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(Stock Exchange Code 4095)  
June 11, 2019

**To Shareholders with Voting Rights:**

Kazuichi Satomi  
Chairman  
Nihon Parkerizing Co., Ltd.  
1-15-1 Nihonbashi, Chuo-ku, Tokyo

**NOTICE OF CONVOCATION OF  
THE 134th ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

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

You are cordially invited to attend the 134th Annual General Meeting of Shareholders of Nihon Parkerizing Co., Ltd. (the "Company"). The meeting will be held for the purposes described below.

If you are unable to attend the meeting, you may exercise your voting rights in writing by mailing the Voting Rights Exercise Form, or via the Internet, etc. Please review the attached Reference Documents for the General Meeting of Shareholders, and exercise your voting rights, no later than 5:15 p.m. Japan time on June 26, 2019.

- 1. Date and Time:** Thursday, June 27, 2019 at 10:00 a.m. Japan time
- 2. Place:** Conference room on the 2nd floor of the Parker Building located at 1-15-1, Nihonbashi, Chuo-ku, Tokyo, Japan
- 3. Agenda:**
  - Matters to be reported:**
    1. The Business Report, Consolidated Financial Statements for the Company's 134th Fiscal Year (April 1, 2018 - March 31, 2019) and results of audits by the Accounting Auditor and the Audit and Supervisory Committee of the Consolidated Financial Statements
    2. Non-consolidated Financial Statements for the Company's 134th Fiscal Year (April 1, 2018 - March 31, 2019)

**Proposals to be resolved:**

- Proposal No. 1:** Appropriation of Surplus
- Proposal No. 2:** Election of 7 Directors (Excluding Directors Who Serve as Audit and Supervisory Committee Members)
- Proposal No. 3:** Election of 3 Directors Who Serve as Audit and Supervisory Committee Members
- Proposal No. 4:** Election of 1 Substitute Director Who Serves as Audit and Supervisory Committee Member
- Proposal No. 5:** Election of Accounting Auditor

- \* When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk.
- \* Of the documents to be provided along with this Notice of the General Meeting of Shareholders, Notes to Consolidated Financial Statements and Notes to Non-consolidated Financial Statements are posted on the Company's website (<https://www.parker.co.jp/>) on the Internet, in accordance with provisions of laws and regulations as well as Article 16 of the Company's Articles of Incorporation and therefore are not included in the attachments to this Notice.

The attachments to this Notice of the General Meeting of Shareholders and the documents posted on the above website are the documents audited by the Audit and Supervisory Committee and the Accounting Auditor when preparing the Audit Report and Independent Auditor's Report, respectively.

- \* Any revisions to the Reference Documents for the General Meeting of Shareholders or their attachments will be posted on the Company's website (<https://www.parker.co.jp/>) on the Internet.

# Reference Documents for the General Meeting of Shareholders

## Proposals and References

### Proposal No. 1: Appropriation of Surplus

The Company deems returning profits to shareholders as one of its important management issues, and it determines the distribution of profits by comprehensively considering performance trends, payout ratio, and the level of internal reserves necessary for future business development.

We will strive to meet our shareholders' expectations by continuing to pay stable dividends with consideration for future business development and revenue levels, aiming for a consolidated dividend payout ratio of around 20%.

Based on the dividend policy described above, we plan to appropriate surplus in the fiscal year under review as follows.

We propose to pay a year-end dividend for the fiscal year under review of 11 yen per share described below, considering our consolidated business performance and other factors. As a result, the annual dividend including the interim dividend will be 22 yen per share.

#### 1. Items concerning year-end dividend

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

Cash

##### (2) Items concerning allocation of dividend property to shareholders and the total amount thereof

11 yen per share of common stock in the Company

Total amount: 1,353,588,863 yen

##### (3) Effective date of appropriation of surplus

June 28, 2019

#### 2. Matters concerning appropriation of surplus

##### (1) Items of surplus to be increased and the amount thereof

General reserve: 6,300,000,000 yen

##### (2) Items of surplus to be decreased and the amount thereof

Retained earnings brought forward: 6,300,000,000 yen

**Proposal No. 2: Election of 7 Directors (Excluding Directors Who Serve as Audit and Supervisory Committee Members)**

The terms of office of all 8 Directors (excluding Directors who serve as Audit and Supervisory Committee Members) will expire at the conclusion of this year's Annual General Meeting of Shareholders. Accordingly, the election of 7 Directors (excluding Directors who serve as Audit and Supervisory Committee Members) is proposed.

The candidates for Directors (excluding Directors who serve as Audit and Supervisory Committee Members) are as follows.

| No. | Name<br>(Date of birth)               | Past experience, position in the Company, areas of responsibility and significant concurrent positions  | Number of shares of the Company held |
|-----|---------------------------------------|---|--------------------------------------|
| 1   | Kazuichi Satomi<br>(December 8, 1947) | April 1985      Joined the Company<br>July 1987      Director of the Company<br>January 2000    Managing Director of the Company<br>June 2003      Senior Managing Director of the Company<br>June 2005      Vice President of the Company<br>April 2011      President of the Company<br>June 2017      Chairman of the Company (to present)   | 438,866                              |
|     |                                       | [Reason for nomination as candidate for Director]<br>Mr. Kazuichi Satomi has led overall management of the Company for many years since taking office as Director in 1987. We have deemed that he is an appropriate person to continue supervising the execution of business and enhance the corporate value of the Company, based on these experiences and achievements. Therefore, we nominate him as a candidate for Director.   |                                      |
| 2   | Kentarō Sato<br>(January 7, 1946)     | April 1971      Joined the Company<br>April 1998      General Manager of Chukyo Technical Center, Chemicals Div. of the Company<br>June 2003      President of Thai Parkerizing Co., Ltd.<br>June 2015      Vice President of the Company<br>June 2017      President of the Company (to present)   | 8,800                                |
|     |                                       | [Reason for nomination as candidate for Director]<br>Mr. Kentarō Sato has extensive expertise and advanced insight into technological development for the chemicals business, and has been responsible for management of the Company and our overseas group companies. We have deemed that he is an appropriate person to continue supervising the execution of business and enhance the corporate value of the Company, based on these experiences and achievements. Therefore, we nominate him as a candidate for Director. |                                      |
| 3   | Hayato Hosogane<br>(March 23, 1960)   | April 1983      Joined the Company<br>November 2012    Department Manager of Chukyo Dept., Chemicals Div. of the Company<br>June 2015      Director of the Company and President of Thai Parkerizing Co., Ltd.<br>April 2019      Director and General Manager of Corporate Planning Div. of the Company (to present)   | 10,700                               |
|     |                                       | [Reason for nomination as candidate for Director]<br>Mr. Hayato Hosogane has been responsible for management of our overseas group companies, drawing on his sales experience in the chemicals business. We have deemed that he is an appropriate person to continue to take charge of management of the Company, based on these experiences and achievements. Therefore, we nominate him as a candidate for Director.  |                                      |

| No.    | Name<br>(Date of birth)                               | Past experience, position in the Company, areas of responsibility and significant concurrent positions  | Number of shares of the Company held |
|--------|---|---|--------------------------------------|
| 4      | Hiroyasu Tamura<br>(June 5, 1960)                     | April 1983      Joined the Company<br>December 2009      General Manager of Accounting Dept. of the Company<br>June 2015      Director and General Manager of Administration Div. of the Company (to present)   | 17,900                               |
|        |   | [Reason for nomination as candidate for Director]<br>Mr. Hiroyasu Tamura has a wealth of business experience in the finance and accounting fields, and oversees the Administration Division. We have deemed that he is an appropriate person to continue to take charge of management of the Company, based on these experiences and achievements. Therefore, we nominate him as a candidate for Director.  |                                      |
| 5      | Masayuki Yoshida<br>(August 9, 1962)                  | April 1987      Joined the Company<br>October 2006      General Manager of First Product Development and Research Center, Central Research Laboratories of the Company<br>April 2012      General Manager of First Research Center, Central Research Laboratories of the Company<br>June 2013      President of PARKER SURFACE TECHNOLOGIES (SHANGHAI) CO., LTD.<br>June 2017      Director and General Manager of Central Research Laboratories of the Company<br>April 2018      Director and General Manager of Technical Div./Central Research Laboratories of the Company (to present) | 3,766                                |
|        |   | [Reason for nomination as candidate for Director]<br>Mr. Masayuki Yoshida has extensive expertise and advanced insight into technological development in the chemicals business, and is overseeing the Technical Division. We have deemed that he is an appropriate person to continue to take charge of management of the Company, based on these experiences and achievements. Therefore, we nominate him as a candidate for Director.  |                                      |
| *<br>6 | Shimako Emori<br>(October 28, 1965)<br><u>Outside</u> | October 2002      Registered as Attorney-at-law<br>June 2003      Established Emori Law Office<br>September 2004      Registered as Patent Attorney<br>March 2009      Established Ocean Law Offices (to present)<br>April 2009      Associate Professor of Komazawa University Law School<br>April 2017      Professor of Komazawa University Law School (to present)  | 0                                    |
|        |   | [Reason for nomination as candidate for Outside Director]<br>Ms. Shimako Emori has expertise and a wealth of experience as an attorney-at-law. We have deemed that she will be able to provide appropriate advice for strengthening the supervisory functions against the Board of Directors and compliance structure. Although she has never been involved in corporate management other than as an outside officer, we nominate her as a candidate for Outside Director, based on the reasons stated above.   |                                      |
| *<br>7 | Tatsuya Mori<br>(March 25, 1968)<br><u>Outside</u>    | December 2002      Joined Aozora Bank, Ltd.<br>July 2006      Joined Japan Asia Investment Company, Limited<br>May 2010      Joined New Horizon Capital Co., Ltd.<br>November 2012      Established Office-Prifiss (to present)   | 0                                    |
|        |   | [Reason for nomination as candidate for Outside Director]<br>Mr. Tatsuya Mori has a wealth of experience and extensive knowledge in corporate management gained through his involvement in the management of several business corporations as a management consultant. We have deemed that he will be able to provide appropriate advice for strengthening the supervisory functions of the Board of Directors and corporate governance structure. Therefore, we nominate him as a candidate for Outside Director.  |                                      |

(Notes) 1. Candidates marked with an asterisk (\*) are newly nominated for the position.

2. There are no special conflicts of interest between the candidates and the Company.

3. Ms. Shimako Emori and Mr. Tatsuya Mori are candidates for Outside Directors and for independent officers as stipulated under the regulations of Tokyo Stock Exchange, Inc.

4. Limited liability agreement

If the appointment of Ms. Shimako Emori and Mr. Tatsuya Mori is approved, the Company intends to enter into a limited liability agreement with them, pursuant to Article 427, Paragraph 1, of the Companies Act and the provisions of the Articles of Incorporation of the Company.

### Proposal No. 3: Election of 3 Directors Who Serve as Audit and Supervisory Committee Members

The terms of office of all 4 Directors who serve as Audit and Supervisory Committee Members will expire at the conclusion of this year's Annual General Meeting of Shareholders. Accordingly, the election of 3 Directors who serve as Audit and Supervisory Committee Members is proposed.

The approval of the Audit and Supervisory Committee has been obtained for this proposal.

The candidates for Directors who serve as Audit and Supervisory Committee Members are as follows.

| No.    | Name<br>(Date of birth)  | Past experience, position, areas of responsibility and significant concurrent positions |  | Number of shares of the Company held |
|--------|--|---|--|--------------------------------------|
| 1      | Mitsuru Matsumoto<br>(July 9, 1947)<br><u>Outside</u>  | April 1974  | Joined NIPPON STEEL CORPORATION (currently NIPPON STEEL CORPORATION)   | 0                                    |
|        |  | September 1997  | Joined Nippon Steel Information and Communication Systems Inc. (currently NS Solutions Corporation)                            |                                      |
|        |  | March 2004  | Joined Nittetsu Hitachi Systems Engineering, Inc.  |                                      |
|        |  | April 2005  | Deputy General Manager of Sales Administration Div. of Nittetsu Hitachi Systems Engineering, Inc.                              |                                      |
|        |  | June 2017   | Outside Director (Audit and Supervisory Committee Member) of the Company (to present)  |                                      |
|        | [Reason for nomination as candidate for Outside Director who serves as Audit and Supervisory Committee Member]<br>Mr. Mitsuru Matsumoto has a wealth of experience in the fields of information processing and system development, and has been appropriately executing his duty as an Audit and Supervisory Committee Member of the Company. We have deemed that he is able to continue to appropriately execute his duty as an Audit and Supervisory Committee Member from an independent standpoint, based on these experiences and achievements. Although he has never been involved in corporate management other than in the position of outside officer, we nominate him as a candidate for Outside Director who serves as Audit and Supervisory Committee Member, based on the reasons stated above. |   |  |                                      |
| *<br>2 | Masaharu Kubota<br>(May 20, 1958)<br><u>Outside</u>  | April 1989  | Registered as Attorney-at-law<br>Joined Daini Tokyo Bar Association  | 0                                    |
|        |  | April 1990  | Chief of Jingumae Law Office (to present)  |                                      |
|        | [Reason for nomination as candidate for Outside Director who serves as Audit and Supervisory Committee Member]<br>Mr. Masaharu Kubota has expertise and a wealth of experience as an attorney-at-law. We have deemed that he is able to appropriately execute his duty as an Audit and Supervisory Committee Member from an independent standpoint. Although he has never been involved in corporate management directly, we nominate him as a candidate for Outside Director who serves as Audit and Supervisory Committee Member, based on the reasons stated above.   |   |  |                                      |
| *<br>3 | Koji Chika<br>(June 16, 1962)<br><u>Outside</u>  | March 2013  | Executive Officer and General Manager of Marketing Planning Dept. of Nippon Life Insurance Company                             | 0                                    |
|        |  | March 2015  | Executive Officer and Deputy General Manager of Customer Service Headquarters of Nippon Life Insurance Company                 |                                      |
|        |  | March 2017  | Managing Executive Officer and General Manager of Head Office Osaka Corporate Marketing Dept. of Nippon Life Insurance Company |                                      |
|        |  | April 2019  | Representative Director and Vice President of SEIWA BUSINESS LINK CO. LTD (to present)   |                                      |
|        | [Reason for nomination as candidate for Outside Director who serves as Audit and Supervisory Committee Member]<br>Mr. Koji Chika has a wealth of experience and extensive knowledge in corporate management. We have deemed that he is able to appropriately execute his duty as an Audit and Supervisory Committee Member from an independent standpoint. Therefore, we nominate him as a candidate for Outside Director who serves as Audit and Supervisory Committee Member.  |   |  |                                      |

(Notes) 1. Candidates marked with an asterisk (\*) are newly nominated for the position.

2. There are no special conflicts of interest between the candidates and the Company.

3. Mr. Mitsuru Matsumoto, Mr. Masaharu Kubota, and Mr. Koji Chika are candidates for Outside Directors. The Company has designated Mr. Mitsuru Matsumoto as an independent officer as stipulated under the regulations of Tokyo Stock Exchange, Inc., and registered him as such at the exchange. If his election is approved, the Company intends to continue his designation as an independent officer. In addition, if the election of Mr. Masaharu Kubota and Mr. Koji Chika is approved, the Company intends to newly designate them as independent officers.

4. Mr. Mitsuru Matsumoto is currently serving as Outside Director who serves as Audit and Supervisory Committee Member of the Company. He will have held the position thereof for two years at the conclusion of this year's Annual General Meeting of Shareholders.

5. Limited liability agreement

Pursuant to Article 427, Paragraph 1 of the Companies Act and the provisions of the Articles of Incorporation of the Company, the Company has entered into a limited liability agreement with Mr. Mitsuru Matsumoto to limit his liability for damages prescribed under Article 423, Paragraph 1 of the Companies Act. If his election is approved, the Company intends to continue the said agreement with him. In addition, if the election of Mr. Masaharu Kubota and Mr. Koji Chika is approved, the Company intends to enter into the same limited liability agreement with them.

**Proposal No. 4: Election of 1 Substitute Director Who Serves as Audit and Supervisory Committee Member**

In order to prepare for a contingency in which the number of Directors who serve as Audit and Supervisory Committee Members falls short of the requisite number stipulated by laws and regulations, the election of 1 substitute Director who serves as Audit and Supervisory Committee Member is proposed.

The approval of the Audit and Supervisory Committee has been obtained for this proposal.

The candidate for substitute Director who serves as Audit and Supervisory Committee Member is as follows.

| Name<br>(Date of birth)  | Past experience, position, areas of responsibility and significant concurrent positions  | Number of shares of the Company held |
|--|--|--------------------------------------|
| Junichi Tosaka<br>(August 8, 1945)   | April 1969      Joined Mitsui Bank (currently Sumitomo Mitsui Banking Corporation)<br>June 1997      Director of Parker Netsushori Kogyo Co., Ltd<br>June 2011      Representative Director and President of Yuugen Co., Ltd.<br>June 2018      Advisor of Yuugen Co., Ltd. (to present) | 700                                  |
| [Reason for nomination as candidate for substitute Director who serves as Audit and Supervisory Committee Member]<br>Mr. Junichi Tosaka has a wealth of experience and extensive knowledge in corporate management. We have deemed that he is able to appropriately execute his duty as an Audit and Supervisory Committee Member. Therefore, we nominate him as a candidate for substitute Director who serves as Audit and Supervisory Committee Member. |  |                                      |

(Note) There are no special conflicts of interest between the candidate and the Company.

**Proposal No. 5: Election of Accounting Auditor**

Crowe Toyo & Co., the current Accounting Auditor of the Company, will leave the position at the conclusion of this year’s Annual General Meeting of Shareholders due to the expiration of its term of office. Accordingly, it is proposed to newly elect PricewaterhouseCoopers Aarata LLC as Accounting Auditor in accordance with the resolution by the Audit and Supervisory Committee.

The reason why the Audit and Supervisory Committee nominated PricewaterhouseCoopers Aarata LLC is that considering that the current Accounting Auditor has been in its position for many years, the replacement of the Accounting Auditor is expected to bring about an effective audit from a new point of view. In addition, under the Third Medium-term Management Plan, we have examined Accounting Auditor candidates that have established global audit structures, and we have deemed that PricewaterhouseCoopers Aarata LLC is an appropriate auditing firm in terms of its expertise, independence, and quality control structure.

The candidate for Accounting Auditor is as follows.

(As of March 31, 2019)

|                          |   |  |       |
|--------------------------|---|--|-------|
| Name                     | PricewaterhouseCoopers Aarata LLC                         |  |       |
| Location of major office | Otemachi Park Building, 1-1-1 Otemachi, Chiyoda-ku, Tokyo |  |       |
| Corporate history        | June 2006   | Establishment of PricewaterhouseCoopers Aarata (Joined the PricewaterhouseCoopers (PwC) network as a member firm)      |       |
|                          | July 2015   | Changed the corporate name to PwC Aarata institution   |       |
|                          | July 2016   | Converted to a limited liability audit corporation.<br>Changed the corporate name to PricewaterhouseCoopers Aarata LLC |       |
| Overview                 | Capital   | ¥1.0 billion   |       |
|                          | Composition of personnel                                  | Partners   | 149   |
|                          |   | CPAs   | 917   |
|                          |   | Assistant CPAs and those who passed all subjects of exams  | 604   |
|                          |   | U.S. CPAs and other specialists  | 968   |
| Clerks                   | 610   |  |       |
|                          | Total   |  | 3,248 |