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(Stock Exchange Code 4095)  
June 13, 2022

**To Shareholders with Voting Rights:**

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

## **NOTICE OF CONVOCATION OF THE 137th 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 137th 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 28, 2022.

**1. Date and Time:** Wednesday, June 29, 2022 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 137th Fiscal Year (April 1, 2021 - March 31, 2022) 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 137th Fiscal Year (April 1, 2021 - March 31, 2022)

**Proposals to be resolved:**

- Proposal No. 1:** Appropriation of Surplus
- Proposal No. 2:** Partial Amendments to the Articles of Incorporation
- Proposal No. 3:** Election of 6 Directors (Excluding Directors Who Serve as Audit and Supervisory Committee Members)
- Proposal No. 4:** Election of 2 Directors Who Serve as Audit and Supervisory Committee Members
- Proposal No. 5:** Revision of the Amount of Compensation, etc. for Directors Who Serve as Audit and Supervisory Committee Members

- \* 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. In addition, as a member of society, the Company will use retained earnings for future business investments based on sustainability-oriented management to increase its corporate value.

With regard to dividends, we will strive to meet the expectations of our shareholders by continuing to pay stable dividends while taking into consideration future business development and profit levels as well as the total payout ratio, with a target consolidated dividend payout ratio of 30%.

In view of the fact that both investment funds for growth and the security of the financial base have been ensured to a certain extent, for the foreseeable future the Company will pay dividends exceeding its dividend policy.

We propose to pay a year-end dividend for the fiscal year under review of 27 yen per share as described below. As a result, the annual dividend including the interim dividend will be 40 yen per share, a 14-yen increase from the previous fiscal year.

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

27 yen per share of common stock in the Company

Total amount: 3,246,751,485 yen

(3) Effective date of appropriation of surplus

June 30, 2022

**Proposal No. 2: Partial Amendments to the Articles of Incorporation**

1. Reason for the proposal

The amended provisions stipulated in the proviso of Article 1 of the supplementary provisions of the “Act Partially Amending the Companies Act” (Act No. 70 of 2019) will come into effect on September 1, 2022. Accordingly, in order to prepare for the introduction of the system for electronic provision of materials for general meetings of shareholders, the Articles of Incorporation of the Company shall be amended as follows.

- (1) The proposed Article 16, Paragraph 1 provides that information contained in the reference documents for the general meeting of shareholders, etc. shall be provided electronically.
- (2) The purpose of the proposed Article 16, Paragraph 2 is to establish a provision to limit the scope of matters to be included in the paper copy to be sent to shareholders who have requested it.
- (3) The provisions related to the Internet disclosure and deemed provision of the reference documents for the general meeting of shareholders, etc. (Article 16 of the current Articles of Incorporation) will become unnecessary and will therefore be deleted.
- (4) In line with the above establishment and deletion of the provisions, supplementary provisions related to the effective date, etc. shall be established.

2. Details of amendments

The details of the amendments are as follows.

(Amended parts are underlined.)

Current Articles of Incorporation	Proposed Amendments
<p><u>(Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, Etc.)</u></p> <p><u>Article 16 The Company may, when convening a general meeting of shareholders, deem that it has provided information to shareholders pertaining to matters to be described or indicated in the reference documents for the general meeting of shareholders, business report, non-consolidated financial statements, and consolidated financial statements by disclosing such information through the Internet in accordance with the provisions provided in the Ministry of Justice Order.</u></p> <p>&lt;Newly established&gt;</p>	<p>&lt;Deleted&gt;</p> <p>(Measures for Electronic Provision, Etc.)</p> <p><u>Article 16 The Company shall, when convening a general meeting of shareholders, provide information contained in the reference documents for the general meeting of shareholders, etc. electronically.</u></p> <p><u>2. Among the matters to be provided electronically, the Company may choose not to include all or part of the matters stipulated in the Ministry of Justice Order in the paper copy to be sent to shareholders who have requested it by the record date for voting rights.</u></p>

<p>(Supplementary Provisions) &lt;Omitted&gt;</p> <p style="padding-left: 40px;">&lt;Newly established&gt;</p>	<p>(Supplementary Provisions) &lt;Unchanged&gt;</p> <ol style="list-style-type: none"> <li>1. <u>The deletion of Article 16 (Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, Etc.) of the current Articles of Incorporation and the proposed Article 16 (Measures for Electronic Provision, Etc.) shall come into effect on the date of enforcement of the amended provisions stipulated in the proviso of Article 1 of the supplementary provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019) (the “Effective Date”).</u></li> <li>2. <u>Notwithstanding the provisions of the preceding paragraph, Article 16 of the current Articles of Incorporation shall remain in force with respect to a general meeting of shareholders to be held on a date within six months after the Effective Date.</u></li> <li>3. <u>These supplementary provisions shall be deleted six months after the Effective Date or three months after the date of the general meeting of shareholders set forth in the preceding paragraph, whichever is later.</u></li> </ol>
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**Proposal No. 3: Election of 6 Directors (Excluding Directors Who Serve as Audit and Supervisory Committee Members)**

The terms of office of all 6 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 Yasumasa Fukuta	Executive Officer and General Manager of Chemicals Div.	-
5	Reappointment Shimako Emori	<u>Outside</u> <u>Independent</u> Outside Director (Independent officer)	100% (12/12)
6	Reappointment Tatsuya Mori	<u>Outside</u> <u>Independent</u> Outside Director (Independent officer)	100% (12/12)

- (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 three years at the conclusion of this year's Annual General Meeting of Shareholders.
  4. 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 election is approved, the Company intends to continue the said agreements with them.
  5. The Company has entered into a directors and officers liability insurance contract as stipulated in Article 430-3, Paragraph 1 of the Companies Act, with an insurance company, to insure all Directors of the Company. The insurance contract covers damages that may be incurred by the insured Directors as a result of assuming liability for the execution of their duties or receiving claims related to the pursuit of such liability. If each candidate is reappointed, he or she will be included as the insured. In addition, the Company plans to renew the said insurance contract with the same contents at the time of the next renewal.

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 June 2017	President of the Company 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		3,766
		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.					
4	Yasumasa Fukuta (September 20, 1965) <u>New appointment</u>	April 1989	Joined the Company	3,700	
		July 2016	General Manager of Marketing Div. of the Company		
		April 2019	General Manager of Chemicals Div. of the Company		
June 2019	Executive Officer and General Manager of Chemicals Div. of the Company (to present)				
Attendance at the Board of Directors meetings		-			
[Reason for nomination as candidate for Director] Mr. Yasumasa Fukuta is leading the Chemicals Division as General Manager, utilizing his experience in sales and marketing of chemicals. We have deemed that he is an appropriate person 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
5	Shimako Emori (October 28, 1965) <u>Reappointment</u> <u>Outside</u> <u>Independent</u>	October 2002	Registered as Attorney-at-law	0
		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% (12/12)	
		[Reason for nomination as candidate for Outside Director and a summary of expected roles] Ms. Shimako Emori has expertise and a wealth of experience as an attorney-at-law. We expect her to continue to provide appropriate advice for strengthening the supervisory functions against the Board of Directors and compliance structure. Therefore, we nominate her as a candidate for Outside Director.		
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	100% (12/12)	
		[Reason for nomination as candidate for Outside Director and a summary of expected roles] 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 expect him 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. 4: Election of 2 Directors Who Serve as Audit and Supervisory Committee Members

The term of office of Mr. Hayato Hosogane, Director who serves as Audit and Supervisory Committee Member, will expire at the conclusion of this year's Annual General Meeting of Shareholders. Accordingly, the election of 2 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 (Date of birth)	Past experience, position, areas of responsibility and significant concurrent positions	Number of shares of the Company held
1	Hayato Hosogane (March 23, 1960) <u>Reappointment</u>	April 1983      Joined the Company	12,100
		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	
		June 2020      Director (Audit and Supervisory Committee Member) of the Company (to present)	
		Attendance at the Board of Directors meetings	100% (12/12)
		Attendance at the Audit and Supervisory Committee meetings	100% (18/18)
		[Reason for nomination as candidate for Director who serves as Audit and Supervisory Committee Member and a summary of expected roles] Mr. Hayato Hosogane has a wealth of experience as the President of our overseas group company and General Manager of Corporate Planning Division of the Company and has been appropriately executing his duty as an Audit and Supervisory Committee Member. We have deemed that he is able to continue 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.	
2	Shigetaka Hazeyama (February 4, 1974) <u>New appointment</u> <u>Outside</u> <u>Independent</u>	October 1997      Joined Chuo Audit Corporation	0
		April 2001      Registered as Certified Public Accountant	
		February 2002      Joined Starbucks Coffee Japan Ltd.	
		January 2007      Established Hazeyama Certified Public Accountant Office (to present)	
		August 2017      Registered as Certified Tax Accountant (to present)	
		Attendance at the Board of Directors meetings	-
		Attendance at the Audit and Supervisory Committee meetings	-
		[Reason for nomination as candidate for Outside Director who serves as Audit and Supervisory Committee Member and a summary of expected roles] Mr. Shigetaka Hazeyama has extensive expertise and experience in finance and accounting as a certified public accountant, and we expect him to appropriately execute his duty as an Audit and Supervisory Committee Member. 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.	

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

2. Mr. Shigetaka Hazeyama is a candidate for Outside Director who serves as Audit and Supervisory Committee Member.

3. If Mr. Shigetaka Hazeyama 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. If Mr. Shigetaka Hazeyama 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.

5. The Company has entered into a directors and officers liability insurance contract stipulated in Article 430-3, Paragraph 1 of the Companies Act, with an insurance company, to insure all Directors of the Company. The insurance contract covers damages that may be incurred by the insured Directors as a result of assuming liability for the execution of their duties or receiving claims related to the pursuit of such liability. If the candidates assume office as Director who serves as Audit and Supervisory Committee Member, they will be included as the insured. In addition, the Company plans to renew the said insurance contract with the same contents at the time of the next renewal.

**<Reference> Configuration of the Board of Directors and Skills Matrix at the conclusion of this year's Annual General Meeting of Shareholders**

If Proposals No. 3 and No. 4 are approved as originally proposed, the configuration of the Board of Directors and the expertise and experience of each person will be as follows.

Name	Corporate Management	Sales / Marketing	Development / Technology	International / Global	Finance / Accounting	Legal Affairs / Compliance
Kazuichi Satomi	○		○	○		
Hiroyasu Tamura	○				○	
Masayuki Yoshida	○		○	○		
Yasumasa Fukuta	○	○				
Shimako Emori	○					○
Tatsuya Mori	○				○	
Masaharu Kubota						○
Hayato Hosogane	○	○		○		
Koji Chika	○	○				
Shigetaka Hazeyama				○	○	

**Proposal No. 5: Revision of the Amount of Compensation, etc. for Directors Who Serve as Audit and Supervisory Committee Members**

The amount of compensation, etc. for Directors who serve as Audit and Supervisory Committee Members was approved at the 132nd Annual General Meeting of Shareholders held on June 29, 2017 to be up to 40 million yen per year and remains as such. However, in consideration of the changes in the management environment and the increased responsibilities of Directors as a result of the strengthening of the governance system, it is proposed that the amount of compensation for Directors who serve as Audit and Supervisory Committee Members be set at up to 80 million yen per year.

We believe that this proposal is reasonable in light of the Company's business scale, the level of executive compensation, and the responsibilities of Directors who serve as Audit and Supervisory Committee Members.

Currently, the number of Directors who serve as Audit and Supervisory Committee Members is three (including two Outside Directors). If Proposal No. 4 "Election of 2 Directors Who Serve as Audit and Supervisory Committee Members" is approved as originally proposed, the number of Directors who serve as Audit and Supervisory Committee Members will be four (including three Outside Directors).