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(Stock Exchange Code: 5333)
May 30, 2019

To Shareholders:

Taku Oshima
Representative Director and President
NGK INSULATORS, LTD.
2-56, Suda-cho, Mizuho-ku, Nagoya, Japan

CONVOCATION NOTICE OF THE 153RD ANNUAL SHAREHOLDERS' MEETING

Dear Shareholders:

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

You are cordially invited to attend the 153rd Annual Shareholders' Meeting of NGK INSULATORS, LTD. (the "Company"). The meeting will be held as described below.

If you are unable to attend the meeting, you may exercise your voting rights in writing or via the Internet. Please review the attached Reference Documents for the Shareholders' Meeting and exercise your voting rights by 5:15 p.m. on Thursday, June 20, 2019, Japan time.

- 1. Date and Time:** Friday, June 21, 2019 at 10:00 a.m., Japan time
- 2. Place:** Conference room on the first floor of the main building of the Company located at 3-16, Mutsuno 1-chome, Atsuta-ku, Nagoya, Japan
- 3. Meeting Agenda:**
Matters to be reported:
 1. The Business Report, Consolidated Financial Statements for the Company's 153rd Fiscal Year (April 1, 2018 - March 31, 2019) and results of audits of the Consolidated Financial Statements by the Accounting Auditors and the Audit & Supervisory Board
 2. Non-consolidated Financial Statements for the Company's 153rd Fiscal Year (April 1, 2018 - March 31, 2019)

Proposals to be resolved:

Company Proposals (Proposals 1 to 3)

- Proposal 1:** Appropriation of Surplus
Proposal 2: Election of 12 Directors
Proposal 3: Election of 3 Audit & Supervisory Board Members

Shareholder Proposal (Proposal 4)

- Proposal 4:** Election of Outside Directors

4. Matters concerning the Exercise of Voting Rights:

- A shareholder proposal has been made for this Annual Shareholders' Meeting.
The details of the shareholder proposal are presented as Proposal 4 in the Reference Documents for the Shareholders' Meeting below. The Board of Directors of the Company **opposes Proposal 4.**
- If there is no indication of pros and cons for each proposal, the company proposal is treated as approval, and the shareholder proposal is treated as disapproval.

Company Proposals (Proposals 1 to 3)

Proposal 1: Appropriation of Surplus

Taking into account such factors as strengthening of our business structure, future business development and earnings conditions, the year-end dividend for the year ended March 31, 2019 is proposed as follows.

Matters concerning the year-end dividend

- (1) Type of property distributed as dividend:

Cash

- (2) Matters concerning the allocation of the dividend property to shareholders and the total amount thereof:

25 yen per share of the Company's common shares, 8,044,513,975 yen in total

- (3) Effective date of the dividend from surplus:

Monday, June 24, 2019

Proposal 2: Election of 12 Directors

The terms of office of all 12 Directors will expire at the conclusion of this Annual Shareholders' Meeting. Accordingly, the Company proposes the election of 12 Directors.

The candidates for Director are as follows:

No.	Name	Current positions and responsibilities at the Company	Attendance at Board of Directors meetings
1	Taku Oshima [Reappointment]	Representative Director and President	100% (14 out of 14 meetings)
2	Yukihisa Takeuchi [Reappointment]	Representative Director and Executive Vice President	100% (14 out of 14 meetings)
3	Hiroshi Kanie [Reappointment]	Representative Director and Executive Vice President	100% (14 out of 14 meetings)
4	Susumu Sakabe [Reappointment]	Director and Senior Vice President	100% (14 out of 14 meetings)
5	Ryohei Iwasaki [Reappointment]	Director and Senior Vice President	100% (14 out of 14 meetings)
6	Chiaki Niwa [Reappointment]	Director and Senior Vice President	92% (13 out of 14 meetings)
7	Shuheishi Ishikawa [Reappointment]	Director and Senior Vice President	100% (14 out of 14 meetings)
8	Nobumitsu Saji [Reappointment]	Director and Senior Vice President	100% (14 out of 14 meetings)
9	Atsushi Matsuda [Reappointment]	Director and Senior Vice President	100% (10 out of 10 meetings)
10	Hiroyuki Kamano [Reappointment] [Outside] [Independent]	Outside Director	92% (13 out of 14 meetings)
11	Emiko Hamada [Reappointment] [Outside] [Independent] [Female]	Outside Director	100% (14 out of 14 meetings)
12	Kazuo Furukawa [New candidate] [Outside] [Independent]	—	—

(Note) Attendance at Board of Directors meetings for Mr. Atsushi Matsuda relates to meetings held since he assumed the position of Director on June 26, 2018.

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
1	Taku Oshima (July 14, 1956) [Reappointment] [Attendance at the Board of Directors meetings] 100% (14 out of 14 meetings)	March 1980 Joined the Company June 2007 Vice President of the Company June 2011 Senior Vice President of the Company June 2014 Representative Director and President of the Company (current position)	10,000
	<p>[Reasons for the nomination of candidate for Director] After joining the Company, Mr. Taku Oshima belonged to Manufacturing Engineering Division, and experienced start-up of manufacturing lines at overseas subsidiaries. In addition, he engaged in the development and massive-volume production of NAS® batteries from the beginning, working on design, manufacturing, and marketing as Head of the NAS battery business, the world first large scale energy storage system. He has been serving as Representative Director and President since 2014. We renominated him as a candidate for Director because he has abundant experience at the Company and insights in business operations.</p>		
2	Yukihisa Takeuchi (December 7, 1955) [Reappointment] [Attendance at the Board of Directors meetings] 100% (14 out of 14 meetings)	March 1978 Joined the Company June 2004 Director of the Company June 2005 Vice President of the Company June 2008 Senior Vice President of the Company June 2011 Director and Senior Vice President of the Company June 2014 Director and Senior Vice President of the Company June 2015 Representative Director and Executive Vice President of the Company (current position) (Responsibilities) Assistant to President Group Executive, Corporate R&D, and Development Committee Chair	10,000
	<p>[Reasons for the nomination of candidate for Director] Mr. Yukihisa Takeuchi engaged in the commercialization of piezoelectric microactuators mainly developed in R&D division and established it as a core product. He worked diligently on the development of new products as Director, Senior Vice President, and Group Executive of Corporate R&D, and now he has been serving as Representative Director and Executive Vice President since 2015. We renominated him as a candidate for Director because he has abundant experience at the Company and insights in business operations.</p>		

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
3	<p>Hiroshi Kanie (July 9, 1957)</p> <p>[Reappointment]</p> <p>[Attendance at the Board of Directors meetings] 100% (14 out of 14 meetings)</p>	<p>March 1981 Joined the Company</p> <p>June 2010 Vice President of the Company</p> <p>June 2012 Senior Vice President of the Company</p> <p>June 2014 Director and Senior Vice President of the Company</p> <p>June 2015 Director and Senior Vice President of the Company</p> <p>June 2018 Representative Director and Executive Vice President of the Company (current position)</p> <p>(Responsibilities)</p> <p>Responsible for Corporate Planning Office, New Business Planning Dept., Secretarial Office, Corporate Communications Dept., Human Resource Dept., and General Affairs Dept., in charge of Power Business Group, Senior Officer in charge of Group Companies, General Manager of Osaka Site Personal Information Supervisory Manager, Specific Personal Information, etc. Supervisory Manager, Licensed Construction Business Supervisory Manager</p>	10,000
		<p>[Reasons for the nomination of candidate for Director]</p> <p>Mr. Hiroshi Kanie has gained a variety of practical experience in business operations and department management, by working in Industrial Process Division and serving as General Manager of Secretarial Office, Head Office, and Group Executive of Ceramic Products Business Group. He currently is responsible for Corporate Planning Office, New Business Planning Department and Human Resource Department in Head Office, and has served as Representative Director and Executive Vice President since 2018. We renominated him as a candidate for Director because he has an ample experience at the Company and knowledge in business operations.</p>	
4	<p>Susumu Sakabe (August 15, 1958)</p> <p>[Reappointment]</p> <p>[Attendance at the Board of Directors meetings] 100% (14 out of 14 meetings)</p>	<p>March 1981 Joined the Company</p> <p>June 2007 Vice President of the Company</p> <p>June 2010 Director and Vice President of the Company</p> <p>June 2011 Director and Senior Vice President of the Company</p> <p>June 2015 Director and Senior Vice President of the Company (current position)</p> <p>(Responsibilities)</p> <p>In charge of Finance & Accounting Dept. and Purchasing Dept. General Manager, Tokyo Main Office</p> <p>(Significant concurrent position)</p> <p>Outside Director, METAWATER Co., Ltd.</p>	9,000
		<p>[Reasons for the nomination of candidate for Director]</p> <p>After joining the Company, Mr. Susumu Sakabe accumulated business experience mainly in finance divisions and served as General Manager of administrative divisions at the Company's domestic and overseas subsidiaries, as well as General Managers of Business Planning Department in operational divisions and Finance & Accounting Department. Currently, he serves as Director and Senior Vice President, actively engaging in enhancing governance of accounting and taxation, engaging in dialogue with investors, as well as setting strategy for procurement and logistics divisions. We renominated him as a candidate for Director because he has abundant knowledge and experience in business operations at the Company.</p>	

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
5	Ryohei Iwasaki (January 30, 1960) [Reappointment] [Attendance at the Board of Directors meetings] 100% (14 out of 14 meetings)	March 1982 Joined the Company June 2008 Vice President of the Company June 2009 Director and Vice President of the Company June 2012 Director and Senior Vice President of the Company June 2016 Director and Senior Vice President of the Company (current position) (Responsibilities) Group Executive, Process Technology Business Group Responsible for Management Operation	10,000
		<p>[Reasons for the nomination of candidate for Director] Mr. Ryohei Iwasaki has accumulated a variety of practical experience in business operations including engagement in sales and marketing in Ceramic Products Business Group followed by overseas subsidiaries' management, as well as such position as General Manager of Corporate Strategy Office and Group Executive of Electronics Business Group and in management of Head Office. He currently serves as Director and Senior Vice President, and Group Executive of Process Technology Business Group, leading the operation thereof. We renominated him as a candidate for Director because he has an ample experience at the Company and knowledge in business operations.</p>	
6	Chiaki Niwa (February 16, 1960) [Reappointment] [Attendance at the Board of Directors meetings] 92% (13 out of 14 meetings)	March 1984 Joined the Company June 2013 Vice President of the Company June 2015 Director and Vice President of the Company June 2016 Director and Senior Vice President of the Company June 2018 Director and Senior Vice President of the Company (current position) (Responsibilities) Group Executive, Corporate Manufacturing Engineering, In charge of Quality Management Dept., Environmental Management Dept. and Safety and Health Management Dept., Facilities Committee Chair, Quality Committee Chair, NGK Environmental Protection Committee Chair and Safety and Health Committee Chair (Significant concurrent position) Director, NGK CERAMIC DEVICE CO., LTD.	6,000
		<p>[Reasons for the nomination of candidate for Director] After his long engagement in engineering business division (currently, an independent company) and plant technology division in Industrial Process Division, Mr. Chiaki Niwa currently serves as Director and Senior Vice President, and Group Executive of Corporate Manufacturing Engineering, playing a role of promoting new/reformed manufacturing structures as a whole. We renominated him as a candidate for Director because he has an ample experience at the Company as well as deep knowledge in project management and manufacturing technology.</p>	

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
7	Shuhei Ishikawa (December 10, 1959) [Reappointment] [Attendance at the Board of Directors meetings] 100% (14 out of 14 meetings)	March 1984 Joined the Company June 2010 Vice President of the Company June 2014 Senior Vice President of the Company June 2015 Director and Senior Vice President of the Company (current position) (Responsibilities) Group Executive, Electronics Business Group (Significant concurrent positions) Chairman, NGK Electronics Devices Inc. Chairman, NGK CERAMIC DEVICE CO., LTD.	11,000
		[Reasons for the nomination of candidate for Director] After joining the Company, Mr. Shuhei Ishikawa has engaged in technology and development in New Metals Division and fostered his knowledge in manufacturing technology and new product development in the said Division. Following having served as General Manager of New Metals Division, he currently serves as Director and Senior Vice President, and Group Executive of Electronics Business Group, leading the operation thereof. We renominated him as a candidate for Director because he has an ample experience at the Company, as well as a wealth of knowledge and personal contacts gained in the Electronics Business Group.	
8	Nobumitsu Saji (July 3, 1958) [Reappointment] [Attendance at the Board of Directors meetings] 100% (14 out of 14 meetings)	March 1984 Joined the Company June 2013 Vice President of the Company June 2014 Director and Vice President of the Company June 2015 Director and Senior Vice President of the Company (current position) (Responsibilities) Chief Compliance Officer, In charge of Auditing Dept., Group Compliance Dept., Legal Dept., and Intellectual Property Dept., CSR Committee Chair, Internal Controls Committee Chair, Company-Wide Competition Laws Supervisory Manager, Data Protection Officer	5,000
		[Reasons for the nomination of candidate for Director] Following a variety of experience in such areas as sales and marketing in Power Business Group, finance division, overseas subsidiaries, and secondment to external organizations, Mr. Nobumitsu Saji served as General Managers of Business Planning Department in multiple business groups and assumed a position of General Manger of Legal Department afterwards. He currently serves as Director and Senior Vice President, responsible for legal affairs and compliance-related divisions, as well as leading the Company's legal compliance system as a whole. We renominated him as a candidate for Director because he has an ample experience at the Company and global insights in the legal field.	

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
9	<p>Atsushi Matsuda (September 11, 1960)</p> <p>[Reappointment]</p> <p>[Attendance at the Board of Directors meetings] 100% (10 out of 10 meetings)</p> <p>(Note) Attendance relates to the Board of Directors meetings held since he assumed the position of Director on June 26, 2018.</p>	<p>March 1985 Joined the Company</p> <p>June 2012 Vice President of the Company</p> <p>June 2017 Senior Vice President of the Company</p> <p>June 2018 Director and Senior Vice President of the Company (current position)</p> <p>(Responsibilities)</p> <p>Group Executive, Ceramic Products Business Group, General Manager, Global Sales & Marketing Div., Ceramic Products Business Group</p> <p>General Manager, Nagoya Site</p> <p>(Significant concurrent positions)</p> <p>Chairman, NGK CERAMICS SUZHOU CO., LTD. Chairman, NGK CERAMICS EUROPE S.A.</p>	5,000
	<p>[Reasons for the nomination of candidate for Director]</p> <p>After joining the Company, Mr. Atsushi Matsuda has engaged in sales and marketing in Industrial Process Division and Ceramic Products Business Group, and has gained management experience at overseas subsidiary. Following having served as General Manager, Worldwide Sales & Marketing Div., Ceramics Products Business Group, he currently serves as Director and Senior Vice President, and Group Executive of Ceramic Products Business Group, leading the operation thereof. We renominated him as a candidate for Director because of his ample experience in business operations at the Company and knowledge in the business operation.</p>		
10	<p>Hiroyuki Kamano (July 21, 1945)</p> <p>[Reappointment] [Outside] [Independent]</p> <p>[Attendance at the Board of Directors meetings] 92% (13 out of 14 meetings)</p>	<p>April 1971 Joined the Ministry of Foreign Affairs</p> <p>April 1979 Legal Training and Research Institute, the Supreme Court</p> <p>April 1981 Registered as attorney-at-law</p> <p>October 1988 Managing Partner, Kamano Sogo Law Offices (current position)</p> <p>June 2007 Outside Audit & Supervisory Board Member, Komatsu Ltd.</p> <p>July 2007 Outside Director, SUMITOMO LIFE INSURANCE COMPANY</p> <p>April 2009 Vice-President, Tokyo Bar Association</p> <p>June 2011 Director of the Company (current position)</p> <p>June 2015 Outside Audit & Supervisory Board Member, HOUSE FOOD GROUP INC. (current position)</p> <p>(Significant concurrent positions)</p> <p>Managing Partner, Kamano Sogo Law Offices Outside Audit & Supervisory Board Member, HOUSE FOOD GROUP INC.</p>	1,000
	<p>[Reasons for the nomination of candidate for Outside Director]</p> <p>Having long engaged in legal practice as an attorney-at-law, Mr. Hiroyuki Kamano possesses a wealth of experience and achievements in the legal community, including his service as Vice-President of Tokyo Bar Association. By utilizing these careers, he has been appropriately fulfilling his duties as an Outside Director of the Company, by giving his opinion on strengthening the compliance structure and management strategy from the perspective of investors, as well as offering suggestions to the Company's business operation and properly overseeing the management of the Company. Therefore, we renominated him as a candidate for Outside Director.</p>		

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
11	<p data-bbox="209 602 435 658">Emiko Hamada (November 23, 1958)</p> <p data-bbox="233 696 411 815">[Reappointment] [Outside] [Independent] [Female]</p> <p data-bbox="193 853 451 972">[Attendance at the Board of Directors meetings] 100% (14 out of 14 meetings)</p>	<p data-bbox="472 322 1011 344">April 1984 Joined TAIYO YUDEN CO., LTD.</p> <p data-bbox="472 349 1259 427">December 2001 General Manager, Technical Quality Assurance Control R Technology Dept., Technical Group, TAIYO YUDEN CO., LTD.</p> <p data-bbox="472 439 1243 517">September 2003 Chief Researcher, Basic Development Dept., General Research Center, Technical Group, TAIYO YUDEN CO., LTD.</p> <p data-bbox="472 528 1187 607">November 2008 Assistant Professor, National University Corporation Nagoya Institute of Technology Center for Social Contribution and Collaboration</p> <p data-bbox="472 618 1291 719">April 2011 Professor, Master's program majoring in Industrial Strategy Engineering, National University Corporation Nagoya Institute of Technology Center for Social Contribution and Collaboration</p> <p data-bbox="472 730 1219 831">April 2012 Professor, Center for Research on Assistive Technology for Building a New Community, National University Corporation Nagoya Institute of Technology Center for Social Contribution and Collaboration</p> <p data-bbox="472 842 1243 898">May 2015 Program Officer, Category No. 3, A-STEP, Japan Science and Technology Agency (current position)</p> <p data-bbox="472 909 1171 965">July 2016 Part-time lecturer, National University Corporation Nagoya Institute of Technology (current position)</p> <p data-bbox="472 976 1171 1032">August 2016 Visiting Professor, National University Corporation Nagoya University (current position)</p> <p data-bbox="472 1043 1086 1077">June 2017 Director of the Company (current position)</p> <p data-bbox="472 1088 815 1099">(Significant concurrent positions)</p> <p data-bbox="472 1111 1235 1144">Program Officer, Category No. 3, A-STEP, Japan Science and Technology Agency</p> <p data-bbox="472 1155 1203 1189">Part-time lecturer, National University Corporation Nagoya Institute of Technology</p> <p data-bbox="472 1200 1203 1234">Visiting Professor, National University Corporation Nagoya University</p>	5,000
<p data-bbox="193 1256 884 1279">[Reasons for the nomination of candidate for Outside Director]</p> <p data-bbox="193 1290 1406 1516">Ms. Emiko Hamada has made remarkable achievements such as leading the invention and the world's first commercialization of the CD-R (recordable CD) while working for TAIYO YUDEN CO., LTD. Since then, she has been engaged in research activities mainly through industry-academia-government collaborations as Professor at Nagoya Institute of Technology and Visiting Professor at Nagoya University. By utilizing the insights she has developed through her career, she has been appropriately fulfilling her duties as an Outside Director of the Company by giving her opinion in terms of strengthening technical capability and defining a company-wide direction on product development, as well as offering suggestions to the Company's business operation and overseeing the management of the Company, therefore we renominated her as a candidate for Outside Director.</p>			

No.	Name (Date of birth)	Career summary	Number of shares of the Company held
12	Kazuo Furukawa (November 3, 1946) [New candidate] [Outside] [Independent]	<p>April 1971 Joined Hitachi, Ltd.</p> <p>April 2005 Executive Vice President and Executive Officer; President & Chief Executive Officer, Information & Telecommunication Systems Group; General Manager, Corporate Export Regulation Division, Hitachi Ltd.</p> <p>April 2006 President, Hitachi Ltd.</p> <p>June 2006 Director and President, Hitachi Ltd.</p> <p>May 2007 Vice Chair, Japan Business Federation (Keidanren)</p> <p>April 2009 Director, Representative Executive Officer, Vice Chairman and Executive Officer, Hitachi Ltd.</p> <p>June 2009 Senior Corporate Adviser, Hitachi Ltd.</p> <p>June 2011 President, Information Processing Society of Japan</p> <p>October 2011 Chairman, New Energy and Industrial Technology Development Organization</p>	0
<p>[Reasons for the nomination of candidate for Outside Director]</p> <p>Mr. Kazuo Furukawa has extensive knowledge of technical fields including information and telecommunications, as well as experience leading large organizations, through his work in important positions at Hitachi Ltd. such as President & Chief Executive Officer of the Information & Telecommunication Systems Group and subsequently President, as well as Chairman of the New Energy and Industrial Technology Development Organization. We consider that he will be able to contribute to the enhancement of the Company's corporate value by utilizing this experience to offer suggestions to the Company's business operation and oversee the management of the Company. Therefore, we nominated him as a candidate for Outside Director.</p>			

(Notes)

1. There is no special interest between each candidate for Director and the Company.
2. Matters concerning the candidates for Outside Director are as follows.
 - (1) Mr. Hiroyuki Kamano, Ms. Emiko Hamada and Mr. Kazuo Furukawa are candidates for Outside Director as stipulated in Article 2, Paragraph 3, Item 7 of the Ordinance for Enforcement of the Companies Act. The Company has filed Independent Directors/Auditors Notification with Tokyo Stock Exchange, Inc. and Nagoya Stock Exchange, Inc. to designate Mr. Hiroyuki Kamano and Ms. Emiko Hamada as Independent Directors. If the appointment of Mr. Hiroyuki Kamano, Ms. Emiko Hamada and Mr. Kazuo Furukawa is approved at this Annual Shareholders' Meeting, the Company plans to file Independent Directors/Auditors Notification with Tokyo Stock Exchange, Inc. and Nagoya Stock Exchange, Inc. to designate each of them as Independent Directors.
 - (2) Although Mr. Hiroyuki Kamano and Ms. Emiko Hamada have never been involved in corporate management except as Outside Director or Outside Audit & Supervisory Board Member, the Company has judged that they are capable of performing their duties appropriately as Outside Directors due to the reasons stated in Reasons for the appointment of candidate for Outside Director above.
 - (3) Mr. Hiroyuki Kamano is currently in office as Outside Director of the Company, and will have served for eight years as Outside Director at the conclusion of this Annual Shareholders' Meeting. Ms. Emiko Hamada is currently in office as Outside Director of the Company, and will have served for two years as Outside Director at the conclusion of this Annual Shareholders' Meeting.
 - (4) Overview of the liability limitation agreement
The Company has entered into a liability limitation agreement with each of Mr. Hiroyuki Kamano and Ms. Emiko Hamada, which provides that if an Outside Director is without knowledge and is not grossly negligent in performing his/her duties, the liability of the Director to the Company under Article 423, Paragraph 1 of the Companies Act shall be limited to the amount provided in Article 425, Paragraph 1 of the Companies Act. Subject to the approval of the reappointment of them, the Company intends to continue the liability limitation agreements with them. In addition, if the appointment of Mr. Kazuo Furukawa is approved, the Company intends to enter into a similar liability limitation agreement with Mr. Kazuo Furukawa.
 - (5) The relationship between each concurrent organization of Outside Director candidates and the Company is as follows:

Candidate for Outside Director	Concurrent organization	Relationship with the concurrent organization as seen from the Company	Scale of transactions during the current consolidated fiscal year
Hiroyuki Kamano	Kamano Sogo Law Offices	None	—
	HOUSE FOOD GROUP INC.	None	—
Emiko Hamada	TAIYO YUDEN CO., LTD.	Sales of ceramic products, etc.	Less than 0.1% of the Company's consolidated net sales
			Less than 0.1% of the consolidated operating expenses of the concurrent organization for the fiscal year ended March 31, 2019
	National University Corporation Nagoya Institute of Technology	Payment of research expenses, etc.	Less than 0.1% of the Company's consolidated operating expenses
			Less than 1% of the ordinary income of the concurrent organization for the fiscal year ended March 31, 2018
	Japan Science and Technology Agency	None	—
National University Corporation Nagoya University	Sales of products for electronics industry, etc.	Less than 0.1% of the Company's consolidated net sales	
		Less than 0.1% of the ordinary expenses of the concurrent organization for the fiscal year ended March 31, 2018	
National University Corporation Nagoya University	Payment of research expenses, etc.	Less than 0.1% of the Company's consolidated operating expenses	
		Less than 0.1% of the ordinary income of the concurrent organization for the fiscal year ended March 31, 2018	

Kazuo Furukawa	Hitachi Ltd.	Sales of ceramic products, etc.	Less than 0.1% of the Company's consolidated net sales
			Less than 0.1% of the Company's consolidated operating expenses for the fiscal year ended March 31, 2019
		Payment for the purchase of equipment etc.	Less than 0.1% of the Company's operating expenses
	Less than 0.1% of the consolidated sales income of the concurrent organization for the fiscal year ended March 31, 2019		
New Energy and Industrial Technology Development Organization		Receipt of research expenses from the concurrent organization for commissioned, sponsored and subsidized projects	Less than 0.1% of the Company's consolidated net sales
			Less than 0.1% of the ordinary expenses of the concurrent organization for the fiscal year ended March 31, 2018

(6) Ms. Emiko Hamada's name on the family register is Emiko Kato.

Proposal 3: Election of 3 Audit & Supervisory Board Members

The terms of office of 3 Audit & Supervisory Board Members will expire at the conclusion of this Annual Shareholders' Meeting. Accordingly, the Company proposes the election of 3 Audit & Supervisory Board Members.

This proposal has been approved in advance by the Audit & Supervisory Board.

The candidates for Audit & Supervisory Board Member are as follows:

No.	Name	Current positions and responsibilities at the Company	Attendance at Board of Directors meetings	Attendance at Audit & Supervisory Board meetings
1	Ken Sugiyama [Reappointment]	Full-time Audit & Supervisory Board Member	100% (14 out of 14 meetings)	100% (14 out of 14 meetings)
2	Takeshi Shimazaki [New candidate]	Manager of Business Audit department	—	—
3	Masayoshi Sakaguchi [New candidate] [Outside] [Independent]	—	—	—

No.	Name (Date of birth)	Career summary, positions and significant concurrent positions		Number of shares of the Company held
1	Ken Sugiyama (September 29, 1956) [Reappointment] [Attendance at Board of Directors meetings] 100% (14 out of 14 meetings) [Attendance at Audit & Supervisory Board meetings] 100% (14 out of 14 meetings)	March 1980 July 2002 April 2007 June 2015	Joined the Company General Manager, Finance & Accounting Dept. of the Company General Manager, Auditing Dept. of the Company Full-time Audit & Supervisory Board Member of the Company (current position)	2,544
<p>[Reasons for the nomination of candidate for Audit & Supervisory Board Member] Since joining the Company, Mr. Ken Sugiyama has had many years of experience in finance divisions, and has served as General Manager of Finance & Accounting Department, as well as being involved in business operations at overseas subsidiaries. In addition, he served as General Manager of Auditing Department. By utilizing his abundant knowledge and experience in the Group's finance and accounting operations as well as auditing, including overseas, gained through his career, he has been appropriately overseeing management of the Company as an Audit & Supervisory Board Member, therefore we renominated him as a candidate for Audit & Supervisory Board Member.</p>				
2	Takeshi Shimazaki (December 20, 1959) [New candidate]	March 1982 April 2010 June 2015	Joined the Company Specialist Manager, Finance & Accounting Dept. General Manager, Auditing Dept. of the Company (current position)	817
<p>[Reasons for the nomination of candidate for Audit & Supervisory Board Member] Since joining the Company, Mr. Takeshi Shimazaki has had many years of experience in finance divisions, and has served as Specialist Manager of Finance & Accounting Department. He also has experience as General Manager of Auditing Department, and is well-versed in the Group's finance and accounting operations as well as auditing, including overseas. We consider that he will be able to contribute to the enhancement of the Company's corporate value by utilizing this experience to oversee the Company's management. Therefore, we nominated him as a candidate for Audit & Supervisory Board Member.</p>				
3	Masayoshi Sakaguchi (August 18, 1957) [New candidate] [Outside] [Independent]	April 1980 February 1999 September 2001 January 2003 October 2011 January 2013 January 2015 August 2016 May 2018 (Significant concurrent position) Senior Advisor, Nippon Life Insurance Company	Joined the National Police Agency Chief of First Area Headquarters, Metropolitan Police Department Chief of Akita Prefectural Police Headquarters Chief Criminal Investigations, Osaka Prefectural Police Headquarters Chief of Osaka Prefectural Police Headquarters Commissioner-General's Secretariat, National Police Agency Deputy Commissioner-General, National Police Agency Commissioner-General, National Police Agency Senior Advisor, Nippon Life Insurance Company (current position)	0
<p>[Reasons for the nomination of candidate for Outside Audit & Supervisory Board Member] Mr. Masayoshi Sakaguchi has abundant experience in the administration and leadership of large organizations, gained through his work in important positions including Chief of Osaka Prefectural Police Headquarters, Commissioner-General's Secretariat and subsequently Commissioner-General of the National Police Agency. We consider that he will be able to contribute to the enhancement of the Company's corporate value by utilizing this experience to oversee the Company's overall management from the perspectives of legal compliance and risk management. Therefore, we nominated him as a candidate for Outside Audit & Supervisory Board Member.</p>				

(Notes)

1. There is no special interest between each candidate for Audit & Supervisory Board Member and the Company.
2. Matters concerning the candidates for Outside Audit & Supervisory Board Member are as follows.
 - (1) Mr. Masayoshi Sakaguchi is candidate for Outside Audit & Supervisory Board Member as stipulated in Article 2, Paragraph 3, Item 8 of the Ordinance for Enforcement of the Companies Act. If the appointment of Mr. Masayoshi Sakaguchi is approved at this Annual Shareholders' Meeting, the Company plans to file Independent Directors/Auditors Notification with Tokyo Stock Exchange, Inc. and Nagoya Stock Exchange, Inc. to designate him as Independent Auditor.
 - (2) Although Mr. Masayoshi Sakaguchi has never been involved in corporate management, the Company has judged that he is capable of performing his duties appropriately as Outside Audit & Supervisory Board Member due to the reasons stated in the candidate information above.
 - (3) If the appointment of Mr. Masayoshi Sakaguchi is approved at this Annual Shareholders' Meeting, the Company intends to enter into a liability limitation agreement with Mr. Masayoshi Sakaguchi, which provides that if an Outside Audit & Supervisory Board Member is without knowledge and is not grossly negligent in performing his/her duties, the liability of the Audit & Supervisory Board Member to the Company under Article 423, Paragraph 1 of the Companies Act shall be limited to the amount provided in Article 425, Paragraph 1 of the Companies Act.
 - (4) The relationship between each concurrent organization of the candidates for Outside Audit & Supervisory Board Member and the Company is as follows:

Candidate for Outside Auditor	Concurrent organization	Relationship with the concurrent organization as seen from the Company	Scale of transactions during the current consolidated fiscal year
Masayoshi Sakaguchi	Nippon Life Insurance Company	Borrowing of funds	Less than 3% of the Company's consolidated total assets
			Less than 0.1% of the consolidated total assets of the concurrent organization (as of December 31, 2018)

- (5) Although Mr. Masayoshi Sakaguchi holds the position of Senior Advisor at Nippon Life Insurance Company, a shareholder and one of the lenders of the Company, Nippon Life Insurance Company holds only 1.31% of the Company's shares at the end of the current fiscal year. Also, the Company deals with a number of financial institutions and does not depend on the Nippon Life Insurance Company to the extent there are no alternatives for the bank in terms of fund procurement. Therefore, the Company believes that, after the appointment of Mr. Masayoshi Sakaguchi, the relationship between Nippon Life Insurance Company and the Company in terms of shareholdings and borrowing of funds will not affect the management of the Company. For the reasons above, we deem that his independence is sufficiently assured.

Shareholder Proposal (Proposal 4)

Proposal 4 has been put forward by one shareholder.

The Board of Directors of the Company **opposes Proposal 4**, as described below.

Proposal 4: Election of Outside Directors

The following 3 candidates are recommended for the position of Outside Director.

- Noboru Shinbara, Executive Officer and General Manager of Research Institute, TOTO LTD.
- Akira Nagata, Executive Officer and General Manager, Development & Engineering Group, NORITAKE CO., LTD.
- Noboru Ishida, Executive Officer and Plant Manager of Komaki, NGK SPARK PLUG CO., LTD.

Reasons for the Proposal

Mutual personnel exchange at the top management level is essential for the development and commercialization of advanced fuel cell batteries and rechargeable batteries to replace lithium-ion batteries within the next two years.

Opinion of the Board of Directors

The Board of Directors of the Company **opposes Proposal 4**.

For the reasons given below, the Board of Directors of the Company considers that the composition of the Board of Directors presented in the Company Proposal, Proposal 2 is the most suitable, and the election of Outside Directors from the candidates presented in this Proposal is unnecessary.

1. The Board of Directors is composed of highly independent outside personnel with expert knowledge in specialized fields such as law, and insight into areas such as social, economic and technological trends and corporate management, as well as personnel from within the Company, who have qualities including practical experience and leadership in the Company's manufacturing technology, research and development, sales, and planning.
2. Proposal 2: Election of 12 Directors includes 3 candidates for Outside Director, recommended by the Board of Directors after considering report by the Nomination and Compensation Advisory Committee. The 3 candidates are Mr. Hiroyuki Kamano, who possesses a high degree of specialization as a legal professional, Ms. Emiko Hamada, who has abundant knowledge of trends in technology and product development, and Mr. Kazuo Furukawa, who has abundant insights into corporate management. Mr. Hiroyuki Kamano and Ms. Emiko Hamada have been offering appropriate suggestions as Outside Directors to the Company, based on their areas of specialization and knowledge, and the new candidate Mr. Kazuo Furukawa is also expected to offer appropriate suggestions related to corporate management.
3. The 3 candidates presented in this Proposal, Mr. Noboru Shinbara, Mr. Akira Nagata and Mr. Noboru Ishida, have received no explanation related to their candidacy from the shareholder responsible for the Proposal, and we have confirmed that they intend to **decline the appointment** if this Proposal were to be approved by the Annual Shareholders' Meeting.