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(Securities code: 7283)  
May 28, 2021

**To Shareholders with Voting Rights:**

Tokuhisa Nomura  
President  
AISAN INDUSTRY CO., LTD.  
1-1-1 Kyowa-Cho, Obu, Aichi, Japan

## **Notice of the 119th Ordinary General Meeting of Shareholders**

Dear Shareholders,

We would like to express our appreciation for your continued support and patronage.

The 119th Ordinary General Meeting of Shareholders (the “Meeting”) of Aisan Industry Co., Ltd. (the “Company”) will be held for the purposes as described below.

To prevent the spread of COVID-19, we have decided to hold the Meeting while taking appropriate measures to prevent infection similarly to last year.

In order to prevent the spread of infection, we encourage you to exercise your voting rights in writing or via the Internet in advance instead of attending the Meeting.

Please review the attached Reference Documents for the General Meeting of Shareholders, and exercise your voting rights by 5:00 p.m. Japan time on Monday, June 14, 2021.

- 1. Date and Time:** Tuesday, June 15, 2021 at 10:00 a.m. Japan time
- 2. Place:** The Main Building of the Company located at 1-1-1 Kyowa-cho, Obu, Aichi, Japan
- 3. Meeting Agenda:**
  - Matters to be reported:**
    1. The Business Report, Consolidated and Non-consolidated Financial Statements for the Company’s 119th Fiscal Year (April 1, 2020 - March 31, 2021)
    2. Results of audits of the Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Board
  - Proposals to be resolved:**
    - Proposal No. 1:** Appropriation of Surplus
    - Proposal No. 2:** Election of Six (6) Directors
    - Proposal No. 3:** Election of One (1) Audit & Supervisory Board Member
    - Proposal No. 4:** Payment of Bonuses to Directors
    - Proposal No. 5:** Revision of Amount of Remuneration for Directors
    - Proposal No. 6:** Determination of Remuneration for Granting Restricted Stock to Directors (Excluding Outside Directors)

# Reference Documents for the General Meeting of Shareholders

## Proposals and References

### Proposal No. 1: Appropriation of Surplus

The Company strives to respond to the expectation of shareholders by comprehensively taking into account factors such as continued stable dividends, consolidated business performance and consolidated dividend payout ratio.

The Company proposes year-end dividend for the fiscal year under review as follows:

- (1) Type of dividend property  
Cash
- (2) Allotment of dividend property and its total amount  
11 yen per share of the Company's common stock  
Total dividend amount: 692,908,370 yen  
The annual dividend amount including the interim dividend for this fiscal year is 18 yen per share, decreasing by 2 yen year on year.
- (3) Effective date of the distribution of surplus  
June 16, 2021

## Proposal No. 2: Election of Six (6) Directors

The terms of office of all six (6) incumbent Directors will expire at the conclusion of the Meeting. Accordingly, the Company proposes to elect six (6) Directors.

The candidates for Directors are as follows:

No.	Name		Position
1	Tokuhiisa Nomura	[Reappointment]	President
2	Toru Nakane	[Reappointment]	Executive Vice President; Vice President and Executive Officer
3	Akira Morimoto	[Reappointment]	Executive Officer, Member of the Board
4	Shigekazu Kato	[Reappointment]	Executive Officer, Member of the Board
5	Yuichi Oi	[Reappointment]	Director Outside Independent
6	Satoe Tsuge	[Reappointment]	Director Outside Independent

No.	Name (Date of birth)	Career summary, positions and responsibilities at the Company, and significant concurrent positions		Number of the Company's shares held
1	<p>Tokuhisa Nomura (December 16, 1960)</p> <p><u>Reappointment</u></p> <p>Attendance at meetings of the Board of Directors 13 out of 13 (100%)</p>	<p>April 1985 January 2008 January 2012 April 2013</p> <p>April 2016</p> <p>June 2017</p> <p>June 2018</p>	<p>Joined Toyota Motor Corporation General Manager, Vehicle Electronics Design Division General Manager, Electronics Management Division Executive General Manager; Field General Manager, Electronics Technology Field Executive General Manager; Advanced R&amp;D and Engineering Company Executive Vice President; Vice President and Executive Officer, the Company President (to present)</p> <p>[Responsibilities] Chief Executive Officer</p>	17,100
2	<p>Toru Nakane (August 24, 1959)</p> <p><u>Reappointment</u></p> <p>Attendance at meetings of the Board of Directors 13 out of 13 (100%)</p>	<p>April 1980 June 2008 June 2010 June 2012 June 2013 June 2014 June 2017 June 2020</p>	<p>Joined the Company General Manager, Marketing &amp; Sales Department I Director Executive Officer Executive Officer, Member of the Board Managing Executive Officer, Member of the Board Senior Managing Executive Officer, Member of the Board Executive Vice President; Vice President and Executive Officer (to present)</p> <p>[Responsibilities] Assistant to President; Chief Operating Officer</p>	14,900
3	<p>Akira Morimoto (September 26, 1965)</p> <p><u>Reappointment</u></p> <p>Attendance at meetings of the Board of Directors 11 out of 11 (100%)</p>	<p>April 1988 January 2012 April 2015 June 2016 January 2019 June 2020</p>	<p>Joined the Company General Manager, Quality Control Department, Anjo Plant Deputy Plant Manager, Honsha Plant Executive Officer Managing Executive Officer Executive Officer, Member of the Board (to present)</p> <p>[Responsibilities] In charge of Environment, Purchasing and Production</p>	10,300
4	<p>Shigekazu Kato (April 14, 1964)</p> <p><u>Reappointment</u></p> <p>Attendance at meetings of the Board of Directors 11 out of 11 (100%)</p>	<p>April 1987 January 2013 January 2015</p> <p>April 2019 June 2020</p>	<p>Joined Toyota Motor Corporation General Manager, Planning Department, Accounting Division Executive Vice President, Toyota Motor (China) Investment Co., Ltd. Executive Officer, the Company Executive Officer, Member of the Board (to present)</p> <p>[Responsibilities] In charge of Administration and Cost Planning Section; In charge of Dx Process Innovation Dept.</p>	5,000

No.	Name (Date of birth)	Career summary, positions and responsibilities at the Company, and significant concurrent positions	Number of the Company's shares held
5	<p>Yuichi Oi (August 17, 1954)</p> <p>Reappointment Outside Independent</p> <p>Attendance at meetings of the Board of Directors 11 out of 11 (100%)</p>	<p>April 1978      Joined Toyota Tsusho Corporation</p> <p>March 2001      Manager, Global Logistics Management Department</p> <p>April 2006      Executive Officer</p> <p>June 2011      Managing Executive Officer</p> <p>June 2013      Managing Director</p> <p>April 2015      Senior Managing Director</p> <p>April 2017      Senior Managing Executive Officer, Member of the Board</p> <p>June 2017      Representative Director; Vice President and Executive Officer</p> <p>June 2019      Senior Executive Advisor (to present)</p> <p>June 2020      Director, the Company (to present)</p> <p>[Significant concurrent positions] Senior Executive Advisor, Toyota Tsusho Corporation Outside Director, KIMURA UNITY CO., LTD. Outside Corporate Auditor, KYOWA LEATHER CLOTH CO., LTD.</p>	0
6	<p>Satoe Tsuge (March 9, 1968)</p> <p>Reappointment Outside Independent</p> <p>Attendance at meetings of the Board of Directors 13 out of 13 (100%)</p>	<p>April 1990      Joined Tohmatsu &amp; Co. (currently Deloitte Touche Tohmatsu LLC)</p> <p>April 1995      Registered as a certified public accountant</p> <p>January 1999      Representative, Tsuge CPA Office (to present)</p> <p>June 2007      Representative Director, La Vida Planning Co., Ltd. (to present)</p> <p>June 2015      Director, the Company (to present)</p> <p>[Significant concurrent positions] Representative, Tsuge CPA Office Representative Director, La Vida Planning Co., Ltd. Outside Director, HOSHIZAKI CORPORATION</p>	0

- Notes:
- There are no special interests between the Company and any of the candidates.
  - The Company has purchased a directors and officers liability insurance policy from an insurance company as stipulated in Article 430-3, Paragraph 1 of the Companies Act. The policy covers damages arising out of shareholder and third-party claims in connection with the duties of the insured, including the Company's Directors. If each candidate is elected as Director and assumes office, he/she will be the insured under the insurance policy.
  - Information on the candidates for Outside Directors is as follows:
    - Mr. Yuichi Oi and Ms. Satoe Tsuge are candidates for Outside Directors.  
The Company has designated Mr. Yuichi Oi and Ms. Satoe Tsuge as independent directors provided by the Tokyo Stock Exchange and the Nagoya Stock Exchange and notified the Exchanges as such.
    - Reasons for nomination as candidates for Outside Directors:  
Mr. Yuichi Oi has abundant overseas experience and broad knowledge acquired by working for a general trading company, while Ms. Satoe Tsuge has expertise in finance and accounting as a certified public accountant. Therefore, the Company believes that they can provide suggestions and views on overall management in a fair and objective manner.
    - Roles expected from the candidates for Outside Directors:  
The Company expects Mr. Yuichi Oi to mainly strengthen the oversight function in business execution, provide fair and objective suggestions and views on overall management, participate in officer appointment and remuneration decisions, and offer advice on global corporate strategies.  
The Company expects Ms. Satoe Tsuge to mainly strengthen the oversight function in business execution, provide fair and objective suggestions and views on overall management, participate in officer appointment and remuneration decisions, and offer advice on diversity promotion.
    - Years served as Outside Directors of the Company (up to the conclusion of the Meeting)  
Mr. Yuichi Oi: One (1) year  
Ms. Satoe Tsuge: Six (6) years
    - Outline of the liability limitation agreement  
The Company has entered into agreements with Mr. Yuichi Oi and Ms. Satoe Tsuge to limit their liabilities under Article 423, Paragraph 1 of the Companies Act to the amount provided in Article 425, Paragraph 1 of the said Act.

(Reference)

The skills and experiences held by the candidates for Directors of the Company are as follows:

Name	Sales	Technology development	Manufacturing and purchasing	Overseas experience	ESG	IT	Finance and accounting	Human resources and labor
Tokuhisa Nomura		○		○	○			
Toru Nakane	○				○	○		
Akira Morimoto			○		○			
Shigekazu Kato				○	○	○	○	○
Yuichi Oi	○		○	○	○			
Satoe Tsuge					○		○	

### Proposal No. 3: Election of One (1) Audit & Supervisory Board Member

Audit & Supervisory Board Member Mr. Takanori Taga will resign at the conclusion of the Meeting. Accordingly, the Company proposes to elect one (1) Audit & Supervisory Board Member as a substitute to take over his office.

The Company has already obtained consent from the Audit & Supervisory Board in advance with respect to this Proposal.

The candidate for Audit & Supervisory Board Member is as follows:

No.	Name (Date of birth)	Career summary, positions at the Company, and significant concurrent positions		Number of the Company's shares held
1	Yuji Furuta (July 3, 1962)  <div>New Appointment</div> Attendance at meetings of the Board of Directors -  Attendance at meetings of the Audit & Supervisory Board -	April 1981 March 2014  June 2017 January 2019  January 2021	Joined the Company General Manager, General Administration & Human Resources Department General Manager, Corporate Planning Department General Manager, General Administration & Human Resources Department Project Senior Chief, General Administration & Human Resources Department (to present)	1,000

- Notes:
1. There are no special interests between the Company and the candidate.
  2. The Company has purchased a directors and officers liability insurance policy from an insurance company as stipulated in Article 430-3, Paragraph 1 of the Companies Act. The policy covers damages arising out of shareholder and third-party claims in connection with the duties of the insured, including the Company's Audit & Supervisory Board Members. If the candidate is elected as Audit & Supervisory Board Member and assumes office, he will be the insured under the insurance policy.

#### **Proposal No. 4: Payment of Bonuses to Directors**

In consideration of the business performance for the fiscal year under review and other matters, the Company proposes to pay Directors' bonuses of 42,060,000 yen (including 1,600,000 yen for Outside Directors) to six (6) Directors (including two (2) Outside Directors) in office at the end of the fiscal year under review. Bonuses to be paid to Directors were calculated based on the Company's policies to determine remuneration, etc. for Directors and were decided by the Board of Directors following deliberation by the Officer Appointment and Remuneration Committee attended by Outside Directors. The Company, therefore, believes that they are reasonable.

#### **Proposal No. 5: Revision of Amount of Remuneration for Directors**

The amount of remuneration for Directors of the Company is an amount not exceeding 18 million yen per month, as approved at the Ordinary General Meeting of Shareholders held in June 2002. In order to further step up efforts to continuously improve its corporate value, the Company decided to review the director remuneration system and thus proposes to change the remuneration provision for Directors from monthly to annual amount and revise the amount of remuneration for Directors to an amount not exceeding 300 million yen per year (including an amount not exceeding 30 million yen per year for Outside Directors).

Directors' monthly remuneration, which is fixed, and cash bonuses, which are linked to performance, will be paid within the remuneration limit from now on.

Monthly remuneration and cash bonuses are calculated based on Company's policies to determine remuneration, etc. for Directors and are decided by the Board of Directors following deliberation by the Officer Appointment and Remuneration Committee attended by Outside Directors. Accordingly, the Company believes that they are reasonable.



**Proposal No. 6: Determination of Remuneration for Granting Restricted Stock to Directors  
(Excluding Outside Directors)**

The amount of remuneration, etc. for Directors of the Company will be an amount not exceeding 300 million yen per year (including an amount not exceeding 30 million yen per year for Outside Directors) if Proposal No. 5 “Revision of Amount of Remuneration for Directors” is approved and passed as originally proposed.

At this time, the Company proposes to pay remuneration for granting restricted stock to Directors (excluding Outside Directors; hereinafter “Eligible Directors”) of the Company, separately from the above remuneration amount, in order to further foster value sharing with shareholders and to continuously improve its corporate value.

Under this Proposal, the remuneration paid in order to grant restricted stock to Eligible Directors shall be monetary claims, and the total amount thereof shall be an amount not exceeding 25 million yen per year. In addition, the specific timing of payment and allocation to each Eligible Director shall be determined by the Board of Directors.

At present, there are six (6) Directors (including two (2) Outside Directors). Even if Proposal No. 2 “Election of Six (6) Directors” is approved and passed as originally proposed, there will be no change in the number of Directors.

In addition, Eligible Directors shall pay all monetary claims paid to them under this Proposal as property contributed in kind, and shall receive common stock of the Company through issuance or disposal, pursuant to a resolution of the Board of Directors of the Company. The total number of shares of common stock of the Company to be issued or disposed of in this way shall not exceed 30,000 shares per year (however, if, on or after the date of approval and passing of this Proposal, a share split (including a gratis allotment of common stock of the Company) or consolidation of shares is conducted in regard to the Company’s common stock, or if other circumstances arise that necessitate an adjustment to the total number of shares of common stock of the Company to be issued or disposed of as restricted stock, the Company shall adjust the total number of shares within a reasonable range).

The amount to be paid per share shall be an amount determined by the Board of Directors within a range that will not be a particularly advantageous amount for the Eligible Director who will receive the common stock, based on the closing price of the Company’s common stock on the Tokyo Stock Exchange on the business day before the date of each resolution by the Board of Directors (if there are no trades on that day, the closing price on the most recent preceding trading day). Furthermore, for the purposes of such issuance or disposal of common stock of the Company and the payment of monetary remuneration claims as its property contributed in kind, a restricted stock allotment agreement (hereinafter the “Allotment Agreement”) containing the following content shall be entered into between the Company and Eligible Directors. In addition, the Company has determined the maximum amount of remuneration under this Proposal, the total number of shares of common stock of the Company to be issued or disposed of, and other conditions for granting restricted stock to Eligible Directors based on this Proposal, by taking into account the above-mentioned purpose, the Company’s business conditions, policies to determine remuneration, etc. for Directors of the Company (if this Proposal is approved and passed, these policies will be changed to the content described in [Reference] below so that they will be consistent with the approved content), and various other circumstances. The Company, therefore, believes that they are reasonable.

**[Summary of the Allotment Agreement]**

**(1) Transfer restriction period**

During the period from the payment date of common stock of the Company (hereinafter the “Allotted Shares”) to the time immediately after the retirement from the positions that are predetermined by the Board of Directors of the Company (hereinafter the “Transfer Restriction Period”), Eligible Directors shall not transfer, create security interests on, or otherwise dispose of the Allotted Shares (hereinafter the “Transfer Restrictions”).

**(2) Treatment upon retirement**

If an Eligible Director retires from the position of an officer or employee at the Company or a subsidiary of the Company that is predetermined by the Board of Directors of the Company prior to the end of the period predetermined by the Board of Directors of the Company (hereinafter the “Period of Rendering of Services”), the Company shall automatically acquire the Allotted Shares without consideration, unless there is a justifiable reason for the retirement.

**(3) Removal of Transfer Restrictions**

Notwithstanding the provisions of the above item (1), the Company shall remove Transfer Restrictions on all Allotted Shares when the Transfer Restriction Period ends, subject to the Eligible Director serving continuously the position of an officer or employee at the Company or a subsidiary of the Company that is predetermined by the Board of Directors of the Company during the Period of Rendering of Services. However,

if (1) the Eligible Director retires from the position of an officer or employee at the Company or a subsidiary of the Company that is predetermined by the Board of Directors of the Company before the end of the Period of Rendering of Services owing to a justifiable reason, or (2) the Eligible Director retires from the position predetermined by the Board of Directors of the Company for a reason other than a justifiable reason before the end of the Transfer Restriction Period, even after the end of the Period of Rendering of Services, the Company may reasonably adjust the number of Allotted Shares from which Transfer Restrictions are to be removed, as necessary. In addition, the Company shall automatically acquire Allotted Shares whose Transfer Restrictions have not been removed without consideration, immediately after the removal of Transfer Restrictions in accordance with the above provisions.

(4) Treatment in organizational restructuring, etc.

Notwithstanding the provisions of the above item (1), if, during the Transfer Restriction Period, a merger agreement where the Company will be the disappearing company, share exchange agreement or share transfer plan where the Company will become a wholly owned subsidiary, or other event related to organizational restructuring, etc. is approved at the General Meeting of Shareholders of the Company (however, this shall be the Board of Directors of the Company if the organizational restructuring, etc. does not require approval by the General Meeting of Shareholders of the Company), the Company shall, with a resolution of the Board of Directors, remove Transfer Restrictions ahead of the effective date of the organizational restructuring, etc. on a reasonably determined number of Allotted Shares, taking into consideration the period from the start date of the Transfer Restriction Period to the approval date of the organizational restructuring, etc. In addition, in cases provided for above, the Company shall automatically acquire any Allotted Shares whose Transfer Restrictions have not been removed without consideration, immediately after the removal of Transfer Restrictions.

(5) Other matters

Other matters related to the Allotment Agreement shall be determined by the Board of Directors of the Company.

[Reference]

Director remuneration system when Proposal No. 6 is approved

Under the Company's new remuneration system, remuneration for Directors shall consist of "monthly remuneration (fixed remuneration)," "cash bonus (short-term incentive)," and "restricted stock remuneration (medium- to long-term incentive)," and its breakdown shall be approximately 60% monthly remuneration, 30% cash bonus, and 10% restricted stock remuneration.

Outside Directors will not be paid stock remuneration because they play a role of monitoring and overseeing management from an independent standpoint.

Monthly remuneration, cash bonuses and restricted stock remuneration for Directors will be determined by the Board of Directors following reporting from the Officer Appointment and Remuneration Committee.