

(Translation)

Securities Code: 8068

April 4, 2018

## NOTICE OF THE 58TH ANNUAL SHAREHOLDERS' MEETING

Dear Shareholders,

I would like to invite you to attend the 58th Annual Shareholders' Meeting to be held as described hereunder.

If you are unable to attend this Annual Shareholders' Meeting (the "Meeting") in person, you may exercise your voting rights in writing or via the Internet. Please peruse the attached Reference Documents for Annual Shareholders' Meeting and exercise your voting rights by returning the enclosed Exercise Voting Rights Form with your selections to us, or by accessing the Website for Exercising Voting Rights designated by us (<https://evote.tr.mufg.jp/>) and inputting your selections, by 5:30 p.m. on April 25 (Wednesday), 2018.

Sincerely yours,

Takayoshi Oouchi  
President & COO  
Ryoyo Electro Corporation  
1-12-22 Tsukiji, Chuo-ku, Tokyo

- 1. Date and Time:** 10:00 a.m. on April 26 (Thursday), 2018  
(the reception desk opens at 9:00 a.m.)
- 2. Venue:** JIJI PRESS HALL (on the 2nd floor of Jiji Press Building)  
5-15-8 Ginza, Chuo-ku, Tokyo

### **3. Agenda:**

- Matters to be reported:*
1. The business report, the consolidated financial statements, and the audit reports on the consolidated financial statements by the Accounting Auditor and the Audit & Supervisory Board for the 58th term (from February 1, 2017 to January 31, 2018)
  2. The non-consolidated financial statements for the 58th term (from February 1, 2017 to January 31, 2018)

*Matters to be proposed:*

- |                |                              |
|----------------|------------------------------|
| Proposal No. 1 | Appropriation of Surplus     |
| Proposal No. 2 | Election of One (1) Director |

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- \* When attending the Meeting in person, shareholders are requested to submit the enclosed Exercise Voting Rights Form at the reception desk on the above-mentioned date.
  - \* We will post any modification to the reference documents for the Meeting, the business report, the consolidated financial statements and the non-consolidated financial statements on our corporate website (<http://www.ryoyo.co.jp>).

*This is an English translation prepared for the convenience of non-resident shareholders. If there is any discrepancy between the translation and the original Japanese text, the latter shall prevail.*

## **Reference Documents for Annual Shareholders' Meeting**

### **Proposal No. 1: Appropriation of Surplus**

We propose that surplus be appropriated in the following manner:

#### **Matters related to year-end dividend**

With a stable dividend to our valued shareholders as a base and generally taking into consideration business performance for the term under review, retained earnings set aside for future plans for business development, and other factors, we propose that the year-end dividend for the 58th term be as follows:

- (1) Type of dividend property  
Cash
- (2) Allotment of dividend property and its aggregate amount  
¥30 per share;  
Including the interim dividend, the dividend for the full year will be ¥60 per share, and the aggregate amount of dividend will be ¥735,187,200.
- (3) Effective date of dividend distribution  
April 27, 2018

**Proposal No. 2: Election of One (1) Director**

We propose that one (1) Director be elected to strengthen the management structure. The term of office of newly elected Director this time runs until the conclusion of the 59th Annual Shareholders' Meeting scheduled to be held in April 2019, when the term of office of other serving Directors expires, as stipulated in Article 22 of the Company's Articles of Incorporation. Note that as Director Mr. Nobuo Kikutsugi will retire at the conclusion of this Annual Shareholders' Meeting, the number of serving Directors after the election from this proposal will remain unchanged at eight (8).

The candidate's profile is provided below.

Name (date of birth)	Career summary and positions and responsibilities at the Company (status of important concurrent occupations or positions at other organizations)	Number of the Company's shares held
<New candidate> Moritaka Nakamura (September 7, 1959)	Apr. 1984 Joined Isetan Co., Ltd. (currently Isetan Mitsukoshi Ltd.)	1,000
	Apr. 2011 Director, Executive Officer, General Manager, Corporate Planning Division, Isetan Mitsukoshi Ltd.	
	Apr. 2012 Executive Officer, General Manager, Personnel Division, Isetan Mitsukoshi Holdings Ltd.	
	Apr. 2016 Managing Executive Officer, General Manager, IT & Group Marketing Strategy Headquarters, Isetan Mitsukoshi Holdings Ltd.	
	May 2017 Joined Ryoyo Electro as Special Advisor	
	Aug. 2017 Senior Managing Executive Officer in charge of Business Renovation	
	Dec. 2017 Senior Managing Executive Officer in charge of Sales, Technology, Overseas Marketing and Business Renovation	
	Mar. 2018 Senior Managing Executive Officer in charge of Sales, Technology and Overseas Marketing, General Manager, Sales and Business Development Div., in charge of Business Renovation (incumbent)	
<p><b>Reasons for nominating the candidate for Director</b></p> <p>Before entering the Company, the candidate gained extensive experience, knowledge, and personal network cultivated through being engaged in work related to corporate planning, sales planning, personnel, IT and group marketing strategy, and being involved in senior management as a Director. Bringing such experience to the Company, he is currently carrying out comprehensive management of sales, technology and overseas marketing as General Manager of Sales and Business Development Div., while demonstrating leadership as the person in charge of Business Renovation within the Company. For these reasons, the Company believes that he is a suitable candidate capable of improving its corporate value and accordingly proposes his election as a Director of the Company.</p>		

Note: There is no special interest between the Company and the candidate for Director.