

The following is an English translation of the Notice of the Resolutions of the 59<sup>th</sup> Ordinary General Meeting of Shareholders of Shima Seiki Mfg., Ltd., and is for your reference and convenience only without any guarantee as to its accuracy.

Securities Code: 6222

June 25, 2020

**To: Our Shareholders**

85 Sakata, Wakayama  
SHIMA SEIKI MFG., LTD.  
Mitsuhiro Shima  
President

## **Notice of the Resolutions of the 59<sup>th</sup> Ordinary General Meeting of Shareholders**

We are pleased to notify our shareholders that the following matters were reported and resolved at the 59<sup>th</sup> Ordinary General Meeting of Shareholders of Shima Seiki Mfg., Ltd., held on June 25, 2020.

### **Matters to be reported**

1. Reporting of details of the business report and consolidated financial statements and audit results of the consolidated financial statements by the accounting auditor and the Audit & Supervisory Board for the 59<sup>th</sup> fiscal year from April 1, 2019, to March 31, 2020.
2. Reporting of the details of the unconsolidated financial statements for the 59<sup>th</sup> fiscal year from April 1, 2019, to March 31, 2020

The above matters were reported.

### **Proposals to be resolved**

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

This proposal was approved in its original form, and the year-end dividend was determined to be 15 yen per share.

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

This proposal was approved in its original form, and for the transition to the company with an Audit & Supervisory Committee, the required amendments were made, including establishment of provisions concerning an Audit & Supervisory Committee and its Members and deletion of provisions concerning an Audit & Supervisory Board and its Members. Additionally, the required changes were made to the number of articles.

**Proposal No. 3: Appointment of Eight (8) Directors (excluding Directors who are Audit & Supervisory Committee Members)**

This proposal was approved in its original form, and Masahiro Shima, Mitsuhiro Shima, Reiji Arikita, Ikuto Umeda, Takashi Nanki, Hirokazu Nishitani, Yoshio Ichiryu, and Rieko Zamma were appointed directors (excluding directors who are Audit & Supervisory Committee members).

Yoshio Ichiryu and Rieko Zamma are outside directors.

**Proposal No. 4: Appointment of Three (3) Directors who are Audit & Supervisory Committee Members**

This proposal was approved in its original form, and Hisahito Totsui, Daisuke Shinkawa, and Sachiko Nomura were appointed directors who are Audit & Supervisory Committee members. Daisuke Shinkawa and Sachiko Nomura are outside directors.

**Proposal No. 5: Setting an amount of remuneration for Directors (excluding Directors who are Audit & Supervisory Committee Members)**

This proposal was approved in its original form, and it was determined for directors (excluding directors who are Audit & Supervisory Committee members) to set the fixed remuneration of 300 million yen or less per year (of this, 50 million yen or less per year for outside directors) and a performance-linked variable remuneration of 2% or less of net income attributable to owners of the parent for the relevant consolidated fiscal year. (The latter is inapplicable to outside directors.) An amount of the above-mentioned remuneration shall exclude salary as employees of employee-directors as before.

**Proposal No. 6: Setting an amount of remuneration for Directors who are Audit & Supervisory Committee Members**

This proposal was approved in its original form, and it was determined for directors who are Audit & Supervisory Committee members to set the remuneration of 80 million yen or less per year.

**Proposal No. 7: Giving Share Remuneration-type Stock Options (equity warrants) as Remuneration to Directors (excluding Directors who are Audit & Supervisory Committee Members and Outside Directors)**

This proposal was approved in its original form, and separately from the amount of remuneration for directors approved under Proposal 5: "Setting an amount of remuneration for Directors (excluding Directors who are Audit & Supervisory Committee Members), it is determined to give equity warrants as share remuneration-type stock options of 100 million yen or less per year to our directors

(excluding directors who are Audit & Supervisory Committee members and outside directors).

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#### Transition to a company with an Audit and Supervisory Committee

The Company transitioned to a company with an Audit & Supervisory Committee as the proposal concerning partial amendments to the Articles of Incorporation was approved and resolved without changes at the 59<sup>th</sup> Ordinary General Meeting of Shareholders. The conventional Audit & Supervisory Board and its members were replaced by the legal organization Audit & Supervisory Committee wherein the majority of members are outside directors.

Masahiro Shima, Mitsuhiro Shima, and Reiji Arikita were appointed chairman and representative director, president and representative director and executive director, respectively, by the Board of Directors after the end of this ordinary general meeting of shareholders. In addition, Hisahito Totsui was appointed the Standing Audit & Supervisory Committee member at the Audit & Supervisory Committee's meeting held after the end of this ordinary general meeting of shareholders.

We notify you that as a result, the new structure of the Board is as follows as of June 25, 2020:

|   |                    |
|---|--------------------|
| Chairman, Representative Director                             | Masahiro Shima     |
| President, Representative Director                            | Mitsuhiro Shima    |
| Executive Director  | Reiji Arikita      |
| Director  | Ikuto Umeda        |
| Director  | Takashi Nanki      |
| Director  | Hirokazu Nishitani |
| Outside Director  | Yoshio Ichiryu     |
| Outside Director  | Rieko Zamma        |
| Director (Standing Audit and<br>Supervisory Committee Member) | Hisahito Totsui    |
| Outside Director (Audit and<br>Supervisory Committee Member)  | Daisuke Shinkawa   |
| Outside Director (Audit and<br>Supervisory Committee Member)  | Sachiko Nomura     |

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### **Payment of year-end dividends**

Pursuant to the enclosed Year-End Dividend Certificate of Receipt, year-end dividends for the 59<sup>th</sup> fiscal year will be paid at the nearby Japan Post Bank's head office, branch offices, representative offices, and post offices throughout Japan (qualified bank agents) from June 26, 2020. Please accept the said dividends by July 31, 2020.

The Year-end Dividend Accounting Statement and the Confirmation of the Payees' Bank Account for the Dividend Payment are enclosed for those who specified an receipt of their dividends via direct deposit. Please review the enclosed statement and brochures.

Meanwhile, the enclosed Dividend Accounting Statement can be used to confirm the amount of cash dividends for receipt and used as an attached document for tax returns. Therefore, please retain it for later use.

For shareholders and registered pledgees of shares who chose the method of proportional distribution to the number of shares, please make inquiries to the securities firms where the accounts were opened for details about the payees of the dividends and attached documents for tax returns.