

*This document has been translated from the Japanese original for the convenience of non-Japanese shareholders.  
In the event of any discrepancy between this translation and the Japanese original, the original shall prevail.*

(Securities identification code: 4027)

June 7, 2019

To our shareholders:

Masao Nagita  
President  
**Tayca Corporation**  
1-3-47 Funamachi, Taisho-ku, Osaka  
(Head Office: 3-6-13 Kitahama, Chuo-ku, Osaka)

## **Notice of the 153rd Ordinary General Meeting of Shareholders**

You are cordially invited to attend the 153rd Ordinary General Meeting of Shareholders of Tayca Corporation (the “Company”), which will be held as described below.

If you are unable to attend the meeting in person, you may exercise your voting rights by either of the following methods. Please exercise your voting rights no later than 5:40 p.m., Tuesday, June 25, 2019 (Japan Standard Time) after reviewing the attached Reference Documents for the General Meeting of Shareholders.

### Exercising Voting Rights in Writing

Indicate your approval or disapproval for the proposals on the enclosed voting form and then return it so that it arrives by the above deadline.

### Exercising Voting Rights with an Electromagnetic Method (Internet)

Access the Company’s designated voting site (<https://evote.tr.mufg.jp/>). Next, use the login ID and provisional password given on the enclosed voting form and then input your approval or disapproval for the proposals by the above deadline in accordance with the instructions on the screen.

## Meeting Details

1. **Date and time:** Wednesday, June 26, 2019 at 10:00 a.m. (Japan Standard Time)
2. **Venue:** Yoshino Room 5th floor, Imperial Hotel, Osaka  
8-50, Temmabashi 1-Chome, Kita-ku, Osaka  
The meeting place is the same hotel as last year. However, the floor and venue are different, so please be careful not to make a mistake when attending.
3. **Purposes:**
  - Items to be reported:**
    1. Report on the contents of Business Report, Consolidated Financial Statements and Non-Consolidated Financial Statements for the 153rd Term (from April 1, 2018 to March 31, 2019)
    2. Results of audit of the Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Board for the 153rd Term
  - Items to be resolved:**
    - Proposal 1:** Appropriation of Surplus
    - Proposal 2:** Partial Change to the Articles of Incorporation
    - Proposal 3:** Election of Five (5) Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)
    - Proposal 4:** Election of Five (5) Directors Who Are Audit & Supervisory Committee Members
    - Proposal 5:** Determination of the Amount of Remuneration for Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)
    - Proposal 6:** Determination of the Amount of Remuneration for Directors Who Are Audit & Supervisory Committee Members

We ask that you please present the enclosed voting form to the reception desk in the venue when attending the meeting on the day.

Among the documents we must submit when giving notice of this meeting, we have posted the notes to the consolidated financial statements and the notes to the non-consolidated financial statements on the Company's website (<http://www.tayca.co.jp/>) on the Internet according to the provisions in the law and the Company's Articles of Incorporation. Therefore, they are not given in the documents accompanying this notice. Accordingly, the consolidated financial statements and non-consolidated financial statements audited by the Accounting Auditor and the Audit & Supervisory Board Members also include the consolidated notes and non-consolidated notes posted on the Company's website in addition to the various documents accompanying this notice.

In addition, we will post any changes made to the matters described in the business reports, consolidated financial statements, non-consolidated financial statements and General Meeting of Shareholders reference documents on the Company's website (<http://www.tayca.co.jp/>) on the Internet.

## Reference Documents for the General Meeting of Shareholders

### Proposals and Reference Matters

#### **Proposal 1:** Appropriation of Surplus

The Company recognizes that the stable return of profits to our shareholders is basically an important matter. Our basic policy is to maintain the necessary sufficient level of shareholder's equity and to pay a dividend after making a comprehensive judgment about our performance in each term.

We propose to dispose of our surplus in the term under review as below under this policy after taking into consideration our performance in the term under review and future business developments.

1. Matters related to year-end dividends
  - (1) Allocation of dividend property to shareholders and total amount thereof  
16 yen per common share of the Company  
Total amount of dividends: 376,149,184 yen  
We paid 16 yen per share as an interim dividend. Therefore, the annual dividend in the term under review is 32 yen per share.
  - (2) Effective date of distribution of dividends of surplus  
June 27, 2019
  
2. Matters related to other appropriation of surplus
  - (1) Item of surplus to be increased and amount of increase thereof  
Special reserve fund: 3,000,000,000 yen
  - (2) Item of surplus to be decreased and amount of decrease thereof  
Retained earnings brought forward: 3,000,000,000 yen

**Proposal 2:** Partial Change to the Articles of Incorporation

1. Reasons for the Proposal

- (1) The Company proposes to shift to being a company with an Audit & Supervisory Committee from the point of view of further enhancing our corporate governance. In line with this, we will establish new provisions in the Articles of Incorporation relating to the Audit & Supervisory Committee Members and the Audit & Supervisory Committee and delete provisions in the Articles of Incorporation relating to the Audit & Supervisory Board Members and the Audit & Supervisory Board that are necessary to switch to being a company with an Audit & Supervisory Committee.
- (2) We will partially revise Article 23 (Representative Director and Executive Directors) in the current Articles of Incorporation and remove the position of Vice-President. At the same time, we will partially revise Article 24 (Advisors and Senior Advisors) in the current Articles of Incorporation and remove the position of Senior Advisors. We will make these changes in light of the fact that currently no Vice-Presidents have been elected and to increase management transparency.
- (3) We will partially revise Article 25 (Convener and Chair of the Board of Directors) in the current Articles of Incorporation. We will make this change to ensure flexibility in the management of the Board of Directors in regards to the provisions in the Articles of Incorporation relating to the Convener and Chair of the Board of Directors.
- (4) The range of officers with whom we can enter into limited liability agreements has changed due to a revision to the Companies Act. This has made it possible to enter into limited liability agreements even with directors who do not execute business. Accordingly, we will partially revise Article 31 (Limited Liability Agreements for Outside Directors) in the current Articles of Incorporation. We have obtained the consent of each Audit & Supervisory Board Member for this change.
- (5) We will establish new provisions in the Articles of Incorporation to make it possible to pay a dividend of surplus with a resolution of the Board of Directors under the provisions in Article 459, Paragraph 1 of the Companies Act. In addition to this, we will delete Article 42 (Year-end Dividend and Record Date) and Article 43 (Interim Dividend and Record Date) in the current Articles of Incorporation. These changes are aimed at achieving a flexible capital policy and dividend policy.
- (6) We will make the necessary changes (e.g., changes to the article numbers and maintenance of the Articles of Incorporation overall) due to the above changes.

2. Content of the Changes

The content of the changes is as follows.

The partial changes to the Articles of Incorporation with the approval of this proposal will take effect at the conclusion of this General Meeting of Shareholders.

(The underlining indicates the changes.)

Current Articles of Incorporation	Proposed Changes
<p style="text-align: center;">Section 1: General Rules</p> <p>Article 1 to Article 3: (Text omitted)</p> <p>Article 4: Institutions The Company shall establish the following institutions in addition to the General Meeting of Shareholders and Directors.</p> <p>1. Board of Directors <u>2. Audit &amp; Supervisory Board Members</u> <u>3. Audit &amp; Supervisory Board</u> <u>4. Accounting Auditors</u></p> <p>Article 5: (Text omitted)</p> <p style="text-align: center;">Section 2: Shares</p> <p>Article 6 to Article 12: (Text omitted)</p> <p style="text-align: center;">Section 3: General Meeting of Shareholders</p> <p>Article 13 to Article 19: (Text omitted)</p>	<p style="text-align: center;">Section 1: General Rules</p> <p>Article 1 to Article 3: (As it currently is)</p> <p>Article 4: Institutions The Company shall establish the following institutions in addition to the General Meeting of Shareholders and Directors.</p> <p>1. Board of Directors (Deleted) <u>2. Audit &amp; Supervisory Committee</u> <u>3. Accounting Auditors</u></p> <p>Article 5: (As it currently is)</p> <p style="text-align: center;">Section 2: Shares</p> <p>Article 6 to Article 12: (As it currently is)</p> <p style="text-align: center;">Section 3: General Meeting of Shareholders</p> <p>Article 13 to Article 19: (As it currently is)</p>

Current Articles of Incorporation	Proposed Changes
<p>Section 4: Directors and Board of Directors  Article 20: Number of Members  The number of Directors in the Company shall be <u>15</u> or less.</p> <p style="text-align: center;">(New)</p> <p>Article 21: Method of Election  Directors shall be elected at General Meetings of Shareholders.</p> <p>The election of a Director shall be approved with the attendance of shareholders possessing at least one third of the voting rights of the shareholders who can exercise voting rights and with a majority of those voting rights.  The election of Directors shall not be made with cumulative voting.</p> <p>Article 22: Term of Office  The term of office of a Director shall be until the conclusion of the Ordinary General Meeting of Shareholders for the final fiscal year ending within <u>two (2)</u> years after his/her election.</p> <p style="text-align: center;">(New)</p> <p>The term of office of a <u>Director</u> elected to <u>increase the number of members</u> or as a replacement shall be until the expiration of the term of office of the <u>Director in office.</u></p>	<p>Section 4: Directors and Board of Directors  Article 20: (Number of Members)  The number of Directors (<u>excluding Directors who are Audit &amp; Supervisory Committee Members</u>) in the Company shall be <u>eight (8)</u> or less.  <u>The number of Directors who are Audit &amp; Supervisory Committee Members (hereinafter “Audit &amp; Supervisory Committee Members”) shall be five (5) or less.</u></p> <p>Article 21: Method of Election  Directors <u>shall be classified as Audit &amp; Supervisory Committee Members and other Directors</u> and then elected at General Meetings of Shareholders.  The election of a Director shall be approved with the attendance of shareholders possessing at least one third of the voting rights of the shareholders who can exercise voting rights and with a majority of those voting rights.  The election of Directors shall not be made with cumulative voting.</p> <p>Article 22: Term of Office  The term of office of a Director (<u>excluding Audit &amp; Supervisory Committee Members</u>) shall be until the conclusion of the Ordinary General Meeting of Shareholders for the final fiscal year ending within <u>one (1)</u> year after his/her election.  <u>The term of office of an Audit &amp; Supervisory Committee Members shall be until the conclusion of the Ordinary General Meeting of Shareholders for the final fiscal year ending within two (2) years after his/her election.</u></p> <p>The term of office of an <u>Audit &amp; Supervisory Committee Member</u> elected as a replacement for an <u>Audit &amp; Supervisory Committee Member who has retired before the expiration of his/her term of office</u> shall be until the expiration of the term of office of the <u>Audit &amp; Supervisory Committee Member who has retired.</u></p>

Current Articles of Incorporation	Proposed Changes
<p>Article 23: Representative Director and Executive Directors The Board of Directors shall elect a Representative Director with a resolution. The Board of Directors may determine a Chairman and a President and a number of <u>Vice-Presidents</u>, Senior Managing Directors and Managing Directors with a resolution.</p>	<p>Article 23: Representative Director and Executive Directors The Board of Directors shall elect a Representative Director with a resolution. The Board of Directors may determine a Chairman and a President and a number of Senior Managing Directors and Managing Directors with a resolution.</p>
<p>Article 24: Advisers and <u>Senior Advisers</u> The Board of Directors may determine Advisers and <u>Senior Advisers</u> with a resolution.</p>	<p>Article 24: Advisers The Board of Directors may determine Advisers with a resolution.</p>
<p>Article 25: Convener and Chair of the Board of Directors The <u>Chairman</u> shall convene the Board of Directors and serve as the Chair except when otherwise stipulated by laws and ordinances.  If there is a <u>vacancy</u> or incident with the <u>Chairman</u>, the <u>President</u> shall serve as the Chair. <u>If there is an incident with the President</u>, another Director shall convene the Board of Directors and serve as the Chair according to the order established in advance by the Board of Directors.</p>	<p>Article 25: Convener and Chair of the Board of Directors The <u>Director established in advance by the Board of Directors</u> shall convene the Board of Directors and serve as Chair except when otherwise stipulated by laws and ordinances.  If there is an incident with the <u>Director in the preceding paragraph</u>, another Director shall convene the Board of Directors and serve as the Chair according to the order established in advance by the Board of Directors.</p>
<p>Article 26: Notices of the Convocation of the Board of Directors A notice of the convocation of the Board of Directors shall be issued to each Director <u>and each Audit &amp; Supervisory Board Member</u> at least five (5) days prior to the day of the meeting. However, this period may be shortened in the event of an emergency.</p>	<p>Article 26: Notices of the Convocation of the Board of Directors A notice of the convocation of the Board of Directors shall be issued to each Director at least five (5) days prior to the day of the meeting. However, this period may be shortened in the event of an emergency.</p>
<p>Article 27: Method for Resolutions of the Board of Directors A resolution of the Board of Directors shall be adopted with the attendance of a majority of the Directors and by the votes of a majority of the <u>Directors present</u>.</p>	<p>Article 27: Method for Resolutions of the Board of Directors A resolution of the Board of Directors shall be adopted with the attendance of a majority of the Directors <u>with voting rights</u> and with a majority of <u>those</u> votes.</p>

Current Articles of Incorporation	Proposed Changes
<p>Article 28: Abbreviation of Resolutions of the Board of Directors</p> <p>If all the Directors agree with a resolution item of the Board of Directors through either a written or electromagnetic record, the Company shall deem that to be a resolution of the Board of Directors approving the said resolution item. <u>However, this shall not apply in the event an Audit &amp; Supervisory Board Member has made an objection.</u></p> <p style="text-align: center;">(New)</p> <p>Article 29: (Text omitted)</p> <p>Article 30: Remuneration Etc.</p> <p>The remuneration, bonuses and other asset benefits received from the Company as compensation for execution of duties of Directors (hereinafter “Remuneration etc.”) shall be determined by a resolution at the General Meetings of Shareholders.</p> <p>Article 31: Limited Liability Agreements for <u>Outside Directors</u></p> <p>The Company may enter into agreements to limit the minimum amount of liability stipulated by laws and ordinances in relation to the liability for damages in Article 423, Paragraph 1 of the Companies Act with <u>Outside Directors</u> according to the provisions of Article 427, Paragraph 1 of the Companies Act.</p>	<p>Article 28: Abbreviation of Resolutions of the Board of Directors</p> <p>If all the Directors agree with a resolution item of the Board of Directors through either a written or electromagnetic record, the Company shall deem that to be a resolution of the Board of Directors approving the said resolution item.</p> <p><u>Article 29: Delegation of Important Business Execution Decisions</u></p> <p><u>The Company may delegate some or all of the important business execution (excluding the matters listed in each of the items in Article 399-13, Paragraph 5 of the Companies Act) decisions to Directors with a resolution of the Board of Directors according to the provisions in Article 399-13, Paragraph 6 of the Companies Act.</u></p> <p>Article 30: (As it currently is)</p> <p>Article 31: Remuneration Etc.</p> <p>The remuneration, bonuses and other asset benefits received from the Company as compensation for execution of duties of Directors (hereinafter “Remuneration etc.”) <u>shall be classified as those for Audit &amp; Supervisory Committee Members and other Directors</u> and then determined by a resolution at the General Meetings of Shareholders.</p> <p>Article 32: Limited Liability Agreements for Directors</p> <p>The Company may enter into agreements to limit the minimum amount of liability stipulated by laws and ordinances in relation to the liability for damages in Article 423, Paragraph 1 of the Companies Act with Directors <u>(excluding those who are executive Directors)</u> according to the provisions of Article 427, Paragraph 1 of the Companies Act.</p>



Current Articles of Incorporation	Proposed Changes
<p>Section 5: <u>Audit &amp; Supervisory Board Members and Audit &amp; Supervisory Board</u></p> <p><u>Article 32: Number of Members</u>  <u>The number of Audit &amp; Supervisory Board Members in the Company shall be four (4) or less.</u></p> <p><u>Article 33: Method of Election</u>  <u>Audit &amp; Supervisory Board Members shall be elected at the General Meeting of Shareholders. The election of an Audit &amp; Supervisory Board Members shall be approved with the attendance of shareholders possessing at least one third of the voting rights of the shareholders who can exercise voting rights and with a majority of those voting rights.</u></p> <p><u>Article 34: Term of Office</u>  <u>The term of office of an Audit &amp; Supervisory Board Members shall be until the conclusion of the Ordinary General Meeting of Shareholders for the final fiscal year ending within four (4) years after his/her election.</u>  <u>The term of office of an Audit &amp; Supervisory Board Member elected as a replacement for an Audit &amp; Supervisory Board Member who has retired before the expiration of his/her term of office shall be until the expiration of the term of office of the Audit &amp; Supervisory Board Member who has retired.</u></p> <p><u>Article 35: Full-time Audit &amp; Supervisory Board Members</u>  <u>The Audit &amp; Supervisory Board shall elect full-time Audit &amp; Supervisory Board Members with a resolution.</u></p>	<p>Section 5: <u>Audit &amp; Supervisory Committee</u></p> <p>(Deleted)</p> <p>(Deleted)</p> <p>(Deleted)</p> <p>(Deleted)</p> <p>(Deleted)</p>

Current Articles of Incorporation	Proposed Changes
<p><u>Article 36: Notices of the Convocation of the Audit &amp; Supervisory Board</u>  <u>A notice of the convocation of the Audit &amp; Supervisory Board shall be issued to each Audit &amp; Supervisory Board Member at least five (5) days prior to the day of the meeting. However, this period may be shortened in the event of an emergency.</u></p>	(Deleted)
<p><u>Article 37: Method for Resolutions of the Audit &amp; Supervisory Board</u>  <u>A resolution of the Audit &amp; Supervisory Board shall be approved with a majority of the Audit &amp; Supervisory Board Members except when otherwise stipulated by laws and ordinances.</u></p>	(Deleted)
<p><u>Article 38: Rules of the Audit &amp; Supervisory Board</u>  <u>The matters concerning the Audit &amp; Supervisory Board shall be governed according to the rules of the Audit &amp; Supervisory Board as established by the Audit &amp; Supervisory Board in addition to laws and ordinances or the Company's Articles of Incorporation.</u></p>	(Deleted)
<p><u>Article 39: Remuneration Etc.</u>  <u>The Remuneration etc. for Audit &amp; Supervisory Board Members shall be determined with a resolution at the General Meeting of Shareholders.</u></p>	(Deleted)
<p><u>Article 40: Limited Liability Agreements for Outside Audit &amp; Supervisory Board Members</u>  <u>The Company may enter into agreements to limit the minimum amount of liability stipulated by laws and ordinances in relation to the liability for damages in Article 423, Paragraph 1 of the Companies Act with Outside Audit &amp; Supervisory Board Members according to the provisions of Article 427, Paragraph 1 of the Companies Act.</u></p>	(Deleted)

Current Articles of Incorporation	Proposed Changes
(New)	<p><u>Article 33: Full-time Audit &amp; Supervisory Committee Members</u>  <u>The Audit &amp; Supervisory Committee may elect full-time Audit &amp; Supervisory Committee Members with a resolution.</u></p>
(New)	<p><u>Article 34: Notices of the Convocation of the Audit &amp; Supervisory Committee</u>  <u>A notice of the convocation of the Audit &amp; Supervisory Committee shall be issued to each Audit &amp; Supervisory Committee Member at least five (5) days prior to the day of the meeting. However, this period may be shortened in the event of an emergency.</u></p>
(New)	<p><u>Article 35: Method for Resolutions of the Audit &amp; Supervisory Committee</u>  <u>A resolution of the Audit &amp; Supervisory Committee shall be approved with the presence of a majority of the Audit &amp; Supervisory Committee Members who can participate in voting and with a majority of those votes.</u></p>
(New)	<p><u>Article 36: Rules of the Audit &amp; Supervisory Committee</u>  <u>The matters concerning the Audit &amp; Supervisory Committee shall be governed according to the rules of the Audit &amp; Supervisory Committee as established by the Audit &amp; Supervisory Committee in addition to laws and ordinances or the Company's Articles of Incorporation.</u></p>
<p>Section 6: Calculations  Article 41: (Text omitted)</p>	<p>Section 6: Calculations  Article 37: (As it currently is)</p>

Current Articles of Incorporation	Proposed Changes
<p><u>Article 42: Year-end Dividend and Record Date</u>  <u>The Company shall pay a dividend of surplus as a year-end dividend to shareholders or registered pledgees of shares with March 31 of every year serving as the record date according to a resolution at the Ordinary General Meeting of Shareholders.</u></p>	<p>(Deleted)</p>
<p><u>Article 43: Interim Dividend and Record Date</u>  <u>The Company may pay a dividend of surplus as an interim dividend to shareholders or registered pledgees with September 30 of every year serving as the record date according to a resolution of the Board of Directors.</u></p>	<p>(Deleted)</p>
<p>(New)</p>	<p><u>Article 38: Dividends of Surplus</u>  <u>The Company may determine the dividend of surplus and other matters listed in each item of Article 459, Paragraph 1 of the Companies Act according to a resolution of the Board of Directors.</u></p>
<p>(New)</p>	<p><u>Article 39: Record Dates of Dividends of Surplus</u>  <u>The record date of year-end dividends of the Company shall be March 31 of every year.</u>  <u>The record date of interim dividends of the Company shall be September 30 of every year.</u>  <u>In addition to the preceding two paragraphs, the Company may determine a record date and pay a dividend of surplus.</u></p>

Current Articles of Incorporation	Proposed Changes
<p>Article <u>44</u>: (Text omitted)</p> <p>(New)</p>	<p>Article <u>40</u>: (As it currently is)</p> <p><u>Supplementary Provisions</u>  <u>Transitional Measures for the Exemption of Liability of Outside Audit &amp; Supervisory Board Members</u>  <u>The agreements to limit the liability for damages in Article 423, Paragraph 1 of the Companies Act relating to acts of Outside Audit &amp; Supervisory Board Members (including those who were Outside Audit &amp; Supervisory Board Members) before the conclusion of the 153rd Ordinary General Meeting of Shareholders to be held in June 2019 shall be governed according to the provisions in Article 40 of the Articles of Incorporation prior to the change with a resolution at the same Ordinary General Meeting of Shareholders.</u></p>

**Proposal 3:** Election of Five (5) Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)

If Proposal 2 “Partial Change to the Articles of Incorporation” is approved as proposed, the Company will switch to being a company with an Audit & Supervisory Committee and the terms of office of all nine (9) Directors will expire at the time the changes to the Articles of Incorporation take effect.

Accordingly, the Company proposes the election of five (5) Directors (excluding Directors who are Audit & Supervisory Committee Members); hereinafter, the same in this proposal). This proposal will take effect on condition that the changes to the Articles of Incorporation in Proposal 2 “Partial Change to the Articles of Incorporation” take effect.

The candidates for Directors are as follows:  
Candidates for Directors

No.	Name (Date of birth)	Career summary, position and responsibilities (significant concurrent positions outside the Company)	Number of the Company's shares owned
1	Masao Nagita (April 13, 1950)	<p>April 1973      Joined the Company</p> <p>June 2004      General Manager of the Tokyo Branch of the Company</p> <p>June 2005      Director and General Manager of the Tokyo Branch of the Company</p> <p>June 2009      Managing Director and General Manager of the Tokyo Branch of the Company</p> <p>June 2010      President of Tayca Trading Co., Ltd.</p> <p>October 2010    Managing Director and General Manager of the Sales Department of the Company</p> <p>October 2011    Managing Director of the Company</p> <p>June 2013      Senior Managing Director of the Company</p> <p>June 2014      President of the Company (present position)</p> <p>June 2014      President of Tayca Warehousing Co., Ltd.</p> <p>April 2017      President of Japan Sericite Corporation (present position)</p> <p>(Current Responsibilities)</p> <p>In charge of the Internal Auditing Department, the Osaka Research Laboratory and Okayama Research Laboratory [Significant concurrent position outside the Company] President, Japan Sericite Corporation</p>	26,490
<p>Reasons for nomination as a candidate for Director:</p> <p>Masao Nagita has accumulated a wealth of business experience and achievements in research departments and sales departments since joining the Company. In addition, he has been responsible for management as President of the Company since June 2014. The Company proposes his candidacy to continue as Director with the expectation that he will make appropriate management judgments by utilizing these experiences and achievements.</p>			

No.	Name (Date of birth)	Career summary, position and responsibilities (significant concurrent positions outside the Company)	Number of the Company's shares owned
2	Hirofumi Yamazaki (July 4, 1955)	<p>April 1979      Joined Dai-Ichi Kangyo Bank, Ltd.</p> <p>October 1999    General Manager of Komazawa Branch of Dai-Ichi Kangyo Bank, Ltd.</p> <p>May 2005        General Manager of Yokohama-Nishiguchi Branch of Mizuho Bank, Ltd.</p> <p>December 2006   Senior Executive Officer of Mizuho Credit Guarantee Co., Ltd.</p> <p>June 2009        Managing Director of Mizuho Credit Guarantee Co., Ltd.</p> <p>May 2011        Joined the Company as Adviser</p> <p>June 2011        Director of the Company</p> <p>November 2013   Director and General Manager of the Accounting Department of the Company</p> <p>June 2014        Managing Director and General Manager of the Accounting Department of the Company</p> <p>June 2014        President of Tayca Trading Co., Ltd.</p> <p>April 2015        Managing Director of the Company</p> <p>June 2018        Senior Managing Director of the Company (present position)</p> <p>(Current Responsibilities)</p> <p>In charge of the General Affairs Department, the Materials Compilation Department, the Personnel Department, the Accounting Department, Okayama Factory and Kumayama Factory</p>	9,900
<p>Reasons for nomination as a candidate for Director:</p> <p>Hirofumi Yamazaki has extensive insight into finance and corporate management cultivated in his previous employment. Moreover, he has accumulated plenty of achievements in management departments and factory departments since joining the Company. The Company proposes his candidacy to continue as Director with the expectation that he will use these insights and achievements in the management of the Company.</p>			

No.	Name (Date of birth)	Career summary, position and responsibilities (significant concurrent positions outside the Company)	Number of the Company's shares owned
3	Takeshi Hemmi (April 3, 1955)	<p>April 1979      Joined Dai-Ichi Kangyo Bank, Ltd.</p> <p>November 2001      General Manager of Musashi Kosugi Branch of Dai-Ichi Kangyo Bank, Ltd.</p> <p>July 2003      General Manager of Kamata-Ekimae Branch of Mizuho Bank, Ltd.</p> <p>March 2006      General Manager of the Public Business No. 2 Department of Mizuho Bank, Ltd.</p> <p>April 2009      Joined the Company as General Manager of the Sales Department</p> <p>October 2010      General Manager of the Tokyo Branch of the Company</p> <p>June 2011      Director and General Manager of the Business Promotion Department (Challenge 100) of the Company</p> <p>April 2012      Director of the Company</p> <p>June 2015      Managing Director of the Company (present position)</p> <p>June 2016      President of Tayca Warehousing Co., Ltd.</p> <p>(Current Responsibilities) In charge of the Business Promotion Department (Challenge 100) and the Osaka Factory</p>	8,400
<p>Reasons for nomination as a candidate for Director:</p> <p>Takeshi Hemmi has advanced insight into finance and economics in general cultivated in his previous employment. Moreover, he has accumulated plenty of achievements in sales departments and factory departments since joining the Company. The Company proposes his candidacy to continue as Director with the expectation that he will use these insights and achievements in the management of the Company.</p>			



No.	Name (Date of birth)	Career summary, position and responsibilities (significant concurrent positions outside the Company)	Number of the Company's shares owned
4	Masahiko Nishino (October 9, 1959)	<p>April 1984      Joined Nissho Iwai Corporation</p> <p>September 2003      Joined Sun Chlorella Corporation</p> <p>August 2010      Joined the Company</p> <p>October 2011      General Manager of the Sales Department of the Company</p> <p>April 2015      General Manager of the Tokyo Branch of the Company</p> <p>June 2015      Director and General Manager of the Tokyo Branch of the Company</p> <p>June 2017      Director of the Company</p> <p>June 2017      President of Tayca Trading Co., Ltd. (present position)</p> <p>June 2019      Director and General Manager of the Corporate Planning Department of the Company (present position)</p> <p>(Current Responsibilities) In charge of the Environmental and Quality Department, and the Purchasing Department</p> <p>[Significant concurrent positions outside the Company] President, Tayca Trading Co., Ltd.</p>	3,200
<p>Reasons for nomination as a candidate for Director:</p> <p>Masahiko Nishino has accumulated a wealth of sales experience and overseas work achievements in working at trading companies over many years. In addition, he has accumulated plenty of achievements in sales departments and management departments since joining the Company. The Company proposes his candidacy to continue as Director with the expectation that he will use these insights and achievements in the management of the Company.</p>			

No.	Name (Date of birth)	Career summary, position and responsibilities (significant concurrent positions outside the Company)	Number of the Company's shares owned
5	Shunji Idei (March 24, 1964)	<p>April 1986      Joined the Company</p> <p>April 2012      General Manager of the Okayama Research Laboratory of the Company</p> <p>April 2015      General Manager of the Sales Department of the Company</p> <p>June 2017      General Manager of the Tokyo Branch of the Company</p> <p>June 2018      Director and General Manager of the Tokyo Branch of the Company (present position)</p> <p>August 2018    President of TFT Corporation (present position)</p> <p>(Current Responsibilities) In charge of the Sales Department and the Electronic Ceramics and Devices Department</p> <p>[Significant concurrent positions outside the Company] President, TFT Corporation</p>	1,900
<p>Reasons for nomination as a candidate for Director: Shunji Idei has accumulated a wealth of business experience and achievements in research departments and sales departments since joining the Company. The Company proposes his candidacy to continue as Director with the expectation that he will use these experiences and expertise in the management of the Company.</p>			

Note: Masao Nagita is President of Japan Sericite Corporation (the Company's investment ratio: 50%) – an important subsidiary of the Company. The Company has a business relationship with Japan Sericite Corporation for the purchase of sericite products. There is no special interest between each of the other candidates and the Company.

**Proposal 4:** Election of Five (5) Directors Who Are Audit & Supervisory Committee Members

If Proposal 2 “Partial Change to the Articles of Incorporation” is approved as proposed, the Company will switch to being a company with an Audit & Supervisory Committee.

Accordingly, the Company proposes the election of five (5) Directors who are Audit & Supervisory Committee Members. This proposal will take effect on condition that the changes to the Articles of Incorporation in Proposal 2 “Partial Change to the Articles of Incorporation” take effect.

The approval of the Audit & Supervisory Board has been obtained for this proposal.

The candidates for Directors who are Audit & Supervisory Committee Members are as follows.  
Candidates for Directors Who Are Audit & Supervisory Committee Members

No.	Name (Date of birth)	Career summary, position and responsibilities (significant concurrent positions outside the Company)	Number of the Company's shares owned
1	Akira Miyazaki (January 3, 1958)	April 1980      Joined the Company December 2006      General Manager of Tayca Trading Co., Ltd. April 2008      General Manager of the Purchasing Department of the Company July 2013      General Manager of the Sales Department of the Company July 2013      General Manager of Tayca Trading Co., Ltd. June 2014      Director and General Manager of Tayca Trading Co., Ltd. June 2015      Full-time Audit & Supervisory Board Member of the Company (present position)	4,500
Reasons for nomination as a candidate for Director who is an Audit & Supervisory Committee Member: Akira Miyazaki has accumulated a wealth of business experience and achievements in research departments, sales departments and purchasing departments since joining the Company. The Company proposes his candidacy as Director who is an Audit & Supervisory Committee Member so that he can reflect his experience and broad insights in the audits of the Company.			

No.	Name (Date of birth)	Career summary, position and responsibilities (significant concurrent positions outside the Company)	Number of the Company's shares owned
2	Hiroyuki Yamada (May 14, 1949)	April 1972      Joined Yamada Sangyo Co., Ltd.	0
		June 1992      President of Yamada Sangyo Co., Ltd. (present position)	
		June 1997      Audit & Supervisory Board Member of the Company (present position)	
		[Significant concurrent positions outside the Company] President, Yamada Sangyo Co., Ltd.	
	<p>Reasons for nomination as a candidate for Outside Director who is an Audit &amp; Supervisory Committee Member: The Company proposes the candidacy of Hiroyuki Yamada as Outside Director who is an Audit &amp; Supervisory Committee Member so that he can reflect his wealth of experience and broad insights as an executive in the audits of the Company.</p> <p>Period in office as Outside Director of the Company: Yamada will have been in office as Outside Audit &amp; Supervisory Board Member for 22 years at the conclusion of this meeting.</p>		

No.	Name (Date of birth)	Career summary, position and responsibilities (significant concurrent positions outside the Company)	Number of the Company's shares owned
3	Hitoshi Tanaka (May 7, 1952)	<p>April 1979 Registered as a lawyer and joined Yoneda Legal Professional Corporation (now: Yodoyabashi &amp; Yamagami Legal Professional Corporation) (present position)</p> <p>April 2003 Vice-President of Osaka Bar Association</p> <p>June 2013 Audit &amp; Supervisory Board Member of the Company</p> <p>June 2014 Outside Auditor of Nissin Electric Co., Ltd. (present position)</p> <p>June 2014 Director of the Company (present position)</p> <p>[Significant concurrent positions outside the Company] Lawyer</p>	0
<p>Reasons for nomination as a candidate for Outside Director who is an Audit &amp; Supervisory Committee Member: Hitoshi Tanaka is well-versed in corporate legal affairs as a lawyer. The Company proposes his election as Outside Director who is an Audit &amp; Supervisory Committee Member with the expectation that he will use the professional insights and wealth of experience he has cultivated in the management of the Company. He does not have experience of being involved in the management of companies in ways other than as Outside Director or Outside Audit &amp; Supervisory Board Member in the past, but we have made the judgment that he can appropriately perform his duties as Outside Director based on the above reasons.</p> <p>Period in office as Outside Director of the Company: Tanaka will have been in office as Outside Director for five (5) years at the conclusion of this meeting. In addition, he served as Outside Audit &amp; Supervisory Board Member from June 2013 to June 2014.</p>			

No.	Name (Date of birth)	Career summary, position and responsibilities (significant concurrent positions outside the Company)	Number of the Company's shares owned
4	Koji Yamamoto (December 28, 1954)	<p>April 1983      Lecturer of the School of Business, University of Kagawa</p> <p>April 1984      Associate Professor of the School of Business, University of Kagawa</p> <p>October 1988    Associate Professor in the School of Economics of Osaka Prefecture University</p> <p>January 1996    Professor in the School of Economics (Graduate School of Economics) of Osaka Prefecture University</p> <p>April 2010      Head of the School of Economics of Osaka Prefecture University</p> <p>April 2012      Vice-President of Osaka Prefecture University College of Sustainable System Sciences and Head of the School of Management (Professor in the Graduate School of Economics, Osaka Prefecture University)</p> <p>June 2012      Special Vice-President of Osaka Prefecture University</p> <p>June 2014      Audit &amp; Supervisory Board Member of the Company (present position)</p> <p>July 2015      Supervisory Auditor of the Osaka prefectural government (present position)</p> <p>March 2017     Professor Emeritus of Osaka Prefecture University (present position)</p> <p>April 2017      Professor in the Faculty of Business Administration of Osaka Gakuin University (present position)</p> <p>[Significant concurrent positions outside the Company] Professor in the Faculty of Business Administration of Osaka Gakuin University Supervisory Auditor of the Osaka prefectural government Professor Emeritus of Osaka Prefecture University</p>	0
<p>Reasons for nomination as a candidate for Outside Director who is an Audit &amp; Supervisory Committee Member: The Company proposes the election of Koji Yamamoto as an Outside Director who is an Audit &amp; Supervisory Committee Member so that he can reflect his professional knowledge and wealth of experience in accounting as a longstanding university professor in the audits of the Company. He does not have experience of being involved in the management of companies in ways other than as an Outside Audit &amp; Supervisory Board Member in the past, but we made the judgment that he can appropriately perform his duties as Outside Director based on the above reasons.</p> <p>Period in office as Outside Director of the Company: Yamamoto will have been in office as Outside Director for five (5) years at the conclusion of this meeting.</p>			

No.	Name (Date of birth)	Career summary, position and responsibilities (significant concurrent positions outside the Company)	Number of the Company's shares owned
5	Mamiko Ozaki (January 30, 1955)	<p>April 1999 Associate Professor of Department of Applied Biology, Faculty of Textile Science, Kyoto Institute of Technology</p> <p>April 2006 Professor of Department of Biology, Faculty of Science, Kobe University</p> <p>April 2007 Professor of Department of Biology, Graduate School of Science, Kobe University (present position)</p> <p>January 2016 Chair of Japanese Society for Comparative Physiology and Biochemistry (present position)</p> <p>June 2016 Director of the Company (present position)</p> <p>[Significant concurrent positions outside the Company] Professor, Department of Biology, Graduate School of Science, Kobe University Chair, Japanese Society for Comparative Physiology and Biochemistry</p>	0
<p>Reasons for nomination as a candidate for Outside Director who is an Audit &amp; Supervisory Committee Member: Mamiko Ozaki has been active over many years as a technical researcher. Moreover, she is the first woman to serve as the Chair of the Japanese Society for Comparative Physiology and Biochemistry. The Company proposes her election as an Outside Director who is an Audit &amp; Supervisory Committee Member with the expectation that she will use the professional insights and wealth of experience she has cultivated in the management of the Company. She does not have experience of being involved in the management of companies in ways other than as Outside Director in the past, but we have made the judgment that she can appropriately perform her duties as Outside Director based on the above reasons. Period in office as Outside Director of the Company: Ozaki will have been in office as Outside Director for three (3) years at the conclusion of this meeting.</p>			

Notes:

1. Hiroyuki Yamada is President of Yamada Sangyo Co., Ltd. The Company has a business relationship (e.g., sale of gypsum) with that company.  
In addition, Hitoshi Tanaka is a lawyer belonging to the Yodoyabashi & Yamagami Legal Professional Corporation. The Company has entered into an advisory contract with that corporation. There is no special interest between other candidates and the Company.
2. Among the candidates, Hiroyuki Yamada, Hitoshi Tanaka, Koji Yamamoto and Mamiko Ozaki are candidates for Outside Director. Moreover, the Company has notified the Tokyo Stock Exchange that Hiroyuki Yamada, Hitoshi Tanaka, Koji Yamamoto and Mamiko Ozaki are Independent Officers. The Company plans to notify the stock exchange that Hiroyuki Yamada, Hitoshi Tanaka, Koji Yamamoto and Mamiko Ozaki will continue as Independent Officers.
3. The Company has entered into an agreement with Hiroyuki Yamada, Hitoshi Tanaka, Koji Yamamoto, and Mamiko Ozaki to limit their liability for damages under Article 423, Paragraph 1 of the Companies Act, and limited the maximum amount of their liability for damages based on said Agreement to the amount stipulated in Article 425, Paragraph 1 of the Act when both act in good faith and without gross negligence in the performance of their duties. If the election of Hiroyuki Yamada, Hitoshi Tanaka, Koji Yamamoto, and Mamiko Ozaki is approved, the Company plans to continue this limited liability agreement with them.

**Proposal 5:** Determination of the Amount of Remuneration for Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)

If Proposal 2 “Partial Change to the Articles of Incorporation” is approved as proposed, the Company will switch to being a company with an Audit & Supervisory Committee.

The current amount of remuneration for Directors in the Company was approved as being 310 million yen or less a year at the 142nd Ordinary General Meeting of Shareholders held on June 27, 2008. However, this shall be abolished with the switch to being a company with an Audit & Supervisory Committee. Accordingly, the Company shall determine a new amount of remuneration for Directors (excluding Directors who are Audit & Supervisory Committee Members). We propose that this amount of remuneration shall be 300 million yen or less a year in consideration of the previous amount of remuneration of Directors and various circumstances (e.g., the recent economic climate).

The current number of Directors is nine (9) (of these, two (2) are Outside Directors). The number of Directors (excluding Directors who are Audit & Supervisory Committee Members) in relation to this proposal shall be five (5) (of these, zero (0) will be Outside Directors) if Proposal 2 and Proposal 3 are approved as proposed.

This proposal will take effect on condition that the changes to the Articles of Incorporation in Proposal 2 “Partial Change to the Articles of Incorporation” take effect.



**Proposal 6:** Determination of the Amount of Remuneration for the Directors Who Are Audit & Supervisory Committee Members

If Proposal 2 “Partial Change to the Articles of Incorporation” is approved as proposed, the Company will switch to being a company with an Audit & Supervisory Committee.

Accordingly, the Company proposes that the amount of remuneration for the Directors who are Audit & Supervisory Committee Members shall be 70 million yen or less a year in consideration of various circumstances (e.g., the recent economic climate). The number of Directors who are Audit & Supervisory Committee Members in relation to this proposal shall be five (5) if Proposal 2 and Proposal 4 are approved as proposed.

This proposal will take effect on condition that the changes to the Articles of Incorporation in Proposal 2 “Partial Change to the Articles of Incorporation” take effect.