuichi Yokota	Unaffiliated Director	Reelection Unaffiliated Independent
6	Naoki Nomoto	Unaffiliated Director	Reelection Unaffiliated Independent

Reelection

Candidate for reelection as Director

Unaffiliated

Candidate for election as Unaffiliated Director

Independent

Independent Officer as provided for by stock exchanges, etc.

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company		Number of the Company's shares owned		
1	Yoshio Watanuki (July 3, 1941) Reelection Attendance record at meetings of the Board of Directors 18 out of 18	Feb. 1969	Joined the Company	334,000 shares		
		Oct. 1981	Director and General Manager of Sales Department			
		Apr. 1990	Managing Director and General Manager of Sales Division			
		June 1990	Senior Managing Director and General Manager of Sales Division			
		Oct. 1998	Representative Director and President			
		June 2009	Representative Director, President and Executive Officer (current position)			
		Significant concurrent positions outside the Company				
		-				
Reasons for nomination as candidate for Director Yoshio Watanuki joined the Company in 1969, and was appointed Representative Director and President in 1998, after serving as Director and General Manager of Sales Department, Managing Director, and Senior Managing Director. He has extensive experience and knowledge on business management of the Company as a whole, and the Company deems that he will contribute to the sustainable growth of the Company and thereby requests his reelection as Director.						
2	Fumio Mizusawa (April 22, 1955) Reelection Attendance record at meetings of the Board of Directors 18 out of 18	Feb. 1983	Joined the Company	52,500 shares		
		Sept. 1998	Representative Director of TANABE (THAILAND) Co., Ltd.			
		June 2003	Director and General Manager of Industrial Machinery Engineering Department of the Company			
		June 2009	Retired from Director Senior Executive Officer and General Manager of Industrial Machinery Engineering Department in charge of Power Operation Department			
		Apr. 2010	Senior Executive Officer and Head of SAITAMA Technology Center			
		Apr. 2011	Senior Executive Officer and General Manager of Sales Department			
		Apr. 2012	Senior Executive Officer and Branch Manager of HOKURIKU Branch Office			
		June 2013	Director, Senior Executive Officer and Branch Manager of HOKURIKU Branch Office in charge of Power Operation Department			
		June 2016	Executive Managing Director and Branch Manager of HOKURIKU Branch Office in charge of Power Operation Department			
		Apr. 2018	Executive Managing Director, Branch Manager of OSAKA Branch Office in charge of NAGOYA Branch Office and HIMEJI Technology Center (current position)			
		Significant concurrent positions outside the Company				
		-				
		Reasons for nomination as candidate for Director Fumio Mizusawa joined the Company in 1983 and has been mainly engaged in electric instrumentation business and power transmission business, and was appointed Director in June 2013 and has been in charge of management of the Company, after serving as Representative Director of TANABE (THAILAND) CO., LTD. He has extensive experience and knowledge of field activities, and the Company deems that he will contribute to the sustainable growth of the Company from a global perspective based on his wealth of experience and achievement overseas and thereby requests his reelection as Director.				

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company		Number of the Company's shares owned
3	Hisayuki Yamaguchi (June 15, 1956) Reelection Attendance record at meetings of the Board of Directors 18 out of 18	Apr. 1979	Joined the Company	26,100 shares
		June 2009	Executive Officer and Branch Manager of CHIBA Branch Office	
Apr. 2013	Executive Officer and Branch Manager of OUMI Branch Office			
June 2013	Senior Executive Officer and Branch Manager of OUMI Branch Office			
June 2014	Director, Senior Executive Officer and Branch Manager of OUMI Branch Office			
June 2016	Executive Managing Director and Branch Manager of OUMI Branch Office			
Apr. 2018	Executive Managing Director, Branch Manager of OUMI Branch Office in charge of Quality and Safety Promotion Office and HOKURIKU Branch Office (current position)			
	Significant concurrent positions outside the Company			
-				
Reasons for nomination as candidate for Director Hisayuki Yamaguchi joined the Company in 1979 and has been mainly engaged in the industrial plant facility construction business, and was appointed Director in June 2014 and has been in charge of management of the Company. He has extensive experience and knowledge of field activities, and the Company deems that he will contribute to the sustainable growth of the Company and thereby requests his reelection as Director.				
4	Yuichi Gommori (February 18, 1957) Reelection Attendance record at meetings of the Board of Directors 18 out of 18	Apr. 1979	Joined the Company	14,100 shares
		Apr. 2013	General Manager of Administration Department	
June 2014	Executive Officer and General Manager of Administration Department			
June 2015	Senior Executive Officer and General Manager of Administration Department			
June 2016	Senior Executive Director and General Manager of Administration Department			
Apr. 2018	Senior Executive Director and General Manager of Corporate Administration Division (current position)			
	Significant concurrent positions outside the Company			
-				
Reasons for nomination as candidate for Director Yuichi Gommori joined the Company in 1979 and has been mainly engaged in businesses such as accounting and finance, and was appointed Director in June 2016 and has been in charge of management of the Company. He has knowledge on management administration operations and business management, and thereby the Company requests his reelection as Director.				

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company		Number of the Company's shares owned
5	Yuichi Yokota (June 17, 1953) Reelection Unaffiliated Independent Attendance record at meetings of the Board of Directors 18 out of 18	Apr. 1972	Joined Mitsubishi Electric Corporation	
		Apr. 2006	Branch Manager of Niigata Branch, Kanetsu Branch Office	
		Apr. 2012	General Manager of Facility Sales Department, Kanetsu Branch Office of Mitsubishi Electric Building Techno-Service Co., Ltd.	
		Apr. 2014	Advisor to Branch Manager of Kanetsu Branch Office and temporarily assigned to Niigata Branch	
		Mar. 2016	Retired	
		June 2016	Unaffiliated Director of the Company (current position)	
		Significant concurrent positions outside the Company		
		-		
Reasons for nomination as candidate for Unaffiliated Director Yuichi Yokota has never been directly involved in the management of a company. However, since he was appointed Unaffiliated Director of the Company in June 2016, he has utilized his extensive work experience and knowledge he had accumulated to the Company's management and has provided appropriate advice to its overall management from a broad perspective, and thereby the Company requests his reelection as Unaffiliated Director.				
6	Naoki Nomoto (Dec. 24, 1958) Reelection Unaffiliated Independent Attendance record at meetings of the Board of Directors 13/13	Oct. 1987	Joined Chuo Audit Corporation (became Chuo Shinko Audit Corporation as a result of a merger)	
		July 1989	Retired from Chuo Shinko Audit Corporation	
		July 1989	Joined Ota Showa Audit Corporation (now Ernst & Young ShinNihon LLC)	
		Sept. 2010	Manager of Nagaoka Office	
		June 2017	Retired from Ernst & Young ShinNihon LLC	
		July 2017	Head of Naoki Nomoto Certified Public Accountant Office (current position)	
		June 2018	Unaffiliated Director of the Company (current position)	
		Significant concurrent positions outside the Company		
		Head of Naoki Nomoto Certified Public Accountant Office		
Reasons for nomination as candidate for Unaffiliated Director Naoki Nomoto has never been directly involved in the management of a company. However, he has cultivated specialist knowledge and experience as a certified public accountant, and the Company expects him to contribute to strengthening the corporate governance by utilizing such knowledge and experience and providing advice on its overall management, and thereby requests his reelection as Unaffiliated Director.				

- (Notes)
1. There is no special interest between any of the candidates and the Company.
  2. Candidates for Director Yuichi Yokota and Naoki Nomoto are candidates for Unaffiliated Director.
  3. The Company has submitted notification to Tokyo Stock Exchange, Inc. that Yuichi Yokota and Naoki Nomoto have been designated as independent officers as provided for by the aforementioned exchange, and plans to designate them as independent officers again if their reelection is approved at this meeting.
  4. The Company has concluded agreements with Yuichi Yokota and Naoki Nomoto to limit their liability to compensate for damages prescribed in Article 423, Paragraph 1 of the Companies Act, pursuant to the provisions of Article 427, Paragraph 1 of the same Act. If their reelection is approved, the Company intends to extend this limited liability agreement. The maximum amount of the liability for damages based on said agreements shall be the minimum amount prescribed in Article 425, Paragraph 1 of the same Act. If their reelection is approved, the Company intends to extend these limited liability agreements.
  5. Yuichi Yokota will have served as Unaffiliated Director three years at the conclusion of this meeting.
  6. Naoki Nomoto will have served as Unaffiliated Director one year at the conclusion of this meeting.
  7. As Naoki Nomoto was elected at the 50th Annual General Meeting of Shareholders held on June 27, 2018, attendance record at meetings of the Board of Directors stated for him counts the total number as the number of meetings of the Board of Directors held after he assumed the position.

**Proposal No. 4** Election of Three Audit & Supervisory Board Members

The terms of office of all three Audit & Supervisory Board Members will expire at the conclusion of this meeting. As such, the Company proposes the election of three Audit & Supervisory Board Members.

In addition, the consent of the Audit & Supervisory Board has been obtained for this proposal.

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

Candidate No.	Name	Current position	Attributes
1	Sunao Kosugi	Senior Audit & Supervisory Board Member	Reelection
2	Hideo Ito	Unaffiliated Audit & Supervisory Board Member	Reelection Unaffiliated Independent
3	Ryuichi Shimamune		New election Unaffiliated Independent

Reelection	Candidate for reelection as Audit & Supervisory Board Member
New election	Candidate for new election as Audit & Supervisory Board Member
Unaffiliated	Candidate for election as Unaffiliated Audit & Supervisory Board Member
Independent	Independent Officer as provided for by stock exchanges, etc.



Candidate No.	Name (Date of birth)	Career summary and position in the Company		Number of the Company's shares owned
1	Sunao Kosugi (November 11, 1950) Reelection Attendance record at meetings of the Audit & Supervisory Board 13 out of 13	Apr. 1974	Joined the Company	66,500 shares
		Apr. 1994	General Manager of Industrial Machinery Engineering Department	
		June 1995	Director and Branch Manager of OUMI Branch Office	
		June 2009	Executive Managing Director and Branch Manager of OUMI Branch Office in charge of Sales (Hokushinetsu)	
		Apr. 2013	Executive Managing Director and Branch Manager of CHIBA Branch Office in charge of KASHIMA Branch Office	
		June 2016	Senior Audit & Supervisory Board Member (current position)	
		Significant concurrent positions outside the Company		
		-		
Reasons for nomination as candidate for Audit & Supervisory Board Member Sunao Kosugi has served as Director and assumed other important positions of the Company for many years and has extensive experience and excellent insight on the Company in general. The Company deems that he will provide advice from an objective and neutral standpoint based on his experience and insight and is capable of performing his duties appropriately as Audit & Supervisory Board Member, and thereby requests his reelection as Audit & Supervisory Board Member.				
2	Hideo Ito (August 1, 1954) Reelection Unaffiliated Independent Attendance record at meetings of the Audit & Supervisory Board 13 out of 13	Apr. 1993	Registered as Attorney-at-Law	-
		Apr. 1997	Head of Ryokufu Law Office (current position)	
		Apr. 2007	Vice Chairman of Niigata Bar Association	
		June 2011	Unaffiliated Audit & Supervisory Board Member of the Company (current position)	
		Apr. 2012	Chairman of Niigata Bar Association	
		Significant concurrent positions outside the Company		
		Head of Ryokufu Law Office		
		-		
Reasons for nomination as candidate for Unaffiliated Audit & Supervisory Board Member Hideo Ito has never been directly involved in the management of a company. However, the Company expects that his advice based on the legal knowledge and experience he has cultivated as an attorney at law will contribute to its audit system, and thereby requests his reelection as Unaffiliated Audit & Supervisory Board Member.				

Candidate No.	Name (Date of birth)	Career summary and position in the Company	Number of the Company's shares owned
3	Ryuichi Shimamune (August 16, 1955) New election Unaffiliated Independent	<p>Apr. 1978      Joined Kanto-Shinetsu Regional Taxation Bureau</p> <p>July 2009      District Director of Ojiya Tax Office</p> <p>July 2011      Director of Planning Division</p> <p>July 2012      Director of First Personnel Division</p> <p>July 2014      Deputy Assistant Regional Commissioner of Revenue Management and Collection Department</p> <p>July 2015      Assistant Regional Commissioner of Large Enterprise Examination and Criminal Investigation Department</p> <p>July 2016      Retired from Kanto-Shinetsu Regional Taxation Bureau</p> <p>Aug. 2016      Registered as tax accountant</p> <p>Aug. 2016      Head of Saito &amp; Shimamune Tax Accountants Corporation Miyauchi Office (current position)</p> <p>Significant concurrent positions outside the Company</p> <p>Head of Saito &amp; Shimamune Tax Accountants Corporation Miyauchi Office</p>	-
<p>Reasons for nomination as candidate for Unaffiliated Audit &amp; Supervisory Board Member</p> <p>Ryuichi Shimamune has never been directly involved in the management of a company. However, he has cultivated advanced specialist knowledge as a tax accountant, and the Company expects him to perform accurate audits on its overall management from a broad perspective by reflecting such knowledge in its audit system, and thereby requests his election as Unaffiliated Audit &amp; Supervisory Board Member.</p>			

- (Notes)
1. There is no special interest between any of the candidates and the Company.
  2. Hideo Ito and Ryuichi Shimamune are candidates for Unaffiliated Audit & Supervisory Board Member.
  3. The Company has submitted notification to Tokyo Stock Exchange, Inc. that Hideo Ito has been designated as an independent officer as provided for by the aforementioned exchange, and plans to designate him as an independent officer again if his reelection is approved at this meeting. Ryuichi Shimamune satisfies the requirements for an independent officer as provided for by the Tokyo Stock Exchange, and the Company plans to submit notification concerning his designation as an independent officer if his election is approved at this meeting.
  4. The Company has concluded an agreement with Hideo Ito to limit his liability to compensate for damages prescribed in Article 423, Paragraph 1 of the Companies Act, pursuant to the provisions of Article 427, Paragraph 1 of the same Act. If his reelection is approved, the Company intends to extend this limited liability agreement. If Ryuichi Shimamune is approved as Audit & Supervisory Board Member, the Company plans to enter into an agreement with him to limit his liability to compensate for damages prescribed in Article 423, Paragraph 1 of the Companies Act, pursuant to the provisions of Article 427, Paragraph 1 of the same Act. The maximum amount of the liability for damages based on said agreements shall be the minimum amount prescribed in Article 425, Paragraph 1 of the same Act. If their election and reelection are approved, the Company intends to extend these limited liability agreements.
  5. Ryuichi Shimamune will assume the office of Outside Director (Audit and Supervisory Committee Member) of NIPPON SEIKI CO., LTD. on June 26, 2019.
  6. Hideo Ito will have served as Unaffiliated Audit & Supervisory Board Member eight years at the conclusion of this meeting.