

To: Shareholders

**Sodick Co.,Ltd.**

3-12-1, Nakamachidai, Tsuzuki-ku,

Yokohama

Yuji Kaneko

President and Representative Director

## Notice of Convocation of 42nd Ordinary General Shareholders' Meeting

Dear Sirs,

We wish to express our deep gratitude for your usual special consideration.

We are pleased to inform you that we will hold the 42nd ordinary general shareholders' meeting as stated below and wish you to attend that general meeting.

**If you are unable to attend the general meeting, you may exercise your voting right in any of the following manners. Please refer to the reference document for the general shareholders' meeting as stated below and exercise your voting right before 17:15 on Wednesday March 28, 2018.**

### Exercise of Voting Right in Writing:

You should express approval or disapproval for proposals on the enclosed voting form and return it so that the form will reach us before the deadline mentioned above.

### Exercise of Voting Right by Electronic or Magnetic Means (e.g. via the Internet):

You should enter approval or disapproval for proposals before the deadline mentioned above.

Yours sincerely,

### 1. Date and Time: From 10:00 on Thursday March 29, 2018 (Reception will start from 9:00)

(We have implemented a change in fiscal term-end from March 31 to December 31 through a resolution at the 41st ordinary general shareholders' meeting, held on June 29, 2017. Consequently, the 42nd fiscal year (the current fiscal year) is a transitional period of 9 months from April 1 to December 31, 2017. Therefore, the date of the general meeting differs from the anniversary of the preceding general meeting.)

### 2. Place: At the conference room on the 3rd floor of our head office building 3-12-1, Nakamachidai, Tsuzuki-ku, Yokohama, Kanagawa, Japan

### 3. Purpose

#### Matters to Report

- 1) A business report and consolidated financial statements for the 42nd fiscal year (from April 1 to December 31, 2017) and a report on the results of the audit of those consolidated financial statements by financial auditors and the audit & supervisory board
- 2) A report on financial statements for the 42nd fiscal year (from April 1 to December 31, 2017)

#### Matters to Resolve on

- First proposal:** Disposal of surplus  
**Second proposal:** Election of 12 directors  
**Third proposal:** Election of one audit & supervisory board member

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\* Upon attendance at the general meeting, please provide the enclosed voting form at the reception of the meeting place. Moreover, we would like

you to bring this notice of convocation with you to save resources.

- \* In the case of attendance by proxy, you should designate as proxy another shareholder having voting right at the general meeting and should provide a document certifying power of proxy as well.
- \* Regarding documents to be provided upon giving this notice of convocation, the Notes to Consolidated Financial Statements and the Table of Individual Notes to Financial Statements are posted on our websites (<https://www.sodick.co.jp/ir/>) pursuant to the provisions of laws and regulations and Article 15 of our articles of incorporation, and not stated in the document provided herewith. Therefore, the document provided with this notice of convocation constitutes part of the figures audited by auditors and financial auditors in drawing up the audit report.
- \* With regard to revisions to the reference document for the general shareholders' meeting, business report, financial statements, and consolidated financial statements, we will post those revisions, if any, on our websites (<https://www.sodick.co.jp/ir/index.html>).

## Reference Document for General Shareholders' Meeting

### **First Proposal:** Disposal of surplus

We make it our basic principle to pay dividends in a stable and steady way to shareholders that deposit their valuable capital with us while retaining earnings necessary for developing future business and reinforcing business structure.

Taking into account earnings, expenses and other figures for the current fiscal year, we will pay dividends at the end of the current fiscal year as follows:

(1) Type of dividend property

Cash

(2) Matters concerning allotment of dividend assets and total dividends

Dividend allocation: ¥12 per common share of the Company.

Total amount of dividends: ¥563,565,324.

Moreover, for the current fiscal year, annual dividends including interim dividends amount to ¥22 per common share.

(3) Effective date of dividends from surplus

March 30, 2018.

## Second Proposal: Election of 12 Directors

The term of office of all 13 directors will expire at the end of the general meeting. Therefore, we would like you to elect 12 directors.

Candidates for director are as shown in the table below.

Candidate No.	Name	Current Post	Attribution
1	Toshihiko Furukawa	Chairman and Representative Director	Reappointment
2	Yuji Kaneko	President and Representative Director	Reappointment
3	Kenichi Furukawa	Vice President and Representative Director	Reappointment
4	Keisuke Takagi	Senior Executive Managing Director (Chief Machine Tool and Industrial Machinery Sales Division Officer)	Reappointment
5	Takashi Matsui	Senior Executive Managing Director (Chief Electric Discharge Machinery Division Officer)	Reappointment
6	Hirofumi Maejima	Executive Managing Director (Chief Corporate Planning Division Officer)	Reappointment
7	Hideki Tsukamoto	Executive Managing Director (Chief Production Managing Officer)	Reappointment
8	Keizo Umemoto	Senior Executive Managing Director of Sodick LED Co., Ltd.	New Appointment
9	Toshiaki Kurihara	Outside Director Outside Audit & Supervisory Board Member of the Nippon Road Co., Ltd.	Reappointment Outside
10	Katsuhisa Furuta	Outside Director Educational Affairs Adviser of Tokyo Denki University	Reappointment Outside
11	Ichiro Inasaki	Outside Director of DISCO Corporation Director of Chubu University	New Appointment Outside
12	Kazunao Kudo	--	New Appointment Outside

**Reappointment** A candidate for director to be reappointed

**New Appointment** A candidate for director to be newly appointed

**Outside** A candidate for outside director

Candidate No.	Name (Date of Birth)	Brief Personal History and Positions and Posts in the Company (State of Concurrent Important Posts)	Number of Shares Held
1	<p style="text-align: center;"><b>Reappointment</b></p> <p>Toshihiko Furukawa (March 26, 1940)</p>	<p>Aug. 1976: Established Sodick Co., Ltd.; President and Director thereof</p> <p>Dec. 1994: Chairman of Suzhou Sodick Special Equipment Co., Ltd.</p> <p>Apr. 2001: Chairman and Director of Sodick Co., Ltd.</p> <p>Feb. 2003: Chairman and Director of Sodick Hightech Co., Ltd.</p> <p>Dec. 2004: Honorary President of Sodick Co., Ltd.</p> <p>Apr. 2006: President and Director of Sodick Shinyoko Co., Ltd. (currently Sodick F.T Co., Ltd.)</p> <p>Jan. 2009: President and Director of Sodick Hightech Co., Ltd.</p> <p>Jan. 2009: Chairman and Director of Sodick Shinyoko Co., Ltd. (currently Sodick F.T Co., Ltd.)</p> <p>Jun. 2009: Chairman and Representative Director of Sodick Co., Ltd. (current post)</p> <p>Jun. 2009: Chairman and Director of Sodick Plustech Co., Ltd.</p> <p>Jun. 2010: Senior Adviser and Director of Sodick Plustech Co., Ltd.</p> <p>Feb. 2011: President and Director of Sodick LED Co., Ltd.</p> <p>Jun. 2011: President and Director of Sodick F.T Co., Ltd.</p> <p>Apr. 2013: Chairman and Director of Sodick LED Co., Ltd. (current post)</p> <p>Jun. 2016: Chairman and Director of Sodick F.T Co., Ltd. (current post)</p>	1,232,621 shares
<p>Reason for Being Nominated for Director: Mr. Toshihiko Furukawa assumed the post of president and director at the time of the establishment of the Company and has a wealth of experience and a great insight as a company operator. Moreover, he has displayed leadership and engaged in creating Sodick's corporate value over a long time. He has also made a great contribution to technology development in the Company. As Mr. Furukawa plays a leading role appropriately in making decisions on important management affairs and supervising execution of business while making use of his experience and performance, we consider him qualified for the post of director and have nominated him for that position.</p>			

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2	<p><b>Reappointment</b></p> <p>Yuji Kaneko (April 7, 1957)</p>	<p>Apr. 1981: Joined the Company</p> <p>Jun. 1993: Electronics Technology Department Manager of the Production Division of Sodick Co., Ltd.</p> <p>Jul. 1999: Research and Development Group Manager of the Research and Development Division of Sodick Co., Ltd.</p> <p>Feb. 2000: President and Director of Sodick America Corporation</p> <p>Apr. 2004: Research and Development Division Manager of Sodick Co., Ltd.</p> <p>Jun. 2004: Director of Sodick Co., Ltd.</p> <p>Jun. 2008: Executive Managing Director of Sodick Co., Ltd.</p> <p>Jun. 2010: Senior Executive Managing Director of Sodick Co., Ltd.</p> <p>Apr. 2012: Chairman and Director of Sodick America Corporation (current post)</p> <p>Jun. 2012: President and Representative Director of Sodick Co., Ltd. (current post)</p>	112,921 shares
<p>Reason for Being Nominated for Director: Mr. Yuji Kaneko has been engaged in research and development operations over a long time since entry into the Company and has good knowledge and a wealth of experience. In addition, after serving as president and director at our development subsidiary in the U.S. and as director at the Company, he became engaged in management as the president and director of the Company at present. Thus, he has produced actual results as a company operator. As Mr. Kaneko plays a leading role appropriately in making decisions on important management affairs and supervising execution of business while making use of his experience and performance, we consider him qualified for the post of director and have nominated him for that position.</p>			

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3	<p><b>Reappointment</b></p> <p>Kenichi Furukawa (August 5, 1972)</p>	<p>Aug. 1999: Joined the Company</p> <p>Apr. 2007: President and Director of Tom Sodick Corporation</p> <p>Dec. 2007: Finance Division Manager of Sodick Co., Ltd.</p> <p>Apr. 2008: Corporate Planning Division Manager of Sodick Co., Ltd.</p> <p>Jun. 2008: Director of Sodick Co., Ltd.</p> <p>Jun. 2010: Executive Managing Director of Sodick Co., Ltd.</p> <p>Jun. 2012: Senior Executive Managing Director (Chief Management and Corporate Planning Division Officer) of Sodick Co., Ltd.</p> <p>Jul. 2012: Chairman and Director of Sodick (Thailand) Co., Ltd. (current post)</p> <p>Jun. 2014: Vice President and Representative Director of Sodick Co., Ltd. (current post)</p> <p>Jun. 2015: Director of OPM Laboratory Co., Ltd. (current post)</p>	325,723 shares
<p>Reason for Being Nominated for Director:</p> <p>Mr. Kenichi Furukawa served as Finance Division Manager and Corporate Planning Division Manager. After assuming the post of director, he has produced actual results as a manager of administrative affairs in business management, accounting, finance, IT, personnel and general affairs departments and has a wealth of experience in administration. In addition, after he served as President and Director at our subsidiary (food processing machinery segment), he assumed the position of Chairman and Director at our overseas factory and is presently producing actual results as a company operator as Vice President and Representative Director at the Company. As Mr. Furukawa plays a leading role appropriately in making decisions on important management affairs and supervising execution of business while making use of his experience and performance, we consider him qualified for the post of director and have nominated him for that position.</p>			

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4	<p><b>Reappointment</b></p> <p>Keisuke Takagi (February 20, 1955)</p>	<p>Apr. 1978: Joined the Company</p> <p>Aug. 1988: Osaka Branch Manager of Sodick Co., Ltd.</p> <p>Jan. 1994: President and Director of Sodick Inc.</p> <p>Jul. 1997: Overseas Sales Department Manager of Sodick Co., Ltd.</p> <p>Jun. 2001: Director of Sodick Co., Ltd.</p> <p>Apr. 2004: Vice President and Director of Sodick CPC Co., Ltd.</p> <p>Nov. 2004: Chairman of Sodick Electromechanical (Shanghai) Co., Ltd. (current post)</p> <p>Mar. 2009: Asia Sales Division Manager of Sodick Co., Ltd.</p> <p>Jun. 2009: Executive Managing Director of Sodick Co., Ltd.</p> <p>Jun. 2010: Senior Executive Managing Director (Chief Sales Managing Officer) of Sodick Co., Ltd. (current post)</p> <p>Jun. 2012: Chief Machine Tool and Industrial Machinery Sales Division Officer (current post)</p> <p>Jul. 2015: Senior Executive Officer of Sodick Co., Ltd. (current post)</p>	117,812 shares
<p>Reason for Being Nominated for Director:</p> <p>Mr. Keisuke Takagi has been engaged in affairs in sales departments over a long time since entry into the Company, has a wealth of experience, and has produced actual results. In addition, he has held the post of president and director at our sales subsidiary in the U.S. and vice president and director at our sales subsidiary in China. He is also engaged in managing the Company as a senior executive managing director at present. Thus, he has experience in global operations and has produced actual results as a company operator. As Mr. Takagi plays a leading role appropriately in making decisions on important management affairs and supervising execution of business while making use of his experience and performance, we consider him qualified and have nominated him for the post of director.</p>			



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5	<p><b>Reappointment</b></p> <p>Takashi Matsui (November 4, 1954)</p>	<p>Oct. 1980: Joined the Company</p> <p>Jul. 2002: Director of Sodick Engineering Co., Ltd.</p> <p>Jun. 2004: Executive Managing Director of Sodick Engineering Co., Ltd.</p> <p>Apr. 2006: President and Director of Sodick Engineering Co., Ltd.</p> <p>Jun. 2006: Executive Managing Director of Sodick Hightech Co., Ltd.</p> <p>Jan. 2009: Domestic Sales Division Manager of Sodick Co., Ltd.</p> <p>Jun. 2009: Executive Managing Director of Sodick Co., Ltd.</p> <p>Jun. 2012: Senior Executive Managing Director (Chief Electric Discharge Machinery Division Officer) of Sodick Co., Ltd. (current post)</p> <p>Jul. 2015: Senior Executive Officer of Sodick Co., Ltd. (current post)</p>	100,000 shares
<p>Reason for Being Nominated for Director: Mr. Takashi Matsui has been engaged in affairs in sales departments over a long time since entry into the Company, has a wealth of experience, and has produced actual results. In addition, he has held the post of executive managing director at our listed subsidiary (machine tool segment), is engaged in managing the Company as a senior executive managing director at present, and has produced actual results as a company operator. As Mr. Matsui plays a leading role appropriately in making decisions on important management affairs and supervising execution of business while making use of his experience and performance, we consider him qualified for the post of director and have nominated him for that position.</p>			

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6	<p><b>Reappointment</b></p> <p>Hirofumi Maejima (February 7, 1961)</p>	<p>Apr. 1984: Joined The Sumitomo Bank, Limited (currently Sumitomo Mitsui Banking Corporation)</p> <p>May 1993: Deputy Manager of the Los Angeles Branch of The Sumitomo Bank, Limited</p> <p>Oct. 1995: Deputy Manager of the Kojimachi Branch of The Sumitomo Bank, Limited</p> <p>Apr. 1999: Senior Deputy Manager of the Shibuya Corporation Department of The Sumitomo Bank, Limited</p> <p>Jul. 2000: Cairo Representative Office Manager of The Sumitomo Bank, Limited</p> <p>Jul. 2003: Senior Promotion Officer of the Foreign Operations Department of The Sumitomo Bank, Limited</p> <p>Apr. 2006: Senior Promotion Officer of the Corporate Information Department of The Sumitomo Bank, Limited</p> <p>Jan. 2010: Sent on loan to Nikko Cordial Securities Inc. (currently SMBC Nikko Securities Inc.); Fifth Corporate Information Department Manager</p> <p>Apr. 2012: Senior Examiner of the Audit Division of Sumitomo Mitsui Banking Corporation</p> <p>Oct. 2013: Sent on loan to Sodick Co., Ltd.; Finance Division Manager</p> <p>May 2014: Joined the Company; Finance Division Manager</p> <p>Jun. 2014: Executive Managing Director (Chief Corporate Planning Division Officer) of Sodick Co., Ltd. (current post)</p> <p>Jul. 2015: Senior Executive Officer of Sodick Co., Ltd. (current post)</p>	1,238 shares
<p>Reason for Being Nominated for Director: After joining by The Sumitomo Bank, Limited (currently Sumitomo Mitsui Banking Corporation) in 1984, Mr. Hirofumi Maejima has held various important positions both at home and overseas and has specialized knowledge and experience cultivated in financial institutions as well as experience in operations in foreign countries. As Mr. Maejima has had control over business management, finance, and accounting as the executive managing director of the Company since 2014 and plays a leading role appropriately in making decisions on important management affairs and supervising execution of business, we consider him qualified and have nominated him for the post of director.</p>			

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7	<p style="text-align: center;"><b>Reappointment</b></p> <p>Hideki Tsukamoto (November 29, 1962)</p>	<p>Apr. 1985: Joined the Company</p> <p>Jul. 1988: Sent on loan to Sodick (Thailand) Co., Ltd.</p> <p>Mar. 1998: Director of Sodick (Thailand) Co., Ltd.</p> <p>Apr. 2008: President and Director of Sodick (Thailand) Co., Ltd. (current post)</p> <p>Apr. 2012: Vice President and Director of Sodick Amoy Co., Ltd.</p> <p>Jul. 2012: Executive Officer (Production Management Division Vice Manager) of Sodick Co., Ltd.</p> <p>Jul. 2012: Director of Suzhou Sodick Special Equipment Co., Ltd.</p> <p>Jun. 2014: Director (Chief Production Managing Officer) of Sodick Co., Ltd.</p> <p>Jul. 2014: Senior Executive Officer of Sodick Co., Ltd. (current post)</p> <p>Jun. 2015: Chairman of Suzhou Sodick Special Equipment Co., Ltd. (current post)</p> <p>Jun. 2015: Chairman of Sodick Amoy Co., Ltd. (current post)</p> <p>Jun. 2015: Executive Managing Director (Chief Production Managing Officer) of Sodick Co., Ltd. (current post)</p>	14,660 shares
<p>Reason for Being Nominated for Director:</p> <p>Mr. Hideki Tsukamoto was engaged in establishing our Thailand factory in 1988 and has experience in operations in a wide range of fields, including design, development, manufacturing, and production control for products. In addition, he serves as president and director at our Thailand factory and concurrently holds the post of chairman at our Suzhou and Amoy factories. Thus, he has a wealth of experience and has produced actual results as a chief production management officer. As Mr. Tsukamoto unifies production operations both at home and overseas as an executive managing director and plays a leading role appropriately in making decisions on important management affairs and supervising execution of business while making use of his experience and performance, we consider him qualified for the post of director and have nominated him for that post.</p>			

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8	<p data-bbox="311 795 502 828"><b>New Appointment</b></p> <p data-bbox="303 873 550 929">Keizo Umemoto (September 30, 1954)</p>	<p data-bbox="584 324 1181 380">Apr. 1978: Joined The Mitsui Bank, Ltd. (currently Sumitomo Mitsui Banking Corporation)</p> <p data-bbox="584 392 1236 448">Oct. 1999: Group Manager of the Personnel Division of The Mitsui Bank, Ltd.</p> <p data-bbox="584 459 1204 515">Apr. 2001: Second Ueno Corporate Sales Department Manager of The Mitsui Bank, Ltd.</p> <p data-bbox="584 526 1252 582">Jun. 2003: Corporate Operations Department Manager of The Mitsui Bank, Ltd.</p> <p data-bbox="584 593 1268 649">Apr. 2004: Executive Officer (Corporate Operations Department Manager) of The Mitsui Bank, Ltd.</p> <p data-bbox="584 660 1212 716">Apr. 2006: Executive Officer (East Japan Second Corporate Sales Division Manager) of The Mitsui Bank, Ltd.</p> <p data-bbox="584 728 1189 784">May 2007: Joined SMBC Friend Securities Co., Ltd. (currently SMBC Nikko Securities Inc.)</p> <p data-bbox="584 795 1268 851">Jun. 2007: Managing Director (Chief Corporation Division Officer) of SMBC Friend Securities Co., Ltd.</p> <p data-bbox="584 862 1260 918">Jun. 2010: Director and Senior Executive Officer (Chief Corporation Division Officer) of SMBC Friend Securities Co., Ltd.</p> <p data-bbox="584 929 1236 985">Apr. 2014: Director and Senior Executive Officer (Chief Internal Control Division Officer) of SMBC Friend Securities Co., Ltd.</p> <p data-bbox="584 996 1236 1052">Apr. 2015: Director and Senior Executive Officer (Chief Internal Control Division Officer and Chief Personnel Division Officer) of SMBC Friend Securities Co., Ltd.</p> <p data-bbox="584 1064 1053 1120">Apr. 2017: Joined Sodick LED Co., Ltd.</p> <p data-bbox="584 1131 1220 1187">Apr. 2017: Senior Executive Managing Director (Chief Sales Division Officer) of Sodick LED Co., Ltd. (current post)</p>	— shares
<p data-bbox="303 1433 782 1467"><b>Reason for Being Nominated for Director:</b></p> <p data-bbox="303 1467 1444 1646">Mr. Keizo Umemoto has a wealth of experience in financial institutions and securities companies and a wide knowledge. In addition, as he has various business connections, he seems to be able to plan sales promotion for our products to new fields and industries by working out a new business strategy while making use of his personal connections. As we would like Mr. Umemoto to hammer out a new direction in our business strategy and to make every effort to win new customers for our machines globally, we consider him qualified and have nominated him for the post of director.</p>			

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9	<p style="text-align: center;"><b>Reappointment</b></p> <p style="text-align: center;"><b>Outside</b></p> <p>Toshiaki Kurihara (November 30, 1951)</p>	<p>Apr. 1975: Joined The Dai-Ichi Kangyo Bank, Limited (currently Mizuho Bank, Ltd.)</p> <p>May 1997: Assistant Manager of the New York Branch of The Dai-Ichi Kangyo Bank, Limited</p> <p>Feb. 2001: Shibuya Higashiguchi Branch Manager of The Dai-Ichi Kangyo Bank, Limited</p> <p>Apr. 2002: Shimokitazawa Branch Manager of Mizuho Bank, Ltd.</p> <p>Dec. 2004: Accounting Division Manager of Shimadaya Corporation</p> <p>Jun. 2006: Director and Management Information Planning Department Manager of Shimadaya Corporation</p> <p>Jun. 2010: Full-time Audit &amp; Supervisory Board Member of Shimadaya Corporation</p> <p>Jun. 2014: Outside Audit &amp; Supervisory Board Member of the Nippon Road Co., Ltd. (current post)</p> <p>Jun. 2015: Outside Director of Sodick Co., Ltd. (current post)</p>	— shares
<p>Reason for Being Nominated for Outside Director: Mr. Toshiaki Kurihara has a wealth of experience in financial institutions and a wide knowledge cultivated in the post of director and company auditor at business corporations. As Mr. Kurihara gives beneficial advice on our business strategy, we have nominated him for outside director. In addition, Mr. Kurihara has no interest in the Company, and his independence is fully secured from our executives, including our representative directors, and his interests are not liable to conflict with those of our general shareholders. So we have registered him as an independent officer under the provisions made by the Tokyo Stock Exchange. Moreover, Mr. Kurihara has held the post of outside director at the Company for a period of 33 months as of the end of the general meeting.</p>			

Candidate No.	Name (Date of Birth)	Brief Personal History and Positions and Posts in the Company (State of Concurrent Important Posts)	Number of Shares Held
10	<div data-bbox="303 616 507 649" style="background-color: black; color: white; text-align: center; padding: 2px;"><b>Reappointment</b></div> <div data-bbox="303 667 507 701" style="border: 1px solid black; text-align: center; padding: 2px;"><b>Outside</b></div> <p data-bbox="303 750 507 806">Katsuhisa Furuta (January 3, 1940)</p>	<p data-bbox="582 324 1268 392">Jun. 1970: Assistant Professor of Tokyo Institute of Technology School of Engineering</p> <p data-bbox="582 398 1268 465">Oct. 1982: Professor of Tokyo Institute of Technology School of Engineering</p> <p data-bbox="582 472 1268 539">Mar. 1997: Visiting Professor of University of California, Berkeley in the U.S.</p> <p data-bbox="582 546 1268 636">Sep. 1998: Honorary Doctorate of Helsinki Institute of Technology (currently Aalto University) in Finland</p> <p data-bbox="582 642 1268 710">Apr. 2000: Professor Emeritus of Tokyo Institute of Technology</p> <p data-bbox="582 716 1268 784">Apr. 2000: Professor of Tokyo Denki University School of Science and Engineering</p> <p data-bbox="582 790 1268 824">Jul. 2004: Director of Tokyo Denki University</p> <p data-bbox="582 831 1268 898">Apr. 2007: Professor of Tokyo Denki University School of Science and Technology for Future Life</p> <p data-bbox="582 904 1268 938">Jun. 2008: President of Tokyo Denki University</p> <p data-bbox="582 945 1268 978">Apr. 2014: Counselor of Tokyo Denki University</p> <p data-bbox="582 985 1268 1052">Apr. 2016: Educational Affairs Adviser of Tokyo Denki University (current post)</p> <p data-bbox="582 1059 1268 1126">Jun. 2016: Outside Director of Sodick Co., Ltd. (current post)</p>	1,643 shares
	<p data-bbox="303 1126 1436 1500">Reason for Being Nominated for Outside Director: Mr. Katsuhisa Furuta has a wide knowledge of control engineering and robotics as cultivated in long-time research at universities as well as experiences of being engaged in operating organizations as a president of a university and academic societies. As we consider that Mr. Furuta will give us beneficial advice on our business strategy, we have nominated him for outside director. Moreover, although Mr. Furuta has not participated directly in company management, we consider that he will appropriately execute his duties as an outside director. In addition, Mr. Furuta has no interest in the Company, and his independence is fully secured from our executives, including our representative directors, and his interests are not liable to conflict with those of our general shareholders. So we have registered him as an independent officer under the provisions made by the Tokyo Stock Exchange. Moreover, Mr. Furuta has held the post of outside director at the Company for a period of 21 months as of the end of the general meeting.</p>		

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11	<div style="border: 1px solid black; padding: 2px; width: fit-content; margin-bottom: 5px;"><b>New Appointment</b></div> <div style="border: 1px solid black; padding: 2px; width: fit-content; margin-bottom: 5px;"><b>Outside</b></div> <p>Ichiro Inasaki (April 3, 1941)</p>	<p>Apr. 1984: Professor of Keio University Faculty of Science and Engineering</p> <p>Mar. 1998: Visiting Professor of University of California, Berkeley in the U.S.</p> <p>Nov. 1999: Honorary Doctorate of Hannover University in Germany</p> <p>May 2001: Dean of Keio University Science and Engineering College and Chairman of the Science and Engineering Research Department of Keio University Graduate School</p> <p>Apr. 2007: Professor Emeritus of Keio University</p> <p>Apr. 2007: Professor of Chubu University and Director of Institute of Science and Technology Research of Chubu University</p> <p>Apr. 2011: Dean of Chubu University, Specially-appointed Professor thereof, and Director of Chubu Institute for Advanced Studies</p> <p>Jun. 2011: Director of Chubu Institute for Advanced Studies of Chubu University</p> <p>Mar. 2012: Outside Audit &amp; Supervisory Board Member of Mitsubishi Pencil Co., Ltd.</p> <p>Jun. 2013: Outside Director of DISCO Corporation (current post)</p> <p>Apr. 2015: Professor Emeritus of Chubu University</p> <p>Apr. 2015: Director of Chubu University (current post)</p>	— shares
<p>Reason for Being Nominated for Outside Director: Mr. Ichiro Inasaki has a wide knowledge of precision engineering as cultivated in long-time research at universities as well as specialized knowledge of our business field. He also has a deep understanding of our business activities. As we would like Mr. Inasaki to utilize his great knowledge for enhancing our business, we have nominated him for outside director. In addition, Mr. Inasaki meets the requirements for an independent officer under the provisions made by the Tokyo Stock Exchange and fulfills the requirements referred to in the Criteria for the Independence of Outside Officers. Therefore, we intend to register him as an independent officer of ours.</p>			

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12	<div style="border: 1px solid black; padding: 2px; width: fit-content; margin-bottom: 5px;">New Appointment</div> <div style="border: 1px solid black; padding: 2px; width: fit-content; margin-bottom: 5px;">Outside</div> Kazunao Kudo (March 8, 1953)	Apr. 1977: Joined Sumitomo Electric Industries, Ltd. Jan. 2000: Wire Product Department Manager of the Electronic Material Business Division of Sumitomo Electric Industries, Ltd. Jan. 2001: Production Department Manager of the Electronic Material Business Division of Sumitomo Electric Industries, Ltd. Jan. 2004: Vice President and Director of Suzhou Sumiden Automotive Wire Co., Ltd. Jun. 2007: President and Director of Suzhou Sumiden Automotive Wire Co., Ltd. Jun. 2008: Executive Officer of Sumitomo Wiring Systems, Ltd. Jun. 2015: China Supreme Adviser of Suzhou Sumiden Automotive Wire Co., Ltd. Jul. 2016: Senior Adviser of Qingdao Kyungshin Electronic Co., Ltd.	— shares
Reason for Being Nominated for Outside Director: Mr. Kazunao Kudo started up a business in China and not only has skill in manufacturing and know-how in production but also a wealth of experience in management. As we would like Mr. Kudo to give advice on our entire production system including overseas factories, we have nominated him for outside director. Mr. Kudo belonged to Sumitomo Wiring Systems, Ltd., which is a business connection of our group. However, the annual transaction amount for the current fiscal year accounts for less than 1%, and a reasonable period has passed after his retirement. Moreover, Sumitomo Wiring Systems has no influence on decision-making in our group. In addition, Mr. Kudo meets the requirements for an independent officer under the provisions made by the Tokyo Stock Exchange and fulfills the requirements referred to in the Criteria for the Independence of Outside Officers. Therefore, we intend to register him as an independent officer.			

Notes:

1. None of the candidates for director has any special interest in the Company.
2. Mr. Toshiaki Kurihara, Mr. Katsuhisa Furuta, Mr. Ichiro Inasaki, and Mr. Kazunao Kudo are candidates for outside director. Matters concerning candidates for outside director are as follows:
  - (1) When a candidate for outside director has been in the position of director, executive officer or company auditor at another corporation during the past five years, the facts etc. that business has been unjustly executed in that other corporation during his tenure of office  
 With regard to the Nippon Road Co., Ltd., at which Mr. Toshiaki Kurihara has served as outside company auditor since June 2014, Nippon Road and the persons concerned therewith were charged by the Fair Trade Commission with a violation of the Antimonopoly Act on February 29, 2016 in relation to disaster restoration pavement construction connected with the Great East Japan Earthquake which was ordered by the Tohoku Branch of East Nippon Expressway Company Limited in the summer of 2011 and prosecuted by the Tokyo District Public Prosecutors Office on that day. Mr. Kurihara had not recognized that fact until that violation became known and has always called attention to the importance of compliance at board meetings. In addition, since he realized the fact of the violation, Mr. Kurihara has made appropriate suggestions for approaches to thorough compliance and recurrence prevention to execute his duties as an outside company auditor.
  - (2) Liability limitation agreements with outside directors  
 The Company has entered into an agreement with Mr. Toshiaki Kurihara and Mr. Katsuhisa Furuta to



limit the liability for compensation for damage as referred to in Article 423, paragraph 1 of the Companies Act pursuant to Article 427, paragraph 1 of the Act. The limit of liability for compensation for damage under the agreement shall be the minimum limit of liability as set forth in Article 425, paragraph 1 of the Companies Act. When both of them are reappointed, the Company is to continue the agreements. In addition, when Mr. Ichiro Inasaki and Mr. Kazunao Kudo are appointed, the Company is to enter into a liability limitation agreement with each of them on the same terms.

### Third Proposal: Election of One Audit & Supervisory Board Member

The term of office of Audit & Supervisory Board Member of Mr. Akio Hosaka will expire at the end of the general meeting. Therefore, we would like you to appoint one audit & supervisory board member.

Moreover, the agreement of the audit & supervisory board to this proposal has been obtained.

The candidate for audit & supervisory board member is shown in the table below.

Name (Date of Birth)	Brief Personal History and Positions in the Company (State of Concurrent Important Posts)	Number of Shares Held
Akio Hosaka (December 25, 1948)	Aug. 1976: Joined the Company May 1985: Production Department Manager of the EDM Business Division of Sodick Co., Ltd. Jun. 1987: Director of Sodick Co., Ltd. Dec. 1994: President of Suzhou Sodick Special Equipment Co., Ltd. Jul. 1998: Chairman and Director of Sodick (Thailand) Co., Ltd. Apr. 2004: President and Director of Sodick CPC Co., Ltd. Jun. 2009: Vice President and Director of Sodick Co., Ltd. Jul. 2009: Chairman and Director of Sodick (Thailand) Co., Ltd. Jun. 2010: Audit & Supervisory Board Member of Sodick Plustech Co., Ltd. Jul. 2012: Senior Executive Officer and Marketing Center Manager of Sodick Co., Ltd. Jun. 2014: Audit & Supervisory Board Member of Sodick F.T Co., Ltd. (current post) Jun. 2014: Full-time Audit & Supervisory Board Member of Sodick Co., Ltd. (current post)	180,438 shares
Reason for Being Nominated for Audit & Supervisory Board Member: Mr. Akio Hosaka has gained experience in technology and production departments since entry into the Company and assumed the post of director at the Company in 1987. He has held the post of president at the China factory and part-time company auditor at domestic subsidiaries. As Mr. Hosaka has wide knowledge and a wealth of experience in technology, production, quality control, and marketing and as the president of our subsidiaries, we consider him qualified for the post of audit & supervisory board member and have nominated him for such position.		

Note: The candidate for audit & supervisory board member has no special interest in the Company.

End.