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Securities code: 5367
May 27, 2022

To Shareholders with Voting Rights:

Hiroshi Ohnishi
Director and President
Nikkato Corporation
3-2-24 Oriono-cho, Sakai-ku, Sakai,
Osaka Prefecture, Japan

**NOTICE OF
THE 152nd ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

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

We hereby inform you that the 152nd Annual General Meeting of Shareholders of Nikkato Corporation (the “Company”) will be held as described below.

Shareholders not attending on the day of the meeting may exercise their voting rights in writing by postal mail or electronically via the Internet or other such means, so please review the Reference Documents for the General Meeting of Shareholders below and using either of the methods indicated on page 2 of the Japanese version to exercise your voting rights by Thursday, June 16, 2022 at 4:45 p.m. Japan time.

- 1. Date and Time:** Friday, June 17, 2022 at 10:00 a.m. Japan time
(Registration begins at 9:00 a.m.)
- 2. Place:** Garden Court, 3rd Floor, HOTEL Agora Regency Osaka Sakai
4-45-1 Ebisujima-cho, Sakai-ku, Sakai, Osaka Prefecture
- 3. Meeting Agenda:**
 - Matters to be reported:** The Business Report and Non-Consolidated Financial Statements for the Company’s 152nd Fiscal Year (April 1, 2021 - March 31, 2022)
 - Proposals to be resolved:**
 - Proposal 1:** Partial Amendments to the Articles of Incorporation
 - Proposal 2:** Appropriation of Surplus
 - Proposal 3:** Election of Six (6) Directors (excluding Directors who are Audit & Supervisory Committee Members)
 - Proposal 4:** Payment of Bonuses to Directors

1. Shareholders attending the General Meeting of Shareholders on the day of the meeting are requested to submit the enclosed Voting Rights Exercise Form at the venue’s registration desk.
2. If circumstances arise that make it necessary to revise the appended documents and Reference Documents for the General Meeting of Shareholders, the revised items will be posted online on the Company’s website (<https://www.nikkato.co.jp/>).
3. To prevent COVID-19 infections and their spread, there will be no souvenir gifts or social reception at the meeting this year.

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal 1: Partial Amendments to the Articles of Incorporation

1. Reasons for amendments

The amended provisions stipulated in the proviso of Article 1 of the supplementary provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019) will go into force on September 1, 2022. Accordingly, in order to prepare for the introduction of the system for electronic provision of materials for general meetings of shareholders, the Articles of Incorporation of the Company shall be amended as follows.

- (1) The proposed Article 15, Paragraph 1 provides that information contained in the reference documents for the general meeting of shareholders, etc. shall be provided electronically.
- (2) The purpose of the proposed Article 15, Paragraph 2 is to establish a provision that limits the scope of matters included in the paper copy sent to shareholders who have requested it.
- (3) The provisions related to Internet disclosure and deemed provision of the reference documents for the general meeting of shareholders, etc. (Article 15 of the current Articles of Incorporation) will become unnecessary and will therefore be deleted.
- (4) In line with the above establishment and deletion of the provisions, supplementary provisions related to the effective date, etc. shall be established.

2. Details of amendments

The details of the amendments are as follows.

(Amended parts are underlined.)

Current Articles of Incorporation	Proposed Amendments
<p><u>(Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, Etc.)</u></p> <p><u>Article 15 The Company may, when convening a general meeting of shareholders, deem that it has provided information to shareholders pertaining to matters to be described or indicated in the reference documents for the general meeting of shareholders, business report, non-consolidated financial statements, and consolidated financial statements, by disclosing such information through the Internet in accordance with the provisions provided in the Ordinance of the Ministry of Justice.</u></p>	<p><Deleted></p>

Current Articles of Incorporation	Proposed Amendments
<p style="text-align: center;"><Newly established></p>	<p>(Measures for Electronic Provision, Etc.) <u>Article 15 The Company shall, when convening a general meeting of shareholders, provide information contained in the reference documents for the general meeting of shareholders, etc. electronically.</u> <u>2. Among the matters to be provided electronically, the Company may choose not to include all or part of the matters stipulated in the Ordinance of the Ministry of Justice in the paper copy to be sent to shareholders who have requested it by the record date for voting rights.</u></p>
<p>Supplementary provisions Article 1 (Omitted)</p>	<p>Supplementary provisions Article 1 (Unchanged)</p>
<p style="text-align: center;"><Newly established></p>	<p>(Transitional Measures Related to Measures for Electronic Provision, Etc.) <u>Article 2 The deletion of Article 15 (Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, Etc.) of the Articles of Incorporation prior to amendment and the establishment of Article 15 (Measures for Electronic Provision, Etc.) of the Articles of Incorporation after amendment shall come into effect on September 1, 2022, the date of enforcement of the amended provisions stipulated in the proviso of Article 1 of the supplementary provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019) (the “Effective Date”).</u> <u>2. Notwithstanding the provisions of the preceding paragraph, Article 15 of the Articles of Incorporation prior to amendment shall remain in force with respect to a general meeting of shareholders to be held on a date within six months from the Effective Date.</u> <u>3. These supplementary provisions shall be deleted after the lapse of six months from the Effective Date or the lapse of three months from the date of the general meeting of shareholders set forth in the preceding paragraph, whichever is later.</u></p>

Proposal 2: Appropriation of Surplus

The Company has a basic policy of maintaining a stable dividend. It proposes to appropriate surplus as follows based on a consideration of operating results and future business development.

Items related to the year-end dividend

(1) Type of dividend property

Cash

(2) Allotment of dividend property to shareholders and its total amount

Per share of the Company's common stock: ¥12 Total: ¥143,225,484

Note: The full-year dividend for the fiscal year under review, which includes the interim dividend, is ¥20 per share (¥8 per share for the previous fiscal year).

(3) Effective date of the distribution of surplus

June 20, 2022

Proposal 3: Election of Six (6) Directors (excluding Directors who are Audit & Supervisory Committee Members)

The terms of office of all five (5) Directors (excluding Directors who are Audit & Supervisory Committee Members) will expire at the close of this General Meeting of Shareholders. In order to further strengthen management supervisory function, the Company proposes to appoint one (1) new Outside Director and elect a total of six (6) Directors.

The candidates for Director (excluding Directors who are Audit & Supervisory Committee Members) are as follows.

No.	Name (Birthdate)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares in the Company held
1	Hiroshi Ohnishi (March 15, 1958)	<p>April 1981 April 1998 June 2003 June 2010 April 2016 June 2016 June 2017 June 2018</p> <p>Joined the Company General Manager of R&D Department Senior General Manager, General Manager of R&D Department Director, General Manager of R&D Department Director, General Manager of Production Division, General Manager of Production Management Department Managing Director, General Manager of Production Division, General Manager of Production Management Department Representative Director and Managing Director, General Manager of Production Division, General Manager of Production Management Department Representative Director and President (current position)</p>	30,400
2	Etsuo Hamada (May 26, 1964)	<p>April 1987 April 2008 June 2011 April 2013 May 2016 June 2017 June 2021</p> <p>Joined The Dai-Ichi Kangyo Bank, Ltd. (currently Mizuho Bank, Ltd.) Branch Manager of Ikeda Branch Branch Manager of Marunouchi-Chuo Branch Branch Manager of Nanba Branch Joined the Company General Manager in charge of Accounting Department Director, General Manager of Accounting Department Managing Director, General Manager of Accounting Department (current position)</p>	1,000
3	Hiroshi Yasuoka (February 13, 1959)	<p>April 1981 November 2006 June 2009 July 2009 April 2011 June 2011 April 2014 June 2019 April 2020</p> <p>Joined the Company General Manager of Engineering Department Senior General Manager, General Manager of Engineering Division, General Manager of Engineering Department Senior General Manager, General Manager of Engineering Division, General Manager of Field Engineering Department Senior General Manager, General Manager of Engineering Division Director, General Manager of Engineering Division Director, General Manager of Engineering Division, General Manager of Engineering Department Director, General Manager of Tokyo Office, Executive Manager of Engineering Department Director, General Manager of Tokyo Management Division, General Manager in charge of structural reform of Engineering Department (current position)</p>	25,900
4	Yuji Doi (October 19, 1956)	<p>April 1980 April 2009 April 2012 June 2012</p> <p>Joined Asahi Mutual Life Insurance Company Branch Manager of Saitama-Nishi Branch Joined the Company General Manager in charge of General Affairs Department Director, General Manager of General Affairs Department (current position)</p>	22,000

No.	Name (Birthdate)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares in the Company held
5	Toshikazu Harada (June 23, 1960)	<p>April 1984 Joined the Company</p> <p>April 2008 General Manager of Tokyo Ceramic Division</p> <p>June 2011 Senior General Manager, General Manager of Tokyo Ceramic Division</p> <p>April 2012 Senior General Manager, Deputy General Manager of Ceramic Sales Division</p> <p>June 2018 Senior General Manager, General Manager of Ceramic Sales Division, General Manager of Osaka Ceramic Division</p> <p>June 2019 Director, General Manager of Ceramic Sales Division, General Manager of Osaka Ceramic Division</p> <p>April 2020 Director, General Manager of Ceramic Sales Division (current position)</p>	20,050
6	Eriko Tanabe (January 12, 1985)	<p>December 2011 Registered as an attorney</p> <p> Joined Nakanoshima Chuo Law Office</p> <p>February 2013 Academic Advisor, Graduate School of Law, Kansai University</p> <p>June 2014 Joined Management Jurists Associations</p> <p>November 2015 Member, Higashiosaka City Planning Commission (current position)</p> <p>July 2018 Seconded as Fixed-Term Official (International Research Officer), Osaka Regional Taxation Bureau</p> <p>July 2020 Returned to Nakanoshima Chuo Law Office</p> <p>January 2021 Partner (current position)</p>	-

Notes: 1. There are no special interest relationships between the Company and any of the candidates.

2. Ms. Eriko Tanabe is a new candidate for Outside Director.

Ms. Tanabe possesses knowledge and experience as an attorney in such specialized fields as intellectual property and labor relations. The Company believes she will provide appropriate advice and supervision for the Company's management and initiatives for sustained growth and raising its corporate value, and is therefore proposing that she be appointed as an Outside Director. Ms. Tanabe has not participated directly in corporate management previously, but by drawing on her specialized knowledge and broad-ranging experience she will provide appropriate opinions and supervision of management from an independent perspective, which is expected to contribute to the Company's sustained growth and raise its corporate value.

3. Ms. Eriko Tanabe has met the independence requirements set forth by the Tokyo Stock Exchange, and if her appointment is approved the Company intends to register her as an independent director in accordance with Rule 436-2 of the Tokyo Stock Exchange's Securities Listing Regulations.

4. If the appointment of Ms. Eriko Tanabe is approved, the Company intends to enter into an agreement with her that limits her liability for damages under Article 423, Paragraph 1 of the Companies Act. Under the agreement, liability is limited to the minimum amount stipulated in Article 425, Paragraph 1 of the act.

For Reference: Specialization and Experience of the Company's Directors and Directors who are Audit & Supervisory Committee Members (Skill Matrix)

Name	Position at the Company	Attributes	Years in office	Specific areas of specialization					Nomination and Compensation Committee
				Corporate management	Manufacturing and research	Sales and marketing	Financial affairs	Legal affairs and risk management	
Hiroshi Ohnishi	Representative Director and President		12	•	•	•		•	•
Etsuo Hamada	Managing Director, General Manager of Accounting Dept.		5	•		•	•	•	
Hiroshi Yasuoka	Director, General Manager of Tokyo Management Division		11			•			
Yuji Doi	Director, General Manager of General Affairs Department		10					•	
Toshikazu Harada	Director, General Manager of Ceramic Sales Division		3			•			
Eriko Tanabe	Director	Independent Outside	—					•	
Hisamichi Ameyama	Director	Full-Time Audit & Supervisory Committee Member	1		•	•			
Motoaki Nishimura	Director	Independent Outside Audit & Supervisory Committee Member	7					•	•
Shinji Usuma	Director	Independent Outside Audit & Supervisory Committee Member	7	•			•		•

- Notes: 1. This skill matrix shows the composition of the Board of Directors assuming Proposal 3 is approved as originally proposed at the General Meeting of Shareholders.
2. Directors (Audit & Supervisory Committee Members) Hisamichi Ameyama, Motoaki Nishimura, and Shinji Usuma are not candidates in the Director election proposal being put for this General Meeting of Shareholders.

Proposal 4: Payment of Bonuses to Directors

The Company proposes to pay a total of ¥25,120,000 in bonuses to the five (5) Directors (excluding Directors who are Audit & Supervisory Committee Members) as of the end of the fiscal year under review based on a consideration of performance for the fiscal year and other factors.

Bonuses are paid to Directors (excluding Directors who are Audit & Supervisory Committee Members) in the form of cash compensation that is reflective of key performance indicators in order to increase awareness of improving performance each fiscal year. The bonuses are calculated based on the degree to which an operating margin target of 10% is achieved each fiscal year, and they are paid at a fixed time each year. Bonuses are determined upon the deliberations and reports of the Nomination and Compensation Committee based on the Policy for Determining the Amount of Compensation for Directors and Audit & Supervisory Committee Members and its Calculation Method, and the Company judges this to be appropriate. It is proposed that amounts for individual Directors (excluding Audit & Supervisory Committee Members) be left to the discretion of the Board of Directors.