

Securities Code: 7988

3rd June, 2020

To our shareholders

5-3 Hikarinooka, Yokosuka-shi, Kanagawa

Nifco Inc.

Toshiyuki Yamamoto, President & Representative Director

NOTICE OF THE 68th ANNUAL GENERAL MEETING OF SHAREHOLDERS

We would like to announce that the 68th Annual General Meeting of Shareholders will be held as stated below.

Due to the recent novel coronavirus outbreak, the national government and prefectural governors have urged people to stay home in order to prevent the spread of the virus. In light of these circumstances and after careful consideration, we have decided to implement thorough infection-control measures at the upcoming General Meeting of Shareholders.

Since people are strongly encouraged not to go outside and in order to prevent the spread of infection, we strongly urge you to, if possible, exercise your voting rights either by mail or online prior to the General Meeting of Shareholders and refrain from attending the meeting in person regardless of your health condition.

Anyone who is not well (has flu-like symptoms, fatigue, shortness of breath or difficulty breathing, and/or a fever) on the day of the meeting will be refused entry into the venue.

Please exercise your voting rights using either of the following methods after reviewing the attached Reference Documents.

[Exercising Voting Rights by Mail]

Please indicate your vote for or against the resolutions on the enclosed proxy form which should be returned to the company to reach us no later than 5:30 p.m. on June 17, 2020.




[Exercising Voting Rights Online]

To exercise your voting rights online, please either scan the login QR code or access the Company's designated voting website (<https://soukai.mizuho-tb.co.jp/>). You can input your vote for or against the resolutions by following the on-screen guidance. Please be sure to vote by no later than 5:30 p.m. on June 17, 2020.

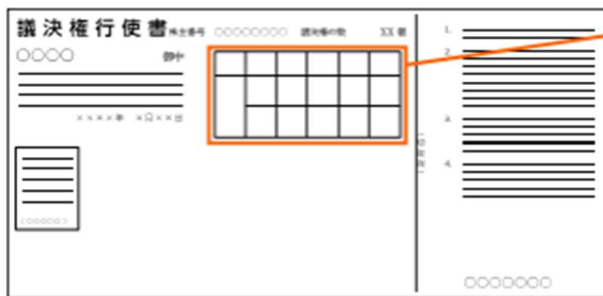


How to exercise your voting rights

Your ability to vote at the Annual General Meeting of Shareholders is an important right. Please read the attached Reference Documents before exercising your voting rights. You can use one of the following three methods to exercise your voting rights.

 <p style="text-align: center;">Online</p> <p>Follow the instructions on the next page to vote on each resolution.</p> <hr/> <p>Exercise your voting rights by Wednesday, 17th June, 2020 5:30 p.m. (Online voting must be completed by this time.)</p>	 <p style="text-align: center;">By mail</p> <p>Fill out the enclosed proxy form to vote on each resolution and return it by mail.</p> <hr/> <p>Exercise your voting rights by Wednesday, 17th June, 2020 5:30 p.m. (The form must be returned by this time.)</p>	 <p style="text-align: center;">In person</p> <p>Submit the enclosed proxy form at the reception desk when attending the meeting.</p> <hr/> <p>Date and Time: Thursday, 18th June, 2020 10:00 a.m. (Doors open at 9:30 a.m.)</p>
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How to fill out the proxy form



* The above image is for illustration purposes only. The actual form may vary.

Indicate your votes here.

Resolution 2

- If you are voting for the appointment/reappointment of all candidates >> Enter a circle in the **“For”** box
- If you are voting against the appointment/reappointment of all candidates >> Enter a circle in the **“Against”** box
- If you are voting against the appointment/reappointment of some of the candidates >> Enter a circle in the box for **“For”** and write the number(s) associated with the candidate(s) you are voting against.

Resolutions 1 and 3

- If you are voting for the resolution >> Enter a circle in the **“For”** box
- If you are voting against the resolution >> Enter a circle in the **“Against”** box

If you exercise your voting rights both by mail and online, only the votes cast online will be considered valid. If you exercise your voting rights online more than once, only your last vote will be counted.

Instructions for voting online

Scanning your login QR code (Smart Vote)

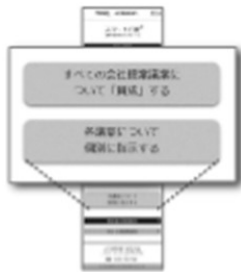
You can log in to the Voting Website without entering your voting rights exercise code and password.

- 1 Scan the QR code shown at the right bottom corner of the proxy form.



* QR code is a registered trademark of Denso Wave Incorporated.

- 2 Follow the on-screen instructions to cast your votes.



When using Smart Vote, you can exercise your voting rights **only once**.

If you wish to change your vote after exercising your voting rights, access the PC site, log in using the voting rights exercise code and password shown on the proxy form, and vote again.

* You can access the PC site by scanning the QR code again.

If you have any questions about how to operate a PC, smartphone, or cell phone when voting online, please contact:

Entering your voting rights exercise code and password

Voting Website <https://soukai.mizuho-tb.co.jp/>

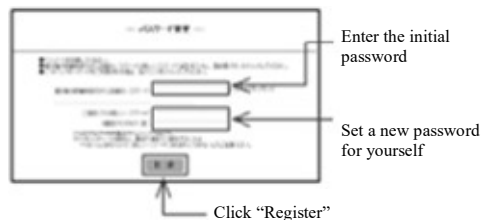
- 1 Access the Voting Website.



- 2 Enter the voting rights exercise code shown on the proxy form.



- 3 Enter the password shown on the proxy form.



- 4 Follow the on-screen instructions to cast your votes.

* The above images are for illustration purposes only. Actual screens may vary.

Internet Help Dial, Stock Transfer Agency Department,
Mizuho Trust & Banking Co., Ltd.

☎ 0120-768-524

(Hours: 9:00 a.m. – 9:00 p.m. on weekdays)

Institutional investors may use the Electronic Voting Platform for institutional investors operated by ICJ, Inc.

Reference Documents for the General Meeting of Shareholders

Resolution 1

Appropriation of retained earnings

Retained earnings will be appropriated as described below.

Matters concerning year-end dividend

With respect to the year-end dividend for the 68th fiscal year, the Company hereby proposes the following in consideration of the operating results for the year under review and future business development.

Form of dividend	Cash
Matters concerning allocation of dividend and total amount thereof	We propose to pay 31 yen per share as the year-end ordinary dividend (an ordinary dividend of 31 yen). Total dividend will be 3,179,007,778 yen . This will bring the annual dividend to 62 yen per share, including the interim dividend.
Effective date of dividends	19th June, 2020

Resolution 2

Election of seven candidates as Director

The terms of office of the current six Directors will expire at the close of this General Meeting of Shareholders. We propose the re-election of Toshiyuki Yamamoto, Masaharu Shibao, Fukuo Iwasaki, Toshiki Yauchi, Keiji Tachikawa, and Yoshiko Nonogaki and the election of Brian K. Heywood.

Accordingly, we propose the election of seven candidates for Director.

The candidates for Director are as follows.

No.	Name	Position at the Company			
1	Toshiyuki Yamamoto	President & Representative Director, CEO & COO	Reappointment		
2	Masaharu Shibao	Director, Senior Executive Managing Officer CMO	Reappointment		
3	Fukuo Iwasaki	Director, Senior Executive Managing Officer	Reappointment		
4	Toshiki Yauchi	Director, Senior Executive Managing Officer	Reappointment		
5	Keiji Tachikawa	Director	Reappointment	External	Independent
6	Yoshiko Nonogaki	Director	Reappointment	External	Independent
7	Brian K. Heywood	Director	New appointment	External	Independent

New appointment	New Director candidate	Reappointment	Reappointed candidate	Director	External	External candidate	Director	Independent	Independent Director pursuant to the regulations of the stock exchange
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No. 1	Toshiyuki Yamamoto	(11th October, 1949)	Number of shares of the Company held (Number of the Company's shares to be granted based on the share-based compensation plan) Number of years of service Number of Board of Directors meetings attended	29,656 (18,456) 8 13 out of 13
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Reappointment	[Career summary, position and assignment at the Company]			
	April 1973 January 1995 June 2002 April 2008	Joined the Company Head of Sagamihara Plant of the Company Executive Officer of the Company Executive Officer of the Company President of Nifco America Corp.	June 2012 June 2016 June 2017	President & Representative Director, COO of the Company Chairman, President & Representative Director, CEO & COO of the Company President & Representative Director, CEO & COO of the Company (to present)
	[Significant concurrent positions]			
	None			
	Reasons for proposing the candidate for Director			
	Mr. Yamamoto is once again proposed as a candidate for Director due to his ability to execute business strategies with strong leadership in a timely and appropriate manner, as well as his broad experience of global management gained as the President & Representative Director of the Company from 2012, after obtaining experience as the Head of major domestic plants and the President of the Company's overseas subsidiary.			

No. 2	Masaharu Shibao	(14th December, 1961)	Number of shares of the Company held (Number of the Company's shares to be granted based on the share-based compensation plan) Number of years of service Number of Board of Directors meetings attended	14,769 (10,169) 4 13 out of 13
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Reappointment	[Career summary, position and assignment at the Company]			
	April 1985 April 2010 June 2015 June 2016 April 2017	Joined the Company President of Nifco Deutschland GMBH Executive Officer of the Company, President of Nifco America Corp. Director and Executive Managing Officer, CMO, Head of Sales of the Company Director and Executive Managing Officer, CMO, Head of Sales, Divisional General Manager of FCS Business Control Division of the Company	January 2018 June 2018 June 2019	Director and Executive Managing Officer, CMO, Head of Sales, In charge of Platform Business Division of the Company Director and Executive Managing Officer, CMO, Head of Sales, In charge of Technology & Platform Business Division (Sales) of the Company Director and Senior Executive Managing Officer, CMO, Head of Sales, In charge of Technology & Platform Business Division of the Company (to present)
	[Significant concurrent positions]			
	None			
	Reasons for proposing the candidate for Director			
	Mr. Shibao is once again proposed as a candidate for Director due to his global and diverse experience, insights and expertise cultivated through his long career in sales and as the President of the Company's subsidiaries in Europe and the U.S.			

No.			Number of shares of the Company held	25,257
3	Fukuo Iwasaki	(26th October 1957)	(Number of the Company's shares to be granted based on the share-based compensation plan)	(10,257)
			Number of years of service	4
			Number of Board of Directors meetings attended	13 out of 13

[Career summary, position and assignment at the Company]

Reappointment

April 1980	Joined the Company	June 2016	Director and Executive Managing Officer, Head of Manufacturing of the Company
April 2010	Executive Officer, Head of Nagoya Plant of the Company	June 2018	Director and Senior Executive Managing Officer, Head of Manufacturing, In charge of Quality Assurance & Purchasing of the Company (to present)
April 2013	Executive Officer, Deputy Head of Global Sales & Manufacturing Division of the Company		
June 2014	Executive Managing Officer, Head of Manufacturing of the Company		

[Significant concurrent positions]

None

Reasons for proposing the candidate for Director

Mr. Iwasaki is once again proposed as a candidate for Director due to his global and diverse experience, insights and expertise cultivated through his long career mainly in manufacturing functions such as in the position of the Head of major domestic plants and the Deputy Head of the Global Sales & Manufacturing Division, under which he is responsible for the production structure across the Group, including overseas bases.

No.			Number of shares of the Company held	9,319
4	Toshiki Yauchi	(16th July 1961)	(Number of the Company's shares to be granted based on the share-based compensation plan)	(7,619)
			Number of years of service	2
			Number of Board of Directors meetings attended	13 out of 13

[Career summary, position and assignment at the Company]

Reappointment

April 1985	Joined the Company	June 2019	Director and Senior Executive Managing Officer, Divisional General Manager of Corporate Strategy Division, In charge of Administration & Finance of the Company
July 2007	Divisional General Manager of Corporate Strategy Division of the Company	April 2020	Director and Senior Executive Managing Officer, Divisional General Manager of Corporate Strategy Division, Head of Administration, Chief Information Officer (CIO) In charge of Finance of the Company (to present)
June 2015	Executive Officer, Divisional General Manager of Corporate Strategy Division of the Company		
June 2018	Director and Executive Managing Officer, Divisional General Manager of Corporate Strategy Division, In charge of Administration & Finance of the Company		

[Significant concurrent positions]

None

Reasons for proposing the candidate for Director

Mr. Yauchi is once again proposed as a candidate for Director due to his diverse experience, insights and expertise cultivated through his long career mainly in corporate strategy, and developing management strategies as the Divisional General Manager of the Corporate Strategy Division and being in charge of overall IR activities of the Company.

No.			Number of shares of the Company held	- shares
5	Keiji Tachikawa	(27th May 1939)	(Number of the Company's shares to be granted based on the share-based compensation plan)	(- shares)
			Number of years of service	5
			Number of Board of Directors meetings attended	12 out of 13

[Career summary, position and assignment at the Company]

Reappointment	April 1962	Joined Nippon Telegraph and Telephone Public Corporation	November 2004	President of Japan Aerospace Exploration Agency (JAXA)
External	June 1998	President & CEO of NTT Mobile Communications Network, Inc. (current NTT DOCOMO, Inc.)	March 2013	Retired from President of Japan Aerospace Exploration Agency (JAXA)
Independent	June 2004	Corporate Advisor of NTT DOCOMO, Inc.	June 2015	External Director of the Company (to present)

[Significant concurrent positions]

None

Reasons for proposing the candidate for Director

Mr. Tachikawa is once again proposed as a candidate for External Director because he contributes to the enhancement of the Company's corporate governance as External Director based on the experience and insight in corporate management he gained serving as the top management of large corporations.

No.			Number of shares of the Company held	- shares
6	Yoshiko Nonogaki	(31st July 1957)	(Number of the Company's shares to be granted based on the share-based compensation plan)	(- shares)
			Number of years of service	1
			Number of Board of Directors meetings attended	10 out of 10

[Career summary, position and assignment at the Company]

Reappointment	April 1980	Joined Sony Corporation	April 2013	Director of Global Diversity, Personnel HQ of Sony Corporation
External	September 1992	President & Representative Director of Sony Poland	June 2015	External Director of Jolly-Pasta Co., Ltd. (to present)
Independent	April 2009	Manager of Planning & Marketing Department, Business & Professional Enterprise HQ of Sony Corporation	June 2019	External Director of the Company (to present)

[Significant concurrent positions]

External Director of Jolly-Pasta Co., Ltd.

Reasons for proposing the candidate for Director

Ms. Nonogaki is once again proposed as a candidate for External Director because she contributes to the enhancement of the Company's risk management and corporate governance using her broad experience in the marketing field cultivated through her career in a large corporation.

No.			Number of shares of the Company held	- shares
7	Brian K. Heywood (9th January 1967)		(Number of the Company's shares to be granted based on the share-based compensation plan)	(- shares)
			Number of years of service	—
			Number of Board of Directors meetings attended	—

New appointment

External

Independent

[Career summary, position and assignment at the Company]

September 1991	Joined J.D. Power and Associates	December 2009	External Director of Ohizumi Mfg. Co., Ltd.
September 1997	Belron International Director	November 2011	Director of SEIRYU Asset Management Ltd.
August 1999	Vice President, Citibank, N.A.	March 2014	External Director of Roland Corporation (to present)
January 2001	Managing Partner and CEO of Taiyo Pacific Partners, L.P. (to present)	March 2020	External Director of Roland DG Corporation (to present)

[Significant concurrent positions]

Managing Partner and CEO of Taiyo Pacific Partners, L.P.
 External Director of Roland Corporation
 External Director of Roland DG Corporation

Reasons for proposing the candidate for Director

Mr. Heywood is proposed as a candidate for External Director because he has extensive experience and knowledge as a corporate management and investment expert, and the Company expects him to leverage his expertise in corporate management and perspective as a shareholder/investor with an eye to enhancing its corporate value.

- (Notes)
1. Brian K. Heywood is a candidate as new Director.
 2. There are no special interests between each candidate and the Company.
 3. Keiji Tachikawa, Yoshiko Nonogaki, and Brian K. Heywood are candidates as External Directors.
 4. The Company designated and filed Keiji Tachikawa and Yoshiko Nonogaki as independent officers pursuant to the regulations of Tokyo Stock Exchange, Inc. If this Resolution is passed and their re-election is approved, they will continue to be independent officers. Brian K. Heywood satisfies the requirements for an independent officer pursuant to the regulations of Tokyo Stock Exchange, Inc. The Company plans to designate and file him as an independent officer with the said Stock Exchange.
 5. Keiji Tachikawa will have served as External Director for five years at the close of this General Meeting of Shareholders. Yoshiko Nonogaki will have served as External Director for one year at the close of this General Meeting of Shareholders.
 6. The Company has concluded an agreement with Keiji Tachikawa and Yoshiko Nonogaki to limit their liabilities for damages referred to in Article 423 (1) of the Companies Act pursuant to the provision of the Articles of Incorporation. The limit of liabilities for damages under this agreement is the greater of either 20 million yen or the minimum total liability stipulated by laws and regulations. The Company plans to extend the aforementioned limited liability agreement if they are reappointed. In addition, if Brian K. Heywood is appointed, the Company plans to conclude an agreement with him to limit his liabilities for damages referred to in Article 423 (1) of the Companies Act pursuant to the provision of the Articles of Incorporation. The limit of liabilities for damages under this agreement is the greater of either 20 million yen or the minimum total liability stipulated by laws and regulations.
 7. The number of shares of the Company held by each candidate includes the number of the Company's shares to be granted based on the share-based compensation plan (as of June 1, 2020).

[Particulars of the Company's shares to be granted based on the share-based compensation plan]

The Company introduced a performance-linked share-based compensation plan (hereinafter, referred to as the "Plan"), which grants the Company's shares to Company Directors (excluding External Directors and those who live abroad; hereinafter, the same shall apply) in FY2016. The Company's shares to be granted to each candidate based on the Plan shall consist of (a) the portion that is not linked to business performance and (b) the portion that is linked to business performance achieved over a certain time period. The number of shares to be granted to each candidate based on the Plan provided in this document only refers to the number of points granted based on the business performance which has become finalized at the moment. Specifically, the number of the Company's shares to be granted shows the total number of (a) points for the non-performance-linked compensation granted on or before June 1, 2020 and (b) points for the performance-linked compensation granted on June 1, 2019. The voting rights pertaining to the Company's shares to be granted based on the Plan shall not be exercised until the granting of the Company's shares to each candidate in the future. The Company's shares corresponding to 30% of the said shares to be granted will be sold on the market and proceeds from the sale of such shares will be granted to each candidate to secure funds for tax payment purposes.

Resolution 3

Election of one candidate as Statutory Auditor to fill vacancy

To prepare for a contingency in which the Company does not have the number of Statutory Auditors required by laws and regulations, the Company proposes to elect one candidate as Statutory Auditor to fill a vacancy.

The Board of Statutory Auditors' consent has been obtained for this Resolution.

The candidate for Statutory Auditor to fill a vacancy is as follows and is proposed to fill a vacancy for any one of the Statutory Auditors. The term of office of a Statutory Auditor assumed by a Statutory Auditor to fill a vacancy shall be the remaining term of office of the retiring Statutory Auditor.

**Masakazu
Wakabayashi**

(30th January 1963)

Number of shares of the Company held - shares

[Career summary]

October 1988	Joined Century Corporation	Audit	May 2008	Representative Partner of Yasumori Audit Corporation (to present)
December 1997	Partner of Century Corporation	Audit		
April 2007	Joined Yasumori Corporation	Audit		

[Significant concurrent positions]

None

Reasons for proposing the candidate for Director

Mr. Wakabayashi is proposed as candidate for External Statutory Auditor to fill a vacancy because he has extensive insights required to audit corporate management as a Certified Public Accountant, and the Company expects him to use his broad knowledge and experience for the Company's audit structure if he is appointed, even though he has never been directly involved in corporate management.

- (Notes) 1. Masakazu Wakabayashi is a candidate for External Statutory Auditor to fill a vacancy. If the candidate becomes Statutory Auditor, the Company will designate and file him as an independent officer pursuant to the regulations of Tokyo Stock Exchange, Inc.
2. The Company has concluded an agreement with External Statutory Auditors to limit their respective liabilities for damages referred to in Article 423 (1) of the Companies Act pursuant to the provision of the Articles of Incorporation. The limit of liabilities for damages based on this agreement is the greater of either 10 million yen or the minimum total liability stipulated by laws and regulations.
- The Company also plans to conclude a limited liability agreement with Masakazu Wakabayashi as an External Statutory Auditor if he is elected as a Statutory Auditor.