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Securities Code: 6317

June 2, 2020

**To Shareholders with Voting Rights:**

Yuji Kitagawa  
Representative Director & Chairman  
and President  
**Kitagawa Corporation**  
77-1, Motomachi, Fuchu-shi, Hiroshima,  
Japan

**Notice of the 110th Annual General Meeting of Shareholders**

You are cordially invited to attend the 110th Annual General Meeting of Shareholders of Kitagawa Corporation (the “Company”), which will be held as described below.

**If you are not willing to attend the meeting, you can exercise your voting rights in writing. Please review the attached Reference Documents for the General Meeting of Shareholders, indicate your vote for or against each proposal on the enclosed Voting Rights Exercise Form, and return it so that it is received no later than 4:50 p.m. on Thursday, June 18, 2020, Japan time.**

**1. Date and Time:** Friday, June 19, 2020 at 10:00 a.m. Japan time

**2. Place:** 445-1, Motomachi, Fuchu-shi, Hiroshima, Japan  
Hall of Fuchu Chamber of Commerce and Industry

**3. Meeting Agenda:**

- Matters to be reported:**
1. Business Report, Consolidated Financial Statements and Accounting Auditors’ and Board of Corporate Auditors’ Reports on Consolidated Financial Statements for the 110th term (from April 1, 2019 until March 31, 2020)
  2. Non-consolidated Financial Statements for the 110th term (from April 1, 2019 until March 31, 2020)

**Proposals to be resolved:**

- Proposal 1: Appropriation of Surplus**  
**Proposal 2: Election of Ten (10) Directors**  
**Proposal 3: Election of Three (3) Corporate Auditors**

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- When you attend the meeting, please submit the enclosed **Voting Rights Exercise Form** at the reception desk. Also, please bring this Notice with you as a reference for the meeting.
  - In accordance with the applicable laws and regulations and the provisions of Article 16 of the Company’s Articles of Incorporation, the following matters are posted on the Company’s website on the Internet, and therefore are not provided in this Notice.
    - (i) Notes to the Consolidated Financial Statements, (ii) Notes to the Non-consolidated Financial StatementsAccordingly, the Consolidated Financial Statements and the Non-consolidated Financial Statements included in this Notice are part of the Consolidated Financial Statements and Non-consolidated Financial Statements that have been audited by the Accounting Auditor and the Corporate Auditors in preparing their respective audit reports.
  - If any changes are made to the Reference Documents for the General Meeting of Shareholders, the Business Report,

the Consolidated Financial Statements or the Non-consolidated Financial Statements, it will be posted on the Company's website on the Internet.

The Company's website: <https://www.kiw.co.jp>

<Response to the coronavirus disease (COVID-19)>

**Request to our shareholders regarding the exercise of your voting rights**

We have some concerns about the spread of COVID-19 infection. When exercising your voting rights, please consider exercising in advance by returning the Voting Rights Exercise Form, and refrain from attending the General Meeting of Shareholders to avoid infection.

**Response at the day of the General Meeting of Shareholders**

When attending the General Meeting of Shareholders, please check the state of infection and your physical condition as of the date of the General Meeting of Shareholders. We strongly encourage our shareholders to take preventive measures such as wearing a mask when visiting the venue. In addition, at the venue for the General Meeting of Shareholders, we may take measures to prevent infection to ensure our shareholders' safety. We would appreciate it if our shareholders could support and cooperate with us for this matter.

Furthermore, please note that our operating staff may be wearing masks at the venue.

## Reference Documents for the General Meeting of Shareholders

### Proposal and Reference Matters:

#### Proposal 1: Appropriation of Surplus

The Company regards returning profits to shareholders as one of its business priorities, with a basic policy of continuing to pay stable dividends with a target consolidated dividend payout ratio of 30% while increasing retained earnings for future business expansion and enriched financial strength.

Taking into account the financial results for the fiscal year under review and the business environment in future, the Company proposes a dividend of 50 Japanese yen per share as below:

As a result, combined with the interim dividend of 50 Japanese yen per share, annual dividends for the fiscal year under review will be 100 Japanese yen per share.

#### Matters regarding year-end dividend

##### (1) Type of dividend property

Cash

##### (2) Matters regarding the assignment of the dividend property and the total amount

50 Japanese yen per common share of the Company

Total amount: 468,150,450 Japanese yen

##### (3) Date on which appropriation of surplus takes effect

June 22, 2020

#### (Reference) Dividend history

	107th term (April 2016 to March 2017)	108th term (April 2017 to March 2018)	109th term (April 2018 to March 2019)	110th term (April 2019 to March 2020)
Annual dividends per share	60 Japanese yen	77 Japanese yen	90 Japanese yen	100 Japanese yen
Dividend payout ratio (consolidated)	28.1%	20.7%	21.9%	56.9%

Note: Annual dividends per share for the 110th term (fiscal year under review) is the amount assuming that this proposal is approved as originally proposed.

**Proposal 2:** Election of Ten (10) Directors

The terms of office of all the nine (9) incumbent Directors will expire at the conclusion of this General Meeting of Shareholders. Accordingly, in order to strengthen the management structure by adding one (1) Director, the election of ten (10) Directors including two (2) Outside Directors is proposed.

The candidates for Director are as follows:

No.	Name		Current positions and responsibilities at the Company
1	Yuji Kitagawa	Reappointment	Representative Director & Chairman and President
2	Hiroshi Kitagawa	Reappointment	Representative Director & Vice Chairman, President of Kitagawa Material Technology Company
3	Hideo Kitagawa	Reappointment	Director & Managing Executive Officer
4	Toshikatsu Hatashima	Reappointment	Director & Managing Executive Officer, General Manager of Development Division and General Manager of New Business Promotion Division
5	Kazumasa Kurimoto	Reappointment	Director & Managing Executive Officer, President of Kitagawa Sun Tech Company
6	Yasushi Sato	Reappointment	Director & Executive Officer, Branch Manager of Tokyo Branch
7	Ikuzo Uda	Reappointment	Director & Executive Officer, General Manager of Business Management Division
8	Masaki Kondo	New appointment	Executive Officer, Branch Manager of Nagoya Branch
9	Osamu Numata	Reappointment Outside Independent	Director
10	Masatoshi Uchida	Reappointment Outside Independent	Director

No.	Name (Date of birth)	Past experience, positions and responsibilities at the Company and significant concurrent positions	Number of shares of the Company held
1	<p><b>Yuji Kitagawa</b> (April 1, 1957)</p> <p><u>Reappointment</u></p> <p>Attendance at Board of Directors meeting: 13/13 meetings (100%)</p>	<p>Sep. 1983      Joined the Company</p> <p>Jun. 1991      Director</p> <p>Apr. 1995      Managing Director</p> <p>Apr. 1997      Senior Managing Director</p> <p>Apr. 1999      Representative Senior Managing Director</p> <p>Apr. 2001      Representative Director &amp; President</p> <p>Apr. 2016      Representative Director &amp; President and General Manager of Machine Tool Accessories Division</p> <p>Apr. 2018      Representative Director &amp; Chairman and President (to present)</p> <p>(Significant concurrent positions)</p> <p>Representative Director &amp; President of KITAGAWA REIKI CO., LTD.</p> <p>Representative Director &amp; Chairman of KITAGAWA MACHINERY CORPORATION</p> <p>Representative Director &amp; President of KISA IRON WORKS CO., LTD.</p> <p>Representative Director &amp; Chairman of Cable Joy CO., LTD.</p> <p>Chairman of the Fuchu Chamber of Commerce and Industry</p>	131,525
<p><b>[Reason for nomination as a candidate for Director]</b></p> <p>Since joining the Company in 1983, Mr. Yuji Kitagawa has held important positions at the Company. He had served as Representative Director &amp; President since 2001 and has been serving as Representative Director &amp; Chairman and President (to present) since 2018. He has abundant experience at the Company, expertise in overall management in the manufacturing industry and knowledge about global business management and operation. The Company therefore renominates him as a candidate for Director.</p>			

No.	Name (Date of birth)	Past experience, positions and responsibilities at the Company and significant concurrent positions	Number of shares of the Company held
2	<p data-bbox="188 533 405 595"><b>Hiroshi Kitagawa</b> (December 12, 1958)</p> <p data-bbox="220 622 373 654"><u>Reappointment</u></p> <p data-bbox="188 689 405 810">Attendance at Board of Directors meeting: 13/13 meetings (100%)</p>	<p data-bbox="427 322 839 353">Apr. 1981      Joined the Company</p> <p data-bbox="427 353 715 385">Jun. 1993      Director</p> <p data-bbox="427 385 826 416">Apr. 1997      Managing Director</p> <p data-bbox="427 416 1056 448">Apr. 2001      Representative Senior Managing Director</p> <p data-bbox="427 448 1257 501">Apr. 2009      Representative Director, Vice President &amp; Executive Officer, General Manager of Tokyo Sales Division</p> <p data-bbox="427 501 1056 533">Apr. 2010      Representative Director &amp; Vice President</p> <p data-bbox="427 533 1056 564">Jun. 2012      Representative Director &amp; Vice President</p> <p data-bbox="427 564 1168 618">Seconded as Representative Director &amp; President of KITAGAWA MEXICO, S.A. DE C.V.</p> <p data-bbox="427 618 1286 672">Apr. 2015      Representative Director &amp; Vice President and General Manager of Synthetic Materials Division</p> <p data-bbox="427 672 1168 725">Seconded as Representative Director &amp; President of KITAGAWA MEXICO, S.A. DE C.V.</p> <p data-bbox="427 725 1286 815">Apr. 2017      Representative Director &amp; Vice President and General Manager of Synthetic Materials Division, and Representative Director &amp; Chairman of KITAGAWA MEXICO, S.A. DE C.V.</p> <p data-bbox="427 815 1241 967">Apr. 2018      Representative Director &amp; Vice Chairman, President of Kitagawa Material Technology Company, Representative Director &amp; Chairman of KITAGAWA (THAILAND) CO., LTD. and Director &amp; Chairman of KITAGAWA MEXICO, S.A. DE C.V. (to present)</p> <p data-bbox="427 967 775 999">(Significant concurrent positions)</p> <p data-bbox="427 999 1254 1030">Representative Director &amp; Chairman of KITAGAWA (THAILAND) CO., LTD.</p>	14,381
<p data-bbox="188 1034 759 1066"><b>[Reason for nomination as a candidate for Director]</b></p> <p data-bbox="188 1066 1471 1238">Since joining the Company in 1981, Mr. Hiroshi Kitagawa has held important positions at the Company. He had served as Representative Director &amp; Vice President since 2009 and has been serving as Representative Director &amp; Vice Chairman and President of Kitagawa Material Technology Company (to present) since 2018. He is concurrently serving as Representative Director &amp; Chairman of the Thai subsidiary and Director &amp; Chairman of the Mexican subsidiary. He has abundant experience at the Company, expertise in overall management in the manufacturing industry and knowledge about global business management and operation. The Company therefore renominates him as a candidate for Director.</p>			

No.	Name (Date of birth)	Past experience, positions and responsibilities at the Company and significant concurrent positions	Number of shares of the Company held
3	<p><b>Hideo Kitagawa</b> (March 3, 1963)</p> <p><u>Reappointment</u></p> <p>Attendance at Board of Directors meeting: 13/13 meetings (100%)</p>	<p>Apr. 1985      Joined the Company</p> <p>Apr. 2001      General Manager of Housing Environment Division</p> <p>Oct. 2004      General Manager of Machine Tool Accessories Division</p> <p>Jun. 2005      Director, General Manager of Machine Tool Accessories Division</p> <p>Apr. 2009      Director &amp; Executive Officer, General Manager of Sales Promotion Department and General Manager of Overseas Sales Department of Sales Division</p> <p>Apr. 2010      Director &amp; Executive Officer, General Manager of Chinese Business Project Office</p> <p>Apr. 2011      Director &amp; Executive Officer, General Manager of Machine Tool Accessories Division</p> <p>Apr. 2014      Director &amp; Managing Executive Officer, General Manager of Business Management Division</p> <p>Apr. 2015      Director &amp; Managing Executive Officer, General Manager of Business Management Division and in charge of KITAGAWA (THAILAND) CO., LTD.</p> <p>Apr. 2016      Director &amp; Managing Executive Officer, General Manager of Business Management Division and Representative Director &amp; Chairman of KITAGAWA (THAILAND) CO., LTD.</p> <p>Sep. 2016      Director &amp; Managing Executive Officer Seconded as Representative Director &amp; Chairman of KITAGAWA (THAILAND) CO., LTD.</p> <p>Apr. 2017      Director &amp; Managing Executive Officer Seconded as Representative Director &amp; Chairman and President of KITAGAWA (THAILAND) CO., LTD.</p> <p>Apr. 2018      Director &amp; Managing Executive Officer Seconded as Representative Director &amp; President of KITAGAWA (THAILAND) CO., LTD. (to present)</p> <p>(Significant concurrent positions) Representative Director &amp; President of KITAGAWA (THAILAND) CO., LTD.</p>	6,333
<p><b>[Reason for nomination as a candidate for Director]</b> Since joining the Company in 1985, Mr. Hideo Kitagawa served as General Manager of Machine Tool Accessories Division, General Manager of Overseas Sales Department and General Manager of Chinese Business Project Office. He has been serving as Director &amp; Managing Executive Officer (to present) since 2014 and is concurrently serving as Representative Director &amp; President of the Thai subsidiary. He has abundant experience at the Company, expertise in overall management in the manufacturing industry and knowledge about global business management and operation. The Company therefore renominates him as a candidate for Director.</p>			

No.	Name (Date of birth)	Past experience, positions and responsibilities at the Company and significant concurrent positions	Number of shares of the Company held
4	<p><b>Toshikatsu Hatashima</b> (September 25, 1954)</p> <p><u>Reappointment</u></p> <p>Attendance at Board of Directors meeting: 13/13 meetings (100%)</p>	<p>Apr. 1979      Joined the Company</p> <p>Apr. 2006      General Manager of Development Department, Industrial Machinery Division</p> <p>Oct. 2006      General Manager of Development Division</p> <p>Apr. 2008      General Manager of Engineering Department, Machine Tool Accessories Division</p> <p>Apr. 2009      Executive Officer, General Manager of Development Division</p> <p>Apr. 2010      Executive Officer, General Manager of Machine Tool Accessories Division and General Manager of Development Division</p> <p>Apr. 2011      Executive Officer, General Manager of Development Division</p> <p>Jun. 2015      Director &amp; Executive Officer, General Manager of Development Division</p> <p>Apr. 2016      Director &amp; Executive Officer, General Manager of Development Division and Deputy General Manager of Machine Tool Accessories Division</p> <p>Apr. 2018      Director &amp; Executive Officer, General Manager of Development Division</p> <p>Apr. 2019      Director &amp; Managing Executive Officer, General Manager of Development Division and General Manager of New Business Promotion Division (to present)</p> <p>(Significant concurrent positions) None</p>	1,870
<p><b>[Reason for nomination as a candidate for Director]</b> Since joining the Company in 1979, Mr. Toshikatsu Hatashima has served as General Manager of Engineering Department, General Manager of Development Division and General Manager of Machine Tool Accessories Division. In addition, he has been serving as Director &amp; Managing Executive Officer, General Manager of Development Division and General Manager of New Business Promotion Division (to present). He has abundant experience at the Company, expertise in overall management in the manufacturing industry and knowledge about business management and operation. The Company therefore renominates him as a candidate for Director.</p>			
5	<p><b>Kazumasa Kurimoto</b> (September 21, 1958)</p> <p><u>Reappointment</u></p> <p>Attendance at Board of Directors meeting: 13/13 meetings (100%)</p>	<p>Apr. 1981      Joined the Company</p> <p>Apr. 2009      General Manager of Environmental Marketing Department, Sales Division</p> <p>Apr. 2010      Executive Officer, General Manager of Multistory Parking Division</p> <p>Apr. 2011      Executive Officer, General Manager of Multistory Parking Division and General Manager of Sales Department</p> <p>Apr. 2012      Executive Officer, General Manager of Corporate Planning Office, Business Management Division</p> <p>Apr. 2013      Executive Officer, Deputy General Manager of Development Division</p> <p>Apr. 2014      Executive Officer, Deputy Branch Manager of Tokyo Branch</p> <p>Apr. 2015      Executive Officer, Branch Manager of Tokyo Branch</p> <p>Jun. 2016      Director &amp; Executive Officer, Branch Manager of Tokyo Branch</p> <p>Apr. 2018      Director &amp; Executive Officer, President of Kitagawa Sun Tech Company</p> <p>Apr. 2019      Director &amp; Managing Executive Officer, President of Kitagawa Sun Tech Company (to present)</p> <p>(Significant concurrent positions) None</p>	3,381
<p><b>[Reason for nomination as a candidate for Director]</b> Since joining the Company in 1981, Mr. Kazumasa Kurimoto served as General Manager of Multistory Parking Division, General Manager of Corporate Planning Office, Deputy General Manager of Development Division and Branch Manager of Tokyo Branch. In addition, he has been serving as Director &amp; Managing Executive Officer, President of Kitagawa Sun Tech Company (to present). He has abundant experience at the Company, expertise in overall management in the manufacturing industry and knowledge about business management and operation. The Company therefore renominates him as a candidate for Director.</p>			



No.	Name (Date of birth)	Past experience, positions and responsibilities at the Company and significant concurrent positions	Number of shares of the Company held
6	<p><b>Yasushi Sato</b> (April 17, 1956)</p> <p><u>Reappointment</u></p> <p>Attendance at Board of Directors meeting: 13/13 meetings (100%)</p>	<p>Apr. 1980      Joined the Company</p> <p>Oct. 2003      General Manager of General Affairs Department</p> <p>Oct. 2004      General Manager of Housing Environment Division</p> <p>Jun. 2005      Director, General Manager of Housing Environment Division</p> <p>Jan. 2009      Director, General Manager of Multistory Parking Division</p> <p>Apr. 2009      Director &amp; Executive Officer, General Manager of Multistory Parking Division</p> <p>Apr. 2010      Director &amp; Executive Officer, General Manager of Synthetic Materials Division</p> <p>Oct. 2011      Director &amp; Executive Officer Seconded as Representative Director &amp; President of KITAGAWA (THAILAND) CO., LTD.</p> <p>Apr. 2015      Director &amp; Executive Officer, Head of Eastern Japan Region and Plant Manager of Tokyo Plant, Synthetic Materials Division</p> <p>Sep. 2016      Director &amp; Executive Officer, General Manager of Business Management Division</p> <p>Apr. 2018      Director &amp; Executive Officer, Branch Manager of Tokyo Branch (to present)</p> <p>(Significant concurrent positions) None</p>	4,600
<p><b>[Reason for nomination as a candidate for Director]</b> Since joining the Company in 1980, Mr. Yasushi Sato served as General Manager of Multistory Parking Division, General Manager of Synthetic Materials Division, President of the Thai subsidiary, and General Manager of Business Management Division. In addition, he has been serving as Director &amp; Executive Officer, Branch Manager of Tokyo Branch (to present). He has abundant experience at the Company, expertise in overall management in the manufacturing industry and knowledge about global business management and operation. The Company therefore renominates him as a candidate for Director.</p>			
7	<p><b>Ikuzo Uda</b> (February 14, 1953)</p> <p><u>Reappointment</u></p> <p>Attendance at Board of Directors meeting: 13/13 meetings (100%)</p>	<p>Apr. 1975      Joined The Hiroshima Bank, Ltd.</p> <p>Apr. 2005      Branch Manager of Fukuyama Minami Branch</p> <p>Apr. 2007      Joined the Company as General Manager of Accounting Department</p> <p>Oct. 2007      Deputy in charge of Business Management and General Manager of Accounting Department</p> <p>Apr. 2009      General Manager of Accounting Department, Business Management Division</p> <p>Apr. 2012      Executive Officer, General Manager of Business Management Division and General Manager of Procurement Division</p> <p>Jun. 2012      Director &amp; Executive Officer, General Manager of Business Management Division and General Manager of Procurement Division</p> <p>Apr. 2014      Director &amp; Executive Officer, General Manager of Quality Assurance Division and General Manager of Procurement Division</p> <p>Apr. 2015      Executive Officer, General Manager of Quality Assurance Division and General Manager of Procurement Division</p> <p>Jun. 2016      Director &amp; Executive Officer, General Manager of Quality Assurance Division and General Manager of Procurement Division</p> <p>Apr. 2018      Director &amp; Executive Officer, General Manager of Business Management Division (to present)</p> <p>(Significant concurrent positions) None</p>	3,973
<p><b>[Reason for nomination as a candidate for Director]</b> Leveraging the abundant experience and broad knowledge he gained at a financial institution, Mr. Ikuzo Uda served as General Manager of Accounting Department, General Manager of Procurement Division, and General Manager of Quality Assurance Division after he joined the Company. In addition, he has been serving as Director &amp; Executive Officer, General Manager of Business Management Division (to present). He has abundant experience and knowledge at the Company, and therefore the Company renominates him as a candidate for Director.</p>			

No.	Name (Date of birth)	Past experience, positions and responsibilities at the Company and significant concurrent positions	Number of shares of the Company held
8	<p><b>Masaki Kondo</b> (November 16, 1960)</p> <p><u>New appointment</u></p>	<p>Apr. 1983      Joined The Hiroshima Bank, Ltd. Apr. 2013      Branch Manager of Fukuyama Minami Branch Apr. 2015      Joined the Company as Deputy General Manager of Machine Tool Accessories Division Apr. 2016      General Manager of Sales Department, Machine Tool Accessories Division Apr. 2018      Executive Officer, Branch Manager of Nagoya Branch (to present) (Significant concurrent positions) None</p>	700
<p><b>[Reason for nomination as a candidate for Outside Director]</b> Leveraging the abundant experience and broad knowledge he gained at a financial institution, Mr. Masaki Kondo served as Deputy General Manager of Machine Tool Accessories Division and General Manager of Sales Department, Machine Tool Accessories Division after he joined the Company. In addition, he has been serving as Executive Officer, Branch Manager of Nagoya Branch (to present). He has abundant experience and knowledge at the Company, and therefore the Company nominates him as a candidate for Director.</p>			
9	<p><b>Osamu Numata</b> (July 13, 1947)</p> <p><u>Reappointment</u> <u>Outside</u> <u>Independent</u></p> <p>Attendance at Board of Directors meeting: 13/13 meetings (100%)</p> <p>Term of office as Outside Director: 5 years (at the conclusion of this General Meeting of Shareholders)</p>	<p>Apr. 1972      Joined Itoman Corporation Jun. 2002      Executive Officer of SUMIKIN BUSSAN CORPORATION Apr. 2004      Managing Executive Officer Jun. 2006      Director and Managing Executive Officer Apr. 2007      Director and Senior Managing Executive Officer Jun. 2011      Representative Director &amp; Vice President Jun. 2013      Special Counselor Jun. 2014      Counselor of NIPPON STEEL &amp; SUMIKIN BUSSAN CORPORATION (currently NIPPON STEEL TRADING CORPORATION) Jun. 2015      Director of the Company (to present) (Significant concurrent positions) None</p>	253
<p><b>[Reason for nomination as a candidate for Outside Director]</b> Having held important posts at a general trading company, Mr. Osamu Numata has abundant experience and knowledge especially in global management and operation. Considering that he has been giving advice to the management team from an objective and professional point of view, the Company renominates him as a candidate for Outside Director.</p> <p><b>[Matters regarding independence]</b> Since he satisfies the Company's independence criteria, the Company believes that he has independence. He served as Director and Representative Director of NIPPON STEEL &amp; SUMIKIN BUSSAN CORPORATION (currently NIPPON STEEL TRADING CORPORATION), and resigned from Counselor on June 2015. Although the Company purchases steel products (materials) from the said company, the transaction amount is less than 0.1% of the annual average net sales of the most recent three business years of the said company. Therefore, the amount does not affect his independence. In addition, the said company owns only 1.0% of the total outstanding shares of the Company, and reasonable period has passed since he retired from the said company. Therefore, the intention of the said company does not affect the Company, as well as to his independence.</p>			

No.	Name (Date of birth)	Past experience, positions and responsibilities at the Company and significant concurrent positions	Number of shares of the Company held
10	<p><b>Masatoshi Uchida</b> (October 27, 1963)</p> <p>Reappointment Outside Independent</p> <p>Attendance at Board of Directors meeting: 10/10 meetings (100%)</p> <p>Term of office as Outside Director: 1 year (at the conclusion of this General Meeting of Shareholders)</p>	<p>Apr. 1989      Joined Mazda Motor Corporation</p> <p>Apr. 1997      Joined KITAGAWA SEIKI CO., LTD.</p> <p>Jul. 1999      Representative Senior Managing Director</p> <p>Sep. 2007      Tentative Corporate Auditor of the Company</p> <p>Jun. 2008      Corporate Auditor (resigned on June 2019)</p> <p>Jul. 2016      Representative Director &amp; President of KITAGAWA SEIKI CO., LTD. (to present)</p> <p>Jun. 2019      Director of the Company (to present)</p> <p>(Significant concurrent positions)</p> <p>Representative Director &amp; President of KITAGAWA SEIKI CO., LTD.</p>	884
<p><b>[Reason for nomination as a candidate for Outside Director]</b> Mr. Masatoshi Uchida has abundant experience and knowledge he gained through corporate management. The Company believes that he will give advice to the management team from an objective and professional point of view and thus renominates him as a candidate for Outside Director.</p> <p><b>[Matters regarding independence]</b> Since he satisfies the Company's independence criteria, the Company believes that he has independence. He serves as Representative Director &amp; President of KITAGAWA SEIKI CO., LTD. Although the Company purchases products, etc. from the said company, the transaction amount is less than 0.1% of the annual average net sales of the most recent three business years of the said company. Therefore, the amount does not affect his independence.</p>			

- Notes:
1. The Company has no interest in each candidate for Director and the Company.
  2. The numbers of shares in the Company held by each candidate for Director are as of March 31, 2020. They include shares indirectly held through the Directors' shareholding association (any fraction less than one share has been rounded down).
  3. Mr. Masaki Kondo is a candidate for new Director.
  4. Mr. Osamu Numata and Mr. Masatoshi Uchida are candidates for Outside Directors.  
The Company has appointed Mr. Osamu Numata and Mr. Masatoshi Uchida as Independent Directors prescribed by the Tokyo Stock Exchange and notified the Tokyo Stock Exchange of their appointment.
  5. The Company has concluded an agreement with Mr. Osamu Numata and Mr. Masatoshi Uchida respectively to limit their liability for damages under Article 423, Paragraph 1 of the Companies Act. The maximum amount of liability pursuant to the said agreement is the amount stipulated by laws and regulations. If the reappointment of Mr. Osamu Numata and Mr. Masatoshi Uchida are approved as originally proposed, the Company plans to continue the said agreement with them.

**Proposal 3: Election of Three (3) Corporate Auditors**

The term of office of all the three (3) incumbent Corporate Auditors will expire at the conclusion of this General Meeting of Shareholders. Accordingly, the election of three (3) Corporate Auditors is proposed.

The Board of Corporate Auditors has given its approval to this proposal.

The candidates for Corporate Auditors are as follows:

No.	Name (Date of birth)	Past experience, positions at the Company and significant concurrent positions	Number of shares of the Company held
1	<b>Takeshi Nogami</b> (December 23, 1964)  New appointment Outside Independent	Apr. 1987      Joined The Hiroshima Bank, Ltd. Apr. 2015      General Manager in charge of Eastern Area Headquarters Apr. 2017      General Manager of Banking Business Planning Division Apr. 2018      General Manager of Retail Loan Division Apr. 2020      Belonging to Personnel & General Affairs Division (to present) (Significant concurrent positions) None	-
	<p><b>[Reason for nomination as a candidate for Outside Corporate Auditor]</b>            Mr. Takeshi Nogami has long years of experience at a financial institution, and has extensive knowledge on finance and accounting. From the perspective of ensuring legality of business execution and decision making, the Company believes that he will be able to conduct adequate and beneficial audit and thus nominates him as a candidate for Outside Corporate Auditor.</p> <p><b>[Matters regarding independence]</b>            Since he satisfies the Company's independence criteria, the Company believes that he has independence. He is serving as an executive of The Hiroshima Bank, Ltd., and is planned to assume office of full-time Corporate Auditor of the Company in June 2020. Although the said bank is the Company's main bank, the transaction amount does not affect his independence. In addition, the said bank owns only 4.6% of the total outstanding shares of the Company. Therefore, the intention of the said bank does not affect the Company, as well as to his independence.</p>		

No.	Name (Date of birth)	Past experience, positions at the Company and significant concurrent positions	Number of shares of the Company held
2	<p><b>Junji Kaihara</b> (August 11, 1949)</p> <p>Reappointment Outside Independent</p> <p>Attendance at Board of Directors meeting: 13/13 meetings (100%)</p> <p>Term of office as Outside Corporate Auditor: 2 years (at the conclusion of this General Meeting of Shareholders)</p>	<p>Jul. 1974      Joined Kaihara Textile Mills Ltd. (currently Kaihara Corporation)</p> <p>Sep. 1991      Director &amp; Vice President</p> <p>Apr. 2003      Representative Director &amp; President</p> <p>May 2014      Representative Director &amp; Vice Chairman (to present)</p> <p>Jun. 2018      Corporate Auditor of the Company (to present) (Significant concurrent positions)</p> <p>Representative Director &amp; Vice Chairman of Kaihara Corporation</p>	93
<p><b>[Reason for nomination as a candidate for Outside Corporate Auditor]</b> Mr. Junji Kaihara has abundant experience and knowledge he gained through corporate management. The Company believes that he will appropriately audit the management of the Company and thus renominates him as a candidate for Outside Corporate Auditor.</p> <p><b>[Matters regarding independence]</b> Since he satisfies the Company's independence criteria, the Company believes that he has independence. He is serving as Representative Director &amp; Vice Chairman of Kaihara Corporation. The Company does not have business relationship with the said company.</p>			
3	<p><b>Kosuke Taira</b> (June 6, 1954)</p> <p>Reappointment Outside Independent</p> <p>Attendance at Board of Directors meeting: 9/10 meetings (90%)</p> <p>Term of office as Outside Corporate Auditor: 1 year (at the conclusion of this General Meeting of Shareholders)</p>	<p>Mar. 1985      Graduated from the Matsushita Institute of Government and Management</p> <p>Apr. 1986      Member of Hiroshima Prefectural Assembly</p> <p>Jan. 1987      Director of KURODARUMA CO., LTD. (to present)</p> <p>Jul. 1997      Audit Committee Member, Hiroshima Prefecture</p> <p>Mar. 2008      Board Chairman and President of Hiroshima Prefectural School Lunch Association</p> <p>Apr. 2013      Board Chairman of Hiroshima Prefectural School Lunch Association (to present)</p> <p>Jun. 2019      Corporate Auditor of the Company (to present) (Significant concurrent positions)</p> <p>Board Chairman of Hiroshima Prefectural School Lunch Association</p>	38
<p><b>[Reason for nomination as a candidate for Outside Corporate Auditor]</b> Mr. Kosuke Taira has abundant experience and knowledge he gained through corporate management and important posts in various organizations. The Company believes that he will appropriately audit the management of the Company and thus renominates him as a candidate for Outside Corporate Auditor.</p> <p><b>[Matters regarding independence]</b> Since he satisfies the Company's independence criteria, the Company believes that he has independence. He is serving as Director of KURODARUMA CO., LTD. and Board Chairman of Hiroshima Prefectural School Lunch Association. The Company does not have business relationship with the said company and association.</p>			

Notes: 1. The Company has no interest in each candidate for Corporate Auditor and the Company.

2. The numbers of shares in the Company held by each candidate for Corporate Auditor are as of March 31, 2020. They

represent shares held through the Directors' shareholding association (any fraction less than one share has been rounded down).

3. Mr. Takeshi Nogami is a candidate for new Corporate Auditor.

4. Mr. Takeshi Nogami, Mr. Junji Kaihara and Mr. Kosuke Taira are candidates for Outside Corporate Auditors.

The Company has appointed Mr. Junji Kaihara and Mr. Kosuke Taira as Independent Auditors prescribed by the Tokyo Stock Exchange and notified the Tokyo Stock Exchange of their appointment. In addition, as for Mr. Takeshi Nogami, the Company notified the Tokyo Stock Exchange with the assumption of the approval of this proposal.

5. The Company has concluded an agreement with Mr. Junji Kaihara and Mr. Kosuke Taira respectively to limit their liability for damages under Article 423, Paragraph 1 of the Companies Act. The maximum amount of liability pursuant to the said agreement is the amount stipulated by laws and regulations. If the reappointment of Mr. Junji Kaihara and Mr. Kosuke Taira are approved as originally proposed, the Company plans to continue the said agreement with them. In addition, if the appointment of Mr. Takeshi Nogami is approved as originally proposed, the Company intends to conclude the said agreement with him to limit his liability for damages.

(References)

### **[Independence criteria for Outside Officers]**

The Company deems Outside Officers (Outside Directors and Outside Corporate Auditors) lack independence if they fall under any of the items below.

1. An executive of the Company and the affiliates of the Company (hereinafter collectively referred to as "the Group") (Note 1)
2. A party who deems the Group as its major transaction partner, or its executive (Note 2)
3. A party who is the major transaction partner of the Group, or its executive (Note 3)
4. A major shareholder of the Company (a party that directly or indirectly owns 10% or more of total voting rights), or its executive
5. A party that is directly or indirectly owned by the Group for 10% or more of its total voting rights, or its executive
6. An employee of the auditing firm which is the Accounting Auditor of the Group
7. A consultant, accounting expert or legal expert who receives 10 million Japanese yen or more of cash or other property other than the officer remuneration from the Group for the past three business years
8. A spouse or close relative within the second degree of relationship, or a family member living together with the significant person (Note 4) who falls under any of items 1 through 7

Note 1: "Executive" refers to executives as provided in Article 2, Paragraph 3, Item 6 of the Regulation for Enforcement of the Companies Act, which includes not only executive directors but also employees, but excludes Corporate Auditors.

Note 2: "A party who deems the Group as its major transaction partner" refers to a party who received payment from the Group for the amount of 2% or more of annual average net sales of the most recent three business years of such party.

Note 3: "A party who is the major transaction partner of the Group" refers to a party who paid the Group for the amount of 2% or more of annual average net sales of the most recent three business years of the Group.

Note 4: "Significant person" refers to director (excluding outside director), executive officer, managing director of each company and transaction partner, certified public accountant belonging to an auditing firm, and attorney belonging to a law firm.