

(Translation)

Securities Code: 8068

April 6, 2020

## NOTICE OF THE 60TH ANNUAL SHAREHOLDERS' MEETING

Dear Shareholders,

I would like to invite you to attend the 60th 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 using either of the following methods. Please exercise your voting rights after perusing the attached Reference Documents for Annual Shareholders' Meeting.

[Voting in Writing (by Mail)]

Please return the enclosed Exercise Voting Rights Form with your selections to reach us by 5:30 p.m. on April 27 (Monday), 2020.

[Voting via the Internet, etc.]

Please exercise your voting rights 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 27 (Monday), 2020. Institutional investors may use the Electronic Voting Platform to exercise voting rights.

Sincerely yours,

Moritaka Nakamura  
Representative Director & President  
Ryoyo Electro Corporation  
1-12-22 Tsukiji, Chuo-ku, Tokyo

- 1. Date and Time:** 10:00 a.m. on April 28 (Tuesday), 2020  
(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 60th term (from February 1, 2019 to January 31, 2020)
  2. The non-consolidated financial statements for the 60th term (from February 1, 2019 to January 31, 2020)

*Matters to be proposed:*

- |                |  |
|----------------|--|
| Proposal No. 1 | Appropriation of Surplus                               |
| Proposal No. 2 | Partial Amendments to Articles of Incorporation        |
| Proposal No. 3 | Election of Two (2) Directors                          |
| Proposal No. 4 | Election of Four (4) Audit & Supervisory Board Members |

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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.

**Our corporate website (<https://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:

#### 1. Matters related to year-end dividend

In accordance with the "Basic policy regarding the distribution of profit," we propose that the year-end dividend for the 60th term be as follows:

<b>Type of dividend property</b>	Cash
<b>Allotment of dividend property and its aggregate amount</b>	¥40 per common share of the Company Total dividends: ¥982,912,040
<b>Effective date of dividend distribution</b>	April 30, 2020

#### 2. Matters related to other appropriation of surplus

In order to ensure capital policy choices such as stable and continuous dividends, and retirement of treasury shares, we intend to reverse the general reserve noted as follows:

(1) Item of surplus to be increased and the amount thereof	Retained earnings brought forward	¥30,000,000,000
(2) Item of surplus to be decreased and the amount thereof	General reserve	¥30,000,000,000

#### <Reference>

##### Basic policy regarding the distribution of profit

The Company regards the distribution of profit earned from business activities as one of management's top priorities.

While maintaining a stable management base and working to expand business in the future, the Company returns profit to its shareholders, taking into account the financial position, business environment, etc., and the Company's basic policy is to pay stable dividends, targeting a dividend on equity ratio (DOE) of 3%.

## Proposal No. 2: Partial Amendments to Articles of Incorporation

### 1. Reason for amendments

In order to respond to the diversification of our business in line with changes in the business environment, we will amend business purposes mentioned in “Purposes” (Article 2 of the Articles of Incorporation) as necessary.

Also, the numbering of the provisions will be changed in accordance to the amendments of purposes.

### 2. Details of amendments

Details of the amendments are stated below.

(The underlined parts indicate the proposed amendments.)

Current Articles of Incorporation	Proposed Amendments
Chapter 1. General Provisions	Chapter 1. General Provisions
Article 2 (Purposes)	Article 2 (Purposes)
The business purposes of the Company shall be as follows:	The business purposes of the Company shall be as follows:
(1) to (5) (Description omitted)	(1) to (5) (Same as at present)
(To be newly instituted)	<u>(6) Consigned freight forwarding business</u>
(To be newly instituted)	<u>(7) Warehouse business</u>
<u>(6) to (12)</u> (Description omitted)	<u>(8) to (14)</u> (Same as at present)

### Proposal No. 3: Election of Two (2) Directors

We propose that two (2) Directors be elected to strengthen the management structure. The term of office of newly elected Directors this time runs until the conclusion of the 61st Annual Shareholders' Meeting scheduled to be held in April 2021, when the term of office of other serving Directors expires, as stipulated in Article 22, Paragraph 2 of the Company's Articles of Incorporation. Note that as Director Mr. Kenhachiro Ogawa will retire due to resignation at the conclusion of this Annual Shareholders' Meeting, the number of serving Directors after the election from this proposal will be ten (10).

The candidates' profiles are provided below.

Candidate number	Name	Attribute of candidate	Current positions at the Company
1	Shinya Takada	New candidate Outside Independent	—
2	Masashi Oba	New candidate Outside Independent	—

New candidate: Candidate for Director to be newly elected

Outside: Candidate for outside Director

Independent: Independent Director pursuant to the provisions of Tokyo Stock Exchange, Inc.

No. 1	<New candidate/ Outside/Independent>	<b>Number of the Company's shares held</b>	0
<b>Shinya Takada</b>		<b>Tenure as Director</b>	—
	(January 8, 1952)	<b>Attendance to the Meetings of the Board of Directors</b>	—
<b>Career summary and positions and responsibilities at the Company</b>			
Apr. 1975	Joined Isetan Co., Ltd. (currently Isetan Mitsukoshi Ltd.)		
Feb. 1995	General Manager, Sales Policy Department, Sales Division, Isetan Co., Ltd.		
Jun. 2002	Executive Officer, Manager, General Planning Section, Management Planning Department, Isetan Co., Ltd.		
Apr. 2008	Director, Senior Managing Executive Officer, General Manager, Corporate Strategy Headquarters, Isetan Mitsukoshi Holdings Ltd.		
Jan. 2010	Representative Director, Senior Managing Executive Officer, General Manager, Corporate Strategy Headquarters, Isetan Mitsukoshi Holdings Ltd.		
Jun. 2012	Full-time Corporate Auditor, Isetan Mitsukoshi Holdings Ltd.		
Jun. 2017	Outside Director (Member of Audit and Supervisory Committee), SHOWA CORPORATION (incumbent)		
<b>Status of important concurrent occupations or positions at other organizations</b>			
Outside Director (Member of Audit and Supervisory Committee), SHOWA CORPORATION			
<b>Reasons for nominating the candidate for outside Director</b>			
In his former employment, the candidate has experience of involvement in management while serving mainly in the corporate planning and strategy fields. For these reasons, the Company believes that he is a suitable candidate who can offer advice from multifaceted perspectives capable of improving its corporate value and accordingly proposes his election as an outside Director of the Company.			

No. 2	<New candidate/ Outside/Independent>	<b>Number of the Company's shares held</b>	0
<b>Masashi Oba</b>		<b>Tenure as Director</b>	—
	(February 13, 1955)	<b>Attendance to the Meetings of the Board of Directors</b>	—
<b>Career summary and positions and responsibilities at the Company</b>			
Apr. 1978	Joined Tokio Marine & Fire Insurance Co., Ltd. (currently Tokio Marine & Nichido Fire Insurance Co., Ltd.)		
Jun. 2007	Executive Officer and General Manager of Corporate Accounting Dept., Tokio Marine & Fire Insurance Co., Ltd.		
Jun. 2010	Managing Director, Tokio Marine Holdings, Inc.		
Apr. 2015	Executive Vice President & CFO, Tokio Marine Holdings, Inc.		
Jun. 2016	President & CEO, Tokio Marine Asset Management Co., Ltd.		
May 2018	Representative Director & President, UNIMAT PRECIOUS Co., Ltd.		
<b>Status of important concurrent occupations or positions at other organizations</b>			
None			
<b>Reasons for nominating the candidate for outside Director</b>			
In his former employment, the candidate has experience of involvement in management as CFO while serving mainly in administration divisions. For these reasons, the Company believes that he is a suitable candidate who can offer advice from multifaceted perspectives capable of improving its corporate value and accordingly proposes his election as an outside Director of the Company.			

- Notes:
1. There are no special interests between the Company and these candidates for Director.
  2. Shinya Takada and Masashi Oba are candidates for outside Director.
  3. Agreements for limitation of liability concluded with outside Directors are outlined below.

The Company intends to conclude agreements for limitation of liability with Shinya Takada and Masashi Oba provided that they are elected as outside Director.

Outline of the agreements for limitation of liability is as follows.

Pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, when the outside Directors cause damages to the Company arising from their negligence of their duties, the Company shall limit their liability to the Company to either ¥8 million or the minimum liability amount as stipulated by Article 425, Paragraph 1 of the Companies Act, whichever is higher, if the relevant outside Directors are without knowledge and are not grossly negligent in performing their duties. The Company naturally exempts the outside Directors from the exceeding liability thereof.
  4. Shinya Takada and Masashi Oba satisfy the independent director requirements pursuant to the provisions of Tokyo Stock Exchange, Inc., and the Company intends to give notice of them as independent directors to the said exchange provided that they are elected as outside Director.



**Proposal No. 4: Election of Four (4) Audit & Supervisory Board Members**

The term of office of all four (4) Audit & Supervisory Board Members will expire at the conclusion of this Annual Shareholders' Meeting. Accordingly, we propose that four (4) Audit & Supervisory Board Members be elected.

In addition, the consent of the Audit & Supervisory Board has been obtained for this proposal.

The candidates' profiles are provided below.

Candidate number	Name	Attribute of candidate	Current positions at the Company
1	Hiroyuki Kanno	New candidate	General Manager, General Affairs Dept.
2	Ryoji Kimura	Reelection Outside Independent	Outside Audit & Supervisory Board Member
3	Kazumi Akiyama	Reelection Outside Independent	Outside Audit & Supervisory Board Member
4	Motomi Oi	New candidate Outside Independent	—

**Reelection:** Candidate for Audit & Supervisory Board Member to be reelected

**New candidate:** Candidate for Audit & Supervisory Board Member to be newly elected

**Outside:** Candidate for outside Audit & Supervisory Board Member

**Independent:** Independent Audit & Supervisory Board Member pursuant to the provisions of Tokyo Stock Exchange, Inc.

No. 1	<New candidate>	<b>Number of the Company's shares held</b>	1,100
<b>Hiroyuki Kanno</b>		<b>Tenure as Audit &amp; Supervisory Board Member</b>	—
	(September 8, 1962)	<b>Attendance to the Meetings of the Board of Directors</b>	—
		<b>Attendance to the Meetings of the Audit &amp; Supervisory Board</b>	—
<b>Career summary and positions at the Company</b>			
Apr. 1984	Joined Ryoyo Electro		
Aug. 2005	General Manager, Accounting Dept.		
Feb. 2015	General Manager, Internal Auditing Dept. and CSR Dept.		
Aug. 2016	General Manager, General Affairs & Human Resources Dept.		
Mar. 2018	General Manager, General Affairs Dept. (incumbent)		
<b>Status of important concurrent occupations or positions at other organizations</b>			
None			
<b>Reasons for nominating the candidate for Audit &amp; Supervisory Board Member</b>			
The candidate has experience in the overall operations of the accounting, general affairs, human resources, internal auditing, CSR, and other administrative departments of the Company, mainly in the Administration Div., and has extensive knowledge in finance, accounting, etc. based on this experience. Based on the above, the Company believes that he is suitable for Audit & Supervisory Board Member, and that he will execute the duties of his office appropriately if he assumes his office as Audit & Supervisory Board Member of the Company.			

No. 2	<Reelection/ Outside/Independent>	<b>Number of the Company's shares held</b>	0
<b>Ryoji Kimura</b>		<b>Tenure as Audit &amp; Supervisory Board Member</b>	8 years
	(October 15, 1950)	<b>Attendance to the Meetings of the Board of Directors</b>	13/14
		<b>Attendance to the Meetings of the Audit &amp; Supervisory Board</b>	12/12
<b>Career summary and positions at the Company</b>			
Apr. 1980	Registered as Attorney (Yokohama Bar Association (currently Kanagawa Bar Association))		
Apr. 1983	Established Ryoji Kimura Law Office		
Apr. 2006	President, Yokohama Bar Association		
Jun. 2007	Committee Member, Research Conduct Committee, Yokohama National University (incumbent)		
Apr. 2008	Vice President, Japan Federation of Bar Associations		
Apr. 2012	Head, Kanagawa District Office, Japan Legal Support Center Outside Audit & Supervisory Board Member, Ryoyo Electro (incumbent)		
Mar. 2015	Member of Legislative Council, Ministry of Justice		
Apr. 2019	Director, Kanto Federation of Bar Associations		
<b>Status of important concurrent occupations or positions at other organizations</b>			
Attorney, Ryoji Kimura Law Office			
<b>Reasons for nominating the candidate for outside Audit &amp; Supervisory Board Member</b>			
The candidate has engaged in activities as an attorney for many years and acquired highly professional insight into overall corporate legal affairs based on his scholarly wisdom and professional experiences. Based on the above, although the candidate has never directly engaged in company management in the past except as an outside officer, the Company believes that he is suitable for outside Audit & Supervisory Board Member, and that he will continue to execute the duties of his office appropriately.			

No. 3	<Reelection/ Outside/Independent>	<b>Number of the Company's shares held</b>	0
<b>Kazumi Akiyama</b>		<b>Tenure as Audit &amp; Supervisory Board Member</b>	4 years
	(March 13, 1955)	<b>Attendance to the Meetings of the Board of Directors</b>	14/14
		<b>Attendance to the Meetings of the Audit &amp; Supervisory Board</b>	12/12
<b>Career summary and positions at the Company</b>			
Apr. 1978	Joined Ministry of Finance		
Jul. 2006	Director-General, Shikoku Local Finance Bureau, Ministry of Finance		
Jun. 2007	Director-General, Nagoya Regional Taxation Bureau, National Tax Agency, Ministry of Finance		
Jun. 2008	Assistant Vice-Minister, Minister's Secretariat, Ministry of Land, Infrastructure, Transport and Tourism and Councillor, Cabinet Secretariat		
Jul. 2010	Director-General, Yokohama Customs, Ministry of Finance		
Jun. 2011	Outside Audit & Supervisory Board Member, East Nippon Expressway Company Limited		
Oct. 2014	Joined Mitsubishi-Hitachi Metals Machinery, Inc. (currently Primetals Technologies Japan, Ltd.) as Assistant to Director		
Apr. 2016	Outside Audit & Supervisory Board Member, Ryoyo Electro (incumbent)		
Oct. 2016	Advisor, Mitsui Sumitomo Insurance Company, Limited (incumbent)		
Nov. 2019	Outside Director, SAMURAI SECURITIES Co., Ltd. (incumbent)		
<b>Status of important concurrent occupations or positions at other organizations</b>			
Advisor, Mitsui Sumitomo Insurance Company, Limited			
Outside Director, SAMURAI SECURITIES Co., Ltd.			
<b>Reasons for nominating the candidate for outside Audit &amp; Supervisory Board Member</b>			
The candidate possesses wide-ranging knowledge in finance and accounting based on his many years of experience working for the central government offices, and has also served as an audit & supervisory board member at another company. Based on the above, although the candidate has never directly engaged in company management in the past except as an outside officer, the Company believes that he is suitable for outside Audit & Supervisory Board Member, and that he will continue to execute the duties of his office appropriately.			

No. 4	<New candidate/ Outside/Independent>	<b>Number of the Company's shares held</b>	0
<b>Motomi Oi</b>		<b>Tenure as Audit &amp; Supervisory Board Member</b>	—
	(February 27, 1977)	<b>Attendance to the Meetings of the Board of Directors</b>	—
		<b>Attendance to the Meetings of the Audit &amp; Supervisory Board</b>	—
<b>Career summary and positions at the Company</b>			
Apr. 1999	Joined Tohmatsu & Co. (currently Deloitte Touche Tohmatsu LLC)		
Apr. 2002	Registered as Certified Public Accountant		
May 2006	Established Oi CPA Office		
Jun. 2013	Outside Corporate Auditor, C'BON COSMETICS Co., Ltd.		
<b>Status of important concurrent occupations or positions at other organizations</b>			
Certified Public Accountant, Oi CPA Office			
<b>Reasons for nominating the candidate for outside Audit &amp; Supervisory Board Member</b>			
The candidate possesses a wealth of insight based on her wide range of expert knowledge and extensive experience in finance, accounting and audits as a certified public accountant, and has also served as a corporate auditor at another company. Based on the above, although the candidate has never directly engaged in company management in the past except as an outside officer, the Company believes that she is suitable for outside Audit & Supervisory Board Member, and that she will execute the duties of her office appropriately if she assumes her office as outside Audit & Supervisory Board Member of the Company.			

- Notes:
1. There are no special interests between the Company and these candidates for Audit & Supervisory Board Member.
  2. The number of years indicated as the tenure of candidates for reelection is the period from the time they assumed office to the conclusion of this Meeting.
  3. Ryoji Kimura, Kazumi Akiyama and Motomi Oi are candidates for outside Audit & Supervisory Board Member.
  4. Agreements for limitation of liability concluded with outside Audit & Supervisory Board Members are outlined below.

Currently, the Company has concluded agreements for limitation of liability for damages with Ryoji Kimura and Kazumi Akiyama in accordance with the provisions of Article 34 of the Articles of Incorporation. Provided that the proposal of their reelection as Audit & Supervisory Board Member is approved, the Company will maintain the agreements that offer limitation of liability with them.

The Company also intends to conclude the same agreement for limitation of liability with Motomi Oi provided that she is elected as outside Audit & Supervisory Board Member. Outline of the agreement for limitation of liability is as follows.

Pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, when the outside Audit & Supervisory Board Members cause damages to the Company arising from their negligence of their duties, the Company shall limit their liability to the Company to either ¥8 million or the minimum liability amount as stipulated by Article 425, Paragraph 1 of the Companies Act, whichever is higher, if the relevant outside Audit & Supervisory Board Members are without knowledge and are not grossly negligent in performing their duties. The Company naturally exempts the outside Audit & Supervisory Board Members from the exceeding liability thereof.

5. The Company has given notice of Ryoji Kimura and Kazumi Akiyama to Tokyo Stock Exchange, Inc. as independent audit & supervisory board members. Provided that the proposal of their reelection as Audit & Supervisory Board Member is approved, the Company plans for their appointment as independent audit & supervisory board members to continue. Also, Motomi Oi satisfies the independent audit & supervisory board member requirements pursuant to the provisions of Tokyo Stock Exchange, Inc., and the Company intends to give notice of her as an independent audit & supervisory board member to the said exchange provided that she is elected as outside Audit & Supervisory Board Member.

**(Reference) Criteria for the selection of outside officers**

In order to ensure the independence of the candidates it recommends for outside officer (outside Director and outside Audit & Supervisory Board Member), the Company has formulated criteria for the selection of outside officers.

The criteria for the selection of outside officers require that candidates shall not fall under any of the following categories.

- (1) A party who is or has been a Director, an Auditor or an employee at the Ryoyo Group in the past ten years or a relative within the second degree of kinship of such a party
  - (2) A party that is or has been a Director, an Auditor or an employee of a major business partner (\*1) of the Ryoyo Group in the past five years
  - (3) A shareholder that holds 10% or more of the voting rights of the Company' shares (in the case of an institutional shareholder, this shall apply to business executives at such an institutional shareholder)
  - (4) A provider of specialist services (\*2) that has received ¥10 million or more of remuneration on an annual basis from the Ryoyo Group in the past five years
  - (5) A party that has received a donation of ¥10 million or more on an annual basis from the Ryoyo Group in the past five years
  - (6) A party that has a relationship with the Ryoyo Group in which exchange of Directors is carried out by mutual dispatch
  - (7) Any other party with a significant interest in the Ryoyo Group
- \*1. This signifies a business partner that has a relationship with the Ryoyo Group that constitutes 2% or more of the consolidated net sales of the Ryoyo Group in the most recent fiscal year.
- \*2. This signifies an attorney, a certified public accountant, a certified public tax accountant, a judicial scrivener, a consultant or an advisor.