

Securities code: 4187

February 7, 2020

To Our Shareholders:

1-7-20, Azuchi-machi, Chuo-ku, Osaka  
OSAKA ORGANIC CHEMICAL INDUSTRY LTD.  
Taiji Kanbayashi, Representative Director and CEO

## **Notice of Convocation of the 73rd Ordinary General Meeting of Shareholders**

Notice is hereby given that the 73rd Ordinary General Meeting of Shareholders of OSAKA ORGANIC CHEMICAL INDUSTRY LTD. (the Company) will be held as described below. You are cordially invited to attend the Meeting.

If you are unable to attend the Meeting, you can exercise your voting rights in writing or on the Internet website. Please read the following Reference Materials for the General Meeting of Shareholders and submit your votes concerning the proposals by completing and returning the enclosed voting form or entering your votes by using the designated website (<https://evote.tr.mufg.jp/>). Votes must be received by no later than 6:00 p.m. on Wednesday, February 26, 2020.

**1. Date and time**                      Thursday, February 27, 2020 at 10:00 a.m.

**2. Place**                                Viale Hall, Viale Osaka 4F, 3-1-3, Azuchi-machi, Chuo-ku, Osaka

### **3. Agenda for the Meeting**

- Matters to be reported:**
1. Report on the business report and the consolidated financial statements for the 73rd fiscal year (December 1, 2018 to November 30, 2019), and audit results on the consolidated financial statements by the Accounting Auditor and the Board of Auditors
  2. Report on the non-consolidated financial statements for the 73rd fiscal year (December 1, 2018 to November 30, 2019)

### **Matters to be resolved:**

- Proposal 1:**                      Appropriation of Retained Earnings
- Proposal 2:**                      Partial Changes to the Articles of Incorporation
- Proposal 3:**                      Election of Six (6) Directors

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- (1) When attending the Meeting in person, please present the enclosed voting form to the receptionist at the Meeting.
  - (2) As the following information is posted on the Internet website (<https://www.ooc.co.jp/>) pursuant to the laws and regulations and the provisions in Article 16 of the Company's Articles of Incorporation, it is not included in the documents attached to this notice of convocation.  
Notes to consolidated financial statements  
Notes to non-consolidated financial statements
  - (3) If any amendment is made to the Reference Materials for the General Meeting of Shareholders, the business report and the consolidated and/or the non-consolidated financial statements, the amended information will be disclosed on the Internet website (<https://www.ooc.co.jp/>).

## Reference Materials for the General Meeting of Shareholders

### **Proposal 1:** Appropriation of Retained Earnings

We propose the appropriation of retained earnings as follows:

Matters concerning year-end dividends

In consideration of the current performance, we plan to pay dividends from retained earnings for the 73rd fiscal year as follows:

1. Type of dividend:

Cash

2. Matters relevant to allotment of dividends and total amount to be distributed:

The Company proposes a dividend of 22 yen per share of its common shares. Total dividends will be 487,254,394 yen.

Note: Together with an interim dividend, the annual dividend will be 40 yen per share.

3. Effective date of the distribution of retained earnings:

February 28, 2020

**Proposal 2: Partial Changes to the Articles of Incorporation**

1. Reasons for proposal

Shareholders are asked to approve an amendment to Article 22 (Directors' Term of Office) of the Company's Articles of Incorporation to reduce the term from two years to one year and to delete paragraph 2 of this article, which concerns additional and substitute directors. The reasons for this change are to establish a management structure that can respond quickly to changes in the business climate as well as to increase opportunities to earn the confidence of shareholders and to clarify the management responsibility of directors.

2. Description of changes

Contents of proposed changes are as follows.

(Parts to be changed have been underlined.)

Current Articles of Incorporation	Proposed amendments
<p>(Directors' Term of Office) Article 22 Directors' term of office shall continue until the conclusion of the Ordinary General Meeting of Shareholders for the last business year which ends within <u>2</u> years from the time of their election. <u>2. The term of office for a director who is elected as an additional director or a substitute director continues until the end of the term of the other current directors.</u></p>	<p>(Directors' Term of Office) Article 22 Directors' term of office continues until the conclusion of the Ordinary General Meeting of Shareholders for the last business year which ends within <u>1</u> year from the time of their election.  (Deleted)</p>

**Proposal 3: Election of Six (6) Directors**

The terms of office of all seven (7) directors will expire at the conclusion of this Meeting.

For the purpose of strengthening corporate governance and increasing the speed of decision-making, shareholders are asked to approve the election of the following six (6) candidates, which will reduce the number of directors by one (1).

Candidates for directors are as follows:

No.	Name	Current positions and responsibilities at the Company	Attendance at the Board of Directors: (Number of meetings attended/ Number of meetings)
1	Taiji Kanbayashi <span style="background-color: #cccccc;">Reelection</span>	Representative Director and CEO	100% (16/16)
2	Masayuki Ando <span style="background-color: #cccccc;">Reelection</span>	Director (in charge of Technology Division, Business Development Office) Senior Managing Executive Officer, General Manager of Corporate Planning Division	100% (16/16)
3	Soichi Honda <span style="background-color: #cccccc;">Reelection</span>	Director Executive Officer General Manager of Administration Division	100% (16/16)
4	Motomi Ogasawara <span style="background-color: #cccccc;">Reelection</span>	Director Executive Officer General Manager of Business Operation Division and in charge of related company operation	100% (16/16)
5	Takayuki Hamanaka <span style="background-color: #cccccc;">Reelection</span> <span style="background-color: #cccccc;">Outside</span> <span style="border: 1px solid black; padding: 2px;">Independent</span>	Director	100% (16/16)
6	Naotaka Kawakami <span style="background-color: #cccccc;">New</span> <span style="background-color: #cccccc;">Outside</span> <span style="border: 1px solid black; padding: 2px;">Independent</span>	-	-

No. 1 **Taiji Kanbayashi**

Reelection

Date of Birth	Brief personal record, positions, responsibilities and significant concurrent positions	
February 22, 1951		
No. of shares owned 13,600 shares	April 1973	Joined the Company
	August 1994	Deputy General Manager of Development Department, Tokyo Office
	February 2000	Director, General Manager of Research Department
	February 2002	Director, General Manager of Development Department
	February 2005	Director, General Manager of Research & Development Division and Development Department
	February 2006	Director, General Manager of Research & Development Division
	February 2008	Managing Director in charge of Administration Division, Functional Materials Sales Division and Chemicals Sales Division
	February 2009	Managing Director in charge of Administration Division, Specialty Chemicals Sales Division and Chemicals Sales Division
	December 2010	Managing Director in charge of Corporate Planning, President Office, Manager in charge of Sales, Development and Technology
	February 2012	Managing Director in charge of Corporate Planning, President Office, Manager in charge of Sales and Technology
	December 2012	Managing Director, General Manager of Sales Division and Manager in charge of Technology Division
	January 2014	Representative Director of Osaka Organic Chemical (Shanghai) Trading Ltd.
	February 2014	Managing Director, General Manager of Sales Division of the Company
	December 2014	Managing Director, General Manager of Business Operation Division
	December 2015	Managing Director, General Manager of Business Operation Division and in charge of Administration Division
December 2017	Representative Director and CEO (current)	
February 2018	Director of Shinko Organic Chemical Industry Ltd. (current)	

Reasons for nomination as a candidate for director

Since his election as a director in 2000, Mr. Kanbayashi has used his outstanding management skills backed by many years of experience involving research and development, sales and corporate planning to play a key role in the growth and advancement of business operations. He is a candidate for reelection in order to continue to benefit from his capabilities involving management decisions and oversight.

No. 2 **Masayuki Ando**

Reelection

Date of Birth	Brief personal record, positions, responsibilities and significant concurrent positions	
June 27, 1962		
No. of shares owned 9,300 shares	April 1986	Joined the Company
	February 2013	General Manager of Technology Division and Research Institute
	February 2014	Director, General Manager of Technology Division
	February 2016	Director, General Manager of Technology Division and Advanced Technology Research Institute
	December 2017	Managing Director, General Manager of Technology Division
	February 2018	Managing Director, Executive Officer, General Manager of Technology Division
	December 2018	Managing Director, Executive Officer, General Manager of Corporate Planning Division, and in charge of Technology Division and Business Development Office
	December 2019	Director (in charge of Technology Division and Business Development Office), Senior Managing Executive Officer, General Manager of Corporate Planning Division (current)

Reasons for nomination as a candidate for director

Since his election as a director in 2014, Mr. Ando has used his experience involving sales and research and development to strengthen activities concerning new businesses. He is a candidate for reelection in order to continue to benefit from his management decisions and oversight that utilize his experience and accomplishments.

No. 3 Soichi Honda

Reelection

Date of Birth	Brief personal record, positions, responsibilities and significant concurrent positions	
July 12, 1966	April 1990	Joined the Company
No. of shares owned 8,661 shares	December 2015	General Manager of Administration Division
	February 2016	Director, General Manager of Administration Division
	April 2016	Director, General Manager of Administration Division and Human Resources Department
	December 2017	Director, General Manager of Administration Division
	February 2018	Director, Executive Officer, General Manager Administration Division (current)

Reasons for nomination as a candidate for director  
 Since his election as a director in 2016, Mr. Honda has used his many years of experience at the Company to strengthen administrative operations. He is a candidate for reelection in order to continue to benefit from his management decisions and oversight that utilize his experience and accomplishments.

No. 4 Motomi Ogasawara

Reelection

Date of Birth	Brief personal record, positions, responsibilities and significant concurrent positions	
February 8, 1964	April 1988	Joined the Company
No. of shares owned 6,200 shares	December 2017	Director, General Manager of Business Operation Division and Chemicals Sales Department
	January 2018	Representative Director of Osaka Organic Chemical (Shanghai) Trading Ltd. (current)
	February 2018	Director, Executive Officer, General Manager of Business Operation Division, Chemicals Sales Department and in charge of related company operation of the Company
	December 2018	Director, Executive Officer, General Manager of Business Operation Division and in charge of related company operation (current)

Reasons for nomination as a candidate for director  
 Since his election as a director in 2018, Mr. Ogasawara has used his many years of experience involving sales to strengthen sales operations. He is a candidate for reelection in order to continue to benefit from his management decisions and oversight that utilize his experience and accomplishments.

No. 5 Takayuki Hamanaka

Reelection

Outside

Independent

Date of Birth	Brief personal record, positions, responsibilities and significant concurrent positions	
June 9, 1970	April 1998	Registered as an attorney-at-law (Osaka Bar Association), Admitted to Showa Law Office (current Habataki Law Office)
No. of shares owned - shares	July 2005	Earned EU Law LL.M. at Faculty of Law, Catholic University of Leuven Law School in Belgium
	July 2005	Joined Linklaters in EU Brussels Office, Competition Law Department
	December 2007	Partner of Habataki Law Office (current)
	February 2016	Director of the Company (current)

Reasons for nomination as a candidate for outside director

Mr. Hamanaka is a candidate for reelection as an outside director in order to use his experience and knowledge as an attorney to receive opinions and other insight from an objective and neutral standpoint concerning the management of the Company.

Registration as an independent director

The Company has notified the Tokyo Stock Exchange of the designation of Mr. Hamanaka as an independent director.

No. of years as an outside director

At the close of this Ordinary General Meeting of Shareholders, Mr. Hamanaka will have been an outside director for four years.

Terms of limited liability contract

In accordance with the Articles of Incorporation, the Company has established a contractual agreement with Mr. Hamanaka that limits his liability as provided for in Article 427, Paragraph 1 of the Companies Act. If Mr. Hamanaka is reelected, the Company plans to extend the agreement.

The liability limit will be the amount designated by laws and regulations.

No. 6 Naotaka Kawakami

New

Outside

Independent

Date of Birth	Brief personal record, positions, responsibilities and significant concurrent positions	
January 17, 1961	April 1983	Joined Ministry of Finance
No. of shares owned - shares	July 2004	Planning and Coordination Bureau, Financial Services Agency
	July 2009	Environmental Policy Bureau, Ministry of the Environment
	July 2011	Director-General of Hiroshima Regional Taxation Bureau
	July 2012	Senior Managing Executive Officer of Enterprise Turnaround Initiative Corporation of Japan (current Regional Economy Vitalization Corporation of Japan)
	July 2014	Director-General of Kantoshinetsu Regional Taxation Bureau
	July 2015	Deputy Secretary General, Office for the Promotion of Overcoming Population Decline and Vitalizing Local Economy in Japan, Cabinet Office, and Councillor, Cabinet Secretariat
	July 2017	Assistant Director-General, Office for the Promotion of Overcoming Population Decline and Vitalizing Local Economy in Japan, Cabinet Secretariat, and Councillor, Cabinet Secretariat
	August 2018	President of National Tax College
	December 2019	Adviser of East Japan Railway Company (current)

Reasons for nomination as a candidate for outside director

Mr. Kawakami is an outside director candidate in order to use his experience and knowledge backed by posts at the Ministry of Finance, Financial Services Agency and other organizations to receive opinions and other insight from an objective and neutral standpoint concerning the management of the Company.

Registration as an independent director

Mr. Kawakami meets the independence requirements of the Tokyo Stock Exchange. If he is elected, the Company plans to designate him an independent director and submit notification of this status.

Terms of limited liability contract

If Mr. Kawakami is elected, in accordance with the Articles of Incorporation, the Company plans to establish a contractual agreement with Mr. Kawakami that limits his liability as provided for in Article 427, Paragraph 1 of the Companies Act. The liability limit will be the amount designated by laws and regulations.

Note: There are no special conflicts of interests between candidates for directors and the Company.