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(Stock Exchange Code 4095)
June 11, 2020

To Shareholders with Voting Rights:

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

**NOTICE OF CONVOCATION OF
THE 135th ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

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

We are pleased to notify you that the 135th Annual General Meeting of Shareholders of Nihon Parkerizing Co., Ltd. (the "Company") will be held for the purposes described below.

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 25, 2020.

- 1. Date and Time:** Friday, June 26, 2020 at 10:00 a.m. Japan time (Reception opens at 9:00 a.m.)
- 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 135th Fiscal Year (April 1, 2019 - March 31, 2020) 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 135th Fiscal Year (April 1, 2019 - March 31, 2020)

Proposals to be resolved:

- Proposal No. 1:** Appropriation of Surplus
- Proposal No. 2:** Election of 6 Directors (Excluding Directors Who Serve as Audit and Supervisory Committee Members)
- Proposal No. 3:** Election of 1 Director Who Serves as Audit and Supervisory Committee Member
- Proposal No. 4:** Election of 1 Substitute Director Who Serves as Audit and Supervisory Committee Member
- Proposal No. 5:** Determination of the Amount of Performance-based Stock Compensation for Directors (Excluding Directors Who Serve as Audit and Supervisory Committee Members and Outside Directors)

- * 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 25%.

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

To further enhance the return of profits to shareholders, we propose to pay a year-end dividend for the fiscal year under review of 13 yen per share described below. As a result, the annual dividend including the interim dividend will be 24 yen per share, a 2-yen increase from the previous fiscal year.

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

13 yen per share of common stock in the Company

Total amount: 1,580,968,571 yen

(3) Effective date of appropriation of surplus

June 29, 2020

2. Matters concerning appropriation of surplus

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

General reserve: 2,500,000,000 yen

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

Retained earnings brought forward: 2,500,000,000 yen

Proposal No. 2: Election of 6 Directors (Excluding Directors Who Serve as Audit and Supervisory Committee Members)

The terms of office of all 7 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 6 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	Position in the Company and areas of responsibility	Attendance at the Board of Directors meetings		
1	Reappointment Kazuichi Satomi	Chairman	100% (12/12)		
2	Reappointment Hiroyasu Tamura	Director and General Manager of Administration Div.	100% (12/12)		
3	Reappointment Masayuki Yoshida	Director and General Manager of Technical Div./Central Research Laboratories	100% (12/12)		
4	New appointment Mitsuru Matsumoto	Outside Director (Audit and Supervisory Committee Member)	100% (12/12)		
5	Reappointment Shimako Emori	<table border="1" style="display: inline-table; vertical-align: middle;"><tr><td>Outside</td></tr><tr><td>Independent</td></tr></table> Outside Director (Independent officer)	Outside	Independent	100% (10/10)
Outside					
Independent					
6	Reappointment Tatsuya Mori	<table border="1" style="display: inline-table; vertical-align: middle;"><tr><td>Outside</td></tr><tr><td>Independent</td></tr></table> Outside Director (Independent officer)	Outside	Independent	90% (9/10)
Outside					
Independent					

(Notes) 1. There are no special conflicts of interest between the candidates and the Company.

2. Ms. Shimako Emori and Mr. Tatsuya Mori are candidates for Outside Directors. The Company has designated them as independent officers as stipulated under the regulations of Tokyo Stock Exchange, Inc., and registered them as such at the exchange. If their elections are approved, the Company intends to continue their designation as independent officers.

3. Ms. Shimako Emori and Mr. Tatsuya Mori are currently serving as Outside Directors of the Company. They will have held the position thereof for one year at the conclusion of this year's Annual General Meeting of Shareholders.

4. 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 limited liability agreements with Ms. Shimako Emori and Mr. Tatsuya Mori to limit their liability for damages prescribed under Article 423, Paragraph 1 of the Companies Act. If their elections are approved, the Company intends to continue the said agreements with them.

5. Mr. Mitsuru Matsumoto is currently serving as Director who serves as Audit and Supervisory Committee Member of the Company. He is scheduled to resign from office as Director who serves as Audit and Supervisory Committee Member at the conclusion of this year's Annual General Meeting of Shareholders.

No.	Name (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 (December 8, 1947) <u>Reappointment</u>	April 1985	Joined the Company	438,866
		July 1987	Director of the Company	
		January 2000	Managing Director of the Company	
June 2003	Senior Managing Director of the Company			
June 2005	Vice President of the Company			
April 2011	President of the Company			
		June 2017	Chairman of the Company (to present)	
		Attendance at the Board of Directors meetings		100% (12/12)
		[Reason for nomination as candidate for Director] 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	Hiroyasu Tamura (June 5, 1960) <u>Reappointment</u>	April 1983	Joined the Company	17,900
		December 2009	General Manager of Accounting Dept. of the Company	
		June 2015	Director and General Manager of Administration Div. of the Company (to present)	
Attendance at the Board of Directors meetings		100% (12/12)		
[Reason for nomination as candidate for Director] 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.				
3	Masayuki Yoshida (August 9, 1962) <u>Reappointment</u>	April 1987	Joined the Company	
		April 2012	General Manager of First Research Center, Central Research Laboratories of the Company	
		June 2013	President of PARKER SURFACE TECHNOLOGIES (SHANGHAI) CO., LTD.	
June 2017	Director and General Manager of Central Research Laboratories of the Company			
April 2018	Director and General Manager of Technical Div./Central Research Laboratories of the Company (to present)			
		Attendance at the Board of Directors meetings		100% (12/12)
		[Reason for nomination as candidate for Director] 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.		

No.	Name (Date of birth)	Past experience, position in the Company, areas of responsibility and significant concurrent positions	Number of shares of the Company held
4	Mitsuru Matsumoto (July 9, 1947) <u>New appointment</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. May 2013 Retired from Nittetsu Hitachi Systems Engineering, Inc. June 2017 Outside Director (Audit and Supervisory Committee Member) of the Company (to present)	
Attendance at the Board of Directors meetings		100% (12/12)	
[Reason for nomination as candidate for Director] Mr. Mitsuru Matsumoto has appropriately executed his duty as an Audit and Supervisory Committee Member of the Company and made efforts to improve the corporate governance and compliance structure. We have deemed that he is an appropriate person to supervise 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.			
5	Shimako Emori (October 28, 1965) <u>Reappointment</u> <u>Outside</u> <u>Independent</u>	October 2002 Registered as Attorney-at-law	0
		June 2003 Established Emori Law Office	
		September 2004 Registered as Patent Attorney March 2009 Established Ocean Law Offices (to present) April 2009 Associate Professor of Komazawa University Law School April 2017 Professor of Komazawa University Law School June 2019 Outside Director of the Company (to present)	
Attendance at the Board of Directors meetings		100% (10/10)	
[Reason for nomination as candidate for Outside Director] Ms. Shimako Emori has expertise and a wealth of experience as an attorney-at-law. We have deemed that she will be able to continue 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.			
6	Tatsuya Mori (March 25, 1968) <u>Reappointment</u> <u>Outside</u> <u>Independent</u>	December 2002 Joined Aozora Bank, Ltd.	0
		July 2006 Joined Japan Asia Investment Company, Limited	
		May 2010 Joined New Horizon Capital Co., Ltd. November 2012 Established Office-Prifiss (to present) June 2019 Outside Director of the Company (to present)	
Attendance at the Board of Directors meetings		90% (9/10)	
[Reason for nomination as candidate for Outside Director] 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 continue 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.			

Proposal No. 3: Election of 1 Director Who Serves as Audit and Supervisory Committee Member

Director who serves as Audit and Supervisory Committee Member, Mr. Mitsuru Matsumoto will resign from office at the conclusion of this year's Annual General Meeting of Shareholders. Accordingly, the election of 1 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 Director who serves as Audit and Supervisory Committee Member is as follows.

Name (Date of birth)	Past experience, position, areas of responsibility and significant concurrent positions	Number of shares of the Company held
Hayato Hosogane (March 23, 1960) New appointment	April 1983 Joined the Company November 2012 Department Manager of Chukyo Dept., Chemicals Div. of the Company June 2015 Director of the Company and President of Thai Parkerizing Co., Ltd. April 2019 Director and General Manager of Corporate Planning Div. of the Company (to present)	10,700
Attendance at the Board of Directors meetings	100% (12/12)	
[Reason for nomination as candidate for Director who serves as Audit and Supervisory Committee Member] Mr. Hayato Hosogane has been responsible for management of the entire Group as the President of our overseas group company and General Manager of Corporate Planning Division of the Company. We have deemed that he is able to appropriately execute his duty as an Audit and Supervisory Committee Member, based on these experiences and achievements. Therefore, we nominate him as a candidate for 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. 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 (Date of birth)	Past experience, position, areas of responsibility and significant concurrent positions	Number of shares of the Company held
Toshio Yamazaki Outside Independent	April 1984 Joined PARKER CORPORATION June 2008 Director of PARKER CORPORATION June 2019 Advisor of PARKER CORPORATION March 2020 Retired from PARKER CORPORATION (to present)	0
[Reason for nomination as candidate for substitute Outside Director who serves as Audit and Supervisory Committee Member] Mr. Toshio Yamazaki has a wealth of experience and extensive knowledge in the fields of finance, general affairs, and human resources. 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 Outside Director who serves as Audit and Supervisory Committee Member.		

- (Notes)
1. There are no special conflicts of interest between the candidate and the Company.
 2. Mr. Toshio Yamazaki is a candidate for substitute Outside Director who serves as Audit and Supervisory Committee Member.
 3. If Mr. Toshio Yamazaki assumes office as Director who serves as Audit and Supervisory Committee Member, the Company intends to register him as an independent officer with Tokyo Stock Exchange, Inc.
 4. Limited liability agreement
 If Mr. Toshio Yamazaki assumes office as Director who serves as Audit and Supervisory Committee Member, pursuant to Article 427, Paragraph 1 of the Companies Act and the provisions of the Articles of Incorporation of the Company, the Company intends to enter into a limited liability agreement with him to limit his liability for damages prescribed under Article 423, Paragraph 1 of the Companies Act.

Proposal No. 5: Determination of the Amount of Performance-based Stock Compensation for Directors (Excluding Directors Who Serve as Audit and Supervisory Committee Members and Outside Directors)

1. Reasons for the proposal and reasonable grounds for such proposal

The introduction of the Performance-based Stock Compensation Plan for Directors (excluding Outside Directors) (the “Plan”) of the Company was approved at the 131st Annual General Meeting of Shareholders held on June 29, 2016, and the Plan has been adopted up to the present time. In conjunction with the transition to a company with an Audit and Supervisory Committee and introduction of an executive officer system, the Company proposes to abolish the current portion of the compensation for Directors under the Plan, and determine the said portion again for Directors (excluding Directors Who Serve as Audit and Supervisory Committee Members and Outside Directors) and Executive Officers (collectively, the “Directors, etc.”) under the Plan.

We believe that this proposal is reasonable because it is being made for the procedure associated with the transition to a company with an Audit and Supervisory Committee, and the compensation proposed is practically the same as that already approved. We propose that details of the Plan be entrusted to the Board of Directors within the framework specified in 2. below.

At this time, the number of Directors eligible for the Plan is five. If Proposal No. 2 is approved as originally proposed, the number of Directors eligible for the Plan will be four.

2. Amount of compensation, etc. and other information under the Plan

(1) Overview of the Plan

The Plan is a performance-based stock compensation plan whereby shares of the Company are acquired through a trust using funds contributed by the Company and shares of the Company and cash equivalents of the shares at their market value (the “Company’s Shares, etc.”) are provided to the Directors, etc. through the trust in accordance with the Rules on Officers’ Stock Compensation established by the Board of Directors. In principle, the timing at which Directors, etc. receive the Company’s Shares, etc. shall be upon their retirement from the position of Directors, etc.

(2) Amount to be contributed to the trust by the Company (amount of compensation, etc.)

The Company shall continue the Plan applicable to the three fiscal years from the fiscal year ended March 2020 to the fiscal year ending March 2022 (hereinafter the period of the three fiscal years concerned and each three-fiscal year period that begins after the three-year fiscal period has passed is referred to as the “Applicable Period”) and each subsequent Applicable Period. With regard to the first Applicable Period, in order to provide benefits to Directors, etc. based on the Plan, up to 240 million yen (of which 120 million yen for Directors) shall be contributed to the trust as funds to acquire the necessary shares in advance.

In addition, after the first Applicable Period and during the time until the Plan ends, the Company shall make, for each Applicable Period, an additional contribution to the trust of up to 240 million yen (of which 120 million yen for Directors) as funds to acquire the said shares.

However, in the case when such an additional contribution is made, on the last day of the previous Applicable Period when the additional contribution is made, if there are remaining Company’s shares (excluding the Company’s shares equivalent to the number of points granted to Directors, etc. and not yet provided to the Directors, etc.) and cash (the “Remaining Shares, etc.”) in the trust, the value of the Remaining Shares, etc. (the market value on the last day of the previous Applicable Period is used for shares) and the total amount of cash for additional contribution shall be within the upper limit approved by this General Meeting of Shareholders.

(3) Acquisition method of the Company’s shares

The acquisition of the Company’s shares via the trust shall be made through the stock market or by underwriting the disposal of the Company’s treasury stock.

(4) Specific contents of the Company's Shares, etc. provided to the Directors, etc.

The Company shall grant the Directors, etc. the number of points calculated in consideration of consolidated performance in each fiscal year, based on the base points for each position provided according to the duties, responsibilities, and other matters of the Directors, etc.

The total number of points granted to the Directors, etc. for one fiscal year shall not exceed 80,000 points (of which 40,000 points for Directors).

With regard to the provision of the Company's Shares, etc. in (5) below, the points granted to the Directors, etc. are converted at a ratio of one share of the Company's common stock per point. However, if the Company's shares are subject to a share split, share allotment without contribution, or share consolidation after the approval of this proposal, according to the ratio thereof, a rational adjustment shall be made to the maximum number of points and the number of the points already granted, or the conversion ratio.

(5) Timing of provision to Directors, etc.

When the Directors, etc. retire from office and fulfill the beneficiary requirements stipulated in the Rules on Officers' Stock Compensation, the Directors, etc. may receive, after retiring from office in principle, the number of the Company's shares from the trust corresponding to the number of points granted that were accumulated until the time of retirement by completing the prescribed beneficiary determination procedure. When fulfilling the beneficiary requirements stipulated in the Rules on Officers' Stock Compensation, the Directors, etc. may receive, up to a certain ratio, payment of a monetary amount equivalent to the market value of the Company's shares instead of receiving such shares. In addition, the trust may sell the Company's shares to fund monetary payments.