

June 11, 2020

**To Our Shareholders with Voting Rights**

Kimikazu Aida  
Representative Director,  
Chairman & President (CEO)  
AIDA ENGINEERING, LTD.  
2-10 Ohyama-cho, Midori-ku, Sagamihara,  
Kanagawa 252-5181, Japan

**Notice of the 85th Ordinary General Meeting of Shareholders**

Dear Shareholders:

We would like to take this opportunity to express our sincere appreciation for your support. Please be informed that the 85th Ordinary General Meeting of Shareholders of AIDA ENGINEERING, LTD. (hereinafter, the “Company”) to be held as described below.

As a result of careful consideration of the current coronavirus disease (COVID-19) situation, we will be holding the General Meeting of Shareholders upon conducting appropriate infection preventive measures.

**We would like to ask all our shareholders to exercise your voting rights in advance in writing or via the Internet, and refrain from attending the General Meeting of Shareholders from the perspective of preventing the spread of the COVID-19, regardless of your physical conditions. As part of measures preventing the spread of infection, we will cancel social gathering for our shareholders, distribution of souvenirs, shuttle bus service and beverages at the waiting room.**

**Please review the Reference Documents for the General Meeting of Shareholders provided in the following pages and exercise your voting rights by no later than 6:00 p.m., Friday, June 26, 2020.**

1. Date: 10:30 a.m., Monday, June 29, 2020
2. Place: The conference room of the Company  
2-10 Ohyama-cho, Midori-ku, Sagamihara, Kanagawa, Japan

3. Objectives of the Meeting:

- Reports:
1. Report on the Business Report, Consolidated Financial Statements and Non-Consolidated Financial Statements for the 85th Fiscal Year (from April 1, 2019 to March 31, 2020)
  2. Audit Reports of the Accounting Auditors and the Board of Statutory Auditors on the Consolidated Financial Statements for the 85th Fiscal Year (from April 1, 2019 to March 31, 2020)

Agenda:

- |            |                                                 |
|------------|-------------------------------------------------|
| Proposal 1 | Appropriation of Retained Earnings              |
| Proposal 2 | Partial Amendment to Articles of Incorporation  |
| Proposal 3 | Election of Seven (7) Directors                 |
| Proposal 4 | Election of One (1) Statutory Auditor           |
| Proposal 5 | Election of One (1) Alternate Statutory Auditor |

4. Other matters regarding this Notice

- (1) Among the documents to be provided in this Notice, Subscription Rights for New Shares etc. and Corporate Systems and Policies in the Business Report, the Consolidated Statements of Changes in Net Assets, the Notes to Consolidated Financial Statements, the Non-Consolidated Statements of Changes in Net Assets, and the Notes to Non-Consolidated Financial Statements are posted on the Company’s website (<https://www.aida.co.jp>) pursuant to applicable laws and regulations and Article 16 of the Articles of Incorporation of the Company. The attached documents in this Notice are therefore parts of the Business Report, the Consolidated Financial Statements and the Non-Consolidated Financial Statements audited by

the Statutory Auditors in the preparation of Audit Report and the Consolidated Financial Statements and the Non-Consolidated Financial Statements audited by the Accounting Auditors in the preparation of Independent Auditor's Report.

- (2) If circumstances occur that may require changes to the Reference Documents for the General Meeting of Shareholders, the Business Report, the Consolidated Financial Statements, and the Non-Consolidated Financial Statements, such changes shall be posted on the Company's website (<https://www.aida.co.jp>) on the Internet.
- (3) You may exercise your voting rights by proxy by having another shareholder who holds voting rights attend the General Meeting of Shareholders on your behalf. Please note, however, that a document evidencing the authority of proxy must be submitted.
- (4) Notice of resolutions made by this General Meeting of Shareholders shall be posted on the Company's website, shown above, instead of by mail as in the past. Thank you for your understanding.

(Information)

- Proceedings on the day will be in Japanese. Please note that we will not provide an interpreter.

## Reference Documents for the General Meeting of Shareholders

Proposals and references

### Proposal 1-Appropriation of Retained Earnings

The Company strives to increase its corporate value and to ensure continuous growth of earnings per share by strengthening its operation basis, improving Company quality and by carrying out its operation from a global perspective, while recognizing that improvement of profit distribution to shareholders is one of our most important management issues.

Our basic policy on dividends is to maintain stable dividends, targeting 30% or more of the consolidated dividend payout ratio, while taking into account such matters as securing stability of the business base and maintaining internal reserves for growth investment in the future.

Based on the above policy, for the fiscal year under review, the Company will pay an ordinary dividend of ¥30 per share.

Matters relating to year-end dividends

- (1) Category of dividend assets  
Cash
- (2) Matters relating to the allocation of dividend assets and the total amount of such allocation  
¥30 per share of the Company's common stock  
Total payment: ¥1,889,116,650
- (3) Date on which the dividend of retained earnings shall take effect  
June 30, 2020

## Proposal 2- Partial Amendment to Articles of Incorporation

### 1. Reasons for Amendment to Articles of Incorporation

In order to allow for, among others, the distribution of surplus to be made also by a resolution of the Board of Directors, Article 40 (Decision-Making Body for Distribution of Surplus, etc.), Article 41 (Record Date of Distribution of Surplus) and Article 42 (Limitation Period for Dividends) of the proposed amendment will be newly established, and Article 40 of the current Articles of Incorporation, which is overlapped by Article 41 and Article 42 of the proposed amendment, will be deleted, enabling, among others, a distribution of surplus to be made flexibly without a resolution of a general meeting of shareholders even in the case where it is difficult to hold an ordinary general meeting of shareholders.

Please note that even under the proposed amendment to Articles of Incorporation, a distribution of surplus may be still made by a resolution of a general meeting of shareholders.

### 2. Details of Amendments to Articles of Incorporation

The amendments to the Articles of Incorporation are as follows:

(Amendments are underlined)

Current Articles of Incorporation	Proposed Amendments
Articles 1 to 38 (omitted)	Articles 1 to 38 (remain as currently provided)
Chapter VI Accounting (Fiscal Term) Article 39 (omitted)	Chapter VI Accounting (Fiscal Term) Article 39 (remain as currently provided)
(Newly established)	<u>Article 40. (Decision-Making Body for Distribution of Surplus, etc.)</u> <u>Except as otherwise provided for by law, the Company may determine a distribution of surplus and other matters prescribed under each item of Paragraph 1 of Article 459 of the Companies Act by resolution of the board of directors.</u>
(Newly established)	<u>Article 41. (Record Date of Distribution of Surplus)</u> <u>The record date for the year-end dividends of the Company shall be March 31 of each year.</u>
(Newly established)	<u>Article 42. Limitation Period for Dividends</u> <u>Where cash dividends have not been received after three (3) full years from the date of commencement of payment thereof, the Company shall be relieved of its obligation to make that payment.</u>
<u>Article 40. (Distribution of Surplus)</u> 1. <u>Distribution of surplus shall be made each year to shareholders appearing in the latest register of shareholders as of the 31st day of March or to the pledgees of shares recorded as of the same date, by a resolution of a general meeting of shareholders.</u> 2. <u>If a distribution of surplus in the preceding paragraph is not received after three (3) full years from the date of commencement of payment thereof, the Company shall be relieved of its obligation to make that payment.</u>	(Deleted)  (Deleted)
Articles <u>41</u> to <u>42</u> (omitted)	Articles <u>43</u> to <u>44</u> (remain as currently provided)

### Proposal 3-Election of Seven (7) Directors

The terms of office of all eight (8) Directors (of which, three (3) are Outside Directors) will expire at the conclusion of this General Meeting of Shareholders. Accordingly, it is proposed to elect seven (7) Directors (of which, three (3) are Outside Directors), reviewing the management structure.

If this Proposal is approved in its current form, the proportion of Independent Outside Directors in the Board of Directors will be greater than one third.

The candidates for Directors are listed below.

No.	Name	Current positions and duties at the Company	Candidate attribute
1	Kimikazu Aida	Representative Director, Chairman & President (CEO) Division Manager, Research and Development Headquarters	Candidate for re-election
2	Toshihiko Suzuki	Representative Director, Executive Vice President and Chief Operating Officer (COO) Division Manager, Sales Headquarters Division Manager, Production Headquarters	Candidate for re-election
3	Yap Teck Meng	Director, Managing Executive Officer	Candidate for re-election
4	Hirimitsu Ugawa	Managing Executive Officer Division Manager, General Administration Headquarters	New candidate
5	Kimio Oiso	Director	Candidate for re-election Outside Director Independent Director
6	Hirofumi Gomi	Director	Candidate for re-election Outside Director Independent Director
7	Jiro Makino	Director	Candidate for re-election Outside Director Independent Director



No.	Name (Date of birth)	Brief personal history, position, duties and concurrent holding of important positions	Number of the Company's shares held
3	Candidate for re-election  Yap Teck Meng (September 4, 1962)	<p>June 1996 Joined AIDA MANUFACTURING (MALAYSIA) SDN.BHD. (currently AIDA ENGINEERING (M) SDN. BHD.)</p> <p>November 2007 Operating Officer, AIDA ENGINEERING, LTD.</p> <p>June 2010 Managing Executive Officer</p> <p>June 2013 Director (current position) Executive Officer</p> <p>June 2014 Managing Executive Officer (current position)</p> <p>&lt;Concurrent holdings of important positions&gt; Chairman and Managing Director, AIDA GREATER ASIA PTE. LTD. Chairman, AIDA ENGINEERING (M) SDN. BHD. Chairman, AIDA ENGINEERING CHINA CO., LTD. Chairman, AIDA PRESS MACHINERY SYSTEMS CO., LTD.</p>	0
		<p>&lt; Reasons for electing the candidate for Director&gt; Yap Teck Meng has assumed management for many years as the top of Asian regional subsidiaries of the Consolidated Group, and currently assists the supervision of the sales division of the entire Consolidated Group and supervises the management of the Group's businesses in South East Asia and China as Managing Executive Officer of the Company. He has abundant experience and knowledge concerning operations in general and management of the Company. To make good use of such experience and knowledge for management of the Company and further enhancement of the decision-making and supervisory functions of the Board of Directors, the Company requests his re-election as Director.</p>	





No.	Name (Date of birth)	Brief personal history, position, duties and concurrent holding of important positions			Number of the Company's shares held
5	Candidate for re-election Outside Director Independent Director  Kimio Oiso (October 8, 1946)  Board of Directors' meeting attendance during the fiscal year ended March 31, 2020 - 100% (all 12 meetings)	July	2000	Statutory Auditor, The Dai-ichi Mutual Life Insurance Company (currently Dai-ichi Life Insurance Company, Ltd.)	8,351
		July	2007	Representative Director and Senior Executive Officer, The Dai-ichi Mutual Life Insurance Company	
		June	2008	Statutory Auditor, AIDA ENGINEERING, LTD.	
		April	2010	Director, The Dai-ichi Life Insurance Company, Ltd.	
		June	2010	Retired (resigned) from Director, The Dai-ichi Life Insurance Company, Ltd.	
		July	2010	President, The Cardiovascular Institute	
		June	2012	Director, AIDA ENGINEERING, LTD. (current position)	
	<Concurrent holding of important positions> Not applicable				
< Reasons for electing the candidate for Outside Director> Kimio Oiso has abundant experience and knowledge as a manager at a life insurance company and has been providing advice and suggestions useful for management of the Company from an independent and objective point of view. For reasons mentioned above, the Company judges that he is suitable as Outside Director of the Company and requests his re-election as Outside Director.					

No.	Name (Date of birth)	Brief personal history, position, duties and concurrent holding of important positions		Number of the Company's shares held
6	Candidate for re-election Outside Director Independent Director  Hirofumi Gomi (May 13, 1949)  Board of Directors' meeting attendance during the fiscal year ended March 31, 2020 - 100% (all 12 meetings)	April 1972 July 1996 June 1998 July 2000 July 2001 July 2002 July 2004 July 2007 November 2009 June 2011 January 2014 February 2015 June 2015 June 2016 June 2017 June 2019	Joined the Ministry of Finance Director of the Research Division, Banking Bureau, Ministry of Finance Director-General, Inspection Department, Financial Supervisory Agency (currently Financial Services Agency) Secretary-General, Executive Bureau, Securities and Exchange Surveillance Commission, Financial Services Agency Director-General, Inspection Bureau, Financial Services Agency Director-General, Supervisory Bureau, Financial Services Agency Commissioner, Financial Services Agency Resigned Financial Services Agency Visiting Professor, Aoyama Gakuin University (current position) Auditor, MIROKU JYOHO SERVICE CO., LTD. Advisor, NISHIMURA & ASAHI Senior Advisor, THE BOSTON CONSULTING GROUP (current position) Director, AIDA ENGINEERING, LTD. (current position) Director, Infoteria Corporation (currently Asteria Corporation) (current position) Director, MIROKU JYOHO SERVICE CO., LTD. (current position) Director, SBI Holdings, Inc. Director, ZUU Co., Ltd. (current position) <Concurrent holding of important positions> Not applicable	0
< Reasons for electing the candidate for Outside Director > Hirofumi Gomi has abundant experience and advanced expertise acquired through his participation in the financial administration of the country as Commissioner of the Financial Services Agency, etc. and has been providing advice and suggestions useful for management of the Company from an independent and objective point of view. He has abundant experience in corporate management as an outside director or outside auditor of other companies, and the Company judges that he is suitable as Outside Director of the Company and requests his re-election as Outside Director.				

No.	Name (Date of birth)	Brief personal history, position, duties and concurrent holding of important positions	Number of the Company's shares held
7	<p>Candidate for re-election Outside Director Independent Director</p> <p>Jiro Makino (September 10, 1939)</p> <p>Board of Directors' meeting attendance during the fiscal year ended March 31, 2020 - 100% (all 9 meetings after assuming office on June 26, 2019)</p>	<p>December 1967 Joined Makino Milling Machine Co., Ltd.</p> <p>May 1974 Director, Makino Milling Machine Co., Ltd.</p> <p>March 1977 Director, Executive Manager, Sales Division, Makino Milling Machine Co., Ltd.</p> <p>July 1978 Vice President, Director, Makino Milling Machine Co., Ltd.</p> <p>June 1979 Executive Manager, Makino Milling Machine Co., Ltd.</p> <p>October 1982 Executive Vice President, General Manager of Engineering Division, Makino Milling Machine Co., Ltd.</p> <p>June 1985 President &amp; Representative Director, Makino Milling Machine Co., Ltd.</p> <p>May 1997 Vice Chairman, Japan Machine Tool Builders' Association (JMTBA)</p> <p>June 2006 Director, TOKYO OHKA KOGYO CO., LTD.</p> <p>June 2016 Retired (resigned) as President &amp; Representative Director, Makino Milling Machine Co., Ltd.</p> <p>June 2019 Director, AIDA ENGINEERING, LTD. (current position)</p> <p>&lt;Concurrent holding of important positions&gt; Not applicable</p>	5,868
<p>&lt; Reasons for electing the candidate for Outside Director &gt;</p> <p>Jiro Makino has a thorough understanding of the machine tool business, as well as abundant experience and knowledge in the management of a publicly listed company, acquired through many years of service as President &amp; Representative Director of Makino Milling Machine Co., Ltd. He has been providing advice and suggestions useful for management of the Company from an independent and objective point of view. The Company judges that he is suitable as Outside Director of the Company and requests his re-election as Outside Director.</p>			

- (Note)
1. There is no special interest between the above candidates and the Company.
  2. The number of the Company's shares each candidate holds is shown including shares of stock in Officer's Shareholding Association.
  3. Kimio Oiso, Hirofumi Gomi and Jiro Makino are candidates for Outside Director as stipulated in Article 2, Paragraph 3, Item 7 of the Ordinance for Enforcement of the Companies Act.
  4. The Company designated Kimio Oiso, Hirofumi Gomi and Jiro Makino as Independent Directors as defined by Tokyo Stock Exchange, Inc., and registered them with the Tokyo Stock Exchange as Independent Directors. If the re-election of all Kimio Oiso, Hirofumi Gomi and Jiro Makino is approved at this General Meeting of Shareholders, the Company will re-designate them as Independent Directors.
  5. The term of office of Kimio Oiso as Outside Director is eight (8) years at the closing of this General Meeting of Shareholders, the term of office of Hirofumi Gomi as Outside Director is five (5) years at the closing of this General Meeting of Shareholders, and the term of office of Jiro Makino as Outside Director is one (1) year at the closing of this General Meeting of Shareholders.
  6. Pursuant to the Articles of Incorporation, the Company has entered into contracts with Kimio Oiso, Hirofumi Gomi and Jiro Makino, which provide that the liability for damages stipulated in Article 423, Paragraph 1 of the Companies Act shall be up to the minimum liability amount specified in each item of Article 425, Paragraph 1 of the same law. If the re-election of all Kimio Oiso, Hirofumi Gomi and

Jiro Makino is approved at this General Meeting of Shareholders, the Company will continue the aforementioned liability limitation contracts with them.

#### Proposal 4-Election of One (1) Statutory Auditor

The term of office of one (1) Statutory Auditor Hiroshi Kanai will expire at the conclusion of this General Meeting of Shareholders. Accordingly, it is proposed to elect one (1) Statutory Auditor.

The Company has already obtained the consent of the Board of Statutory Auditors with respect to the submission of this proposal.

The candidate for Statutory Auditor is shown below.

Name (Date of birth)	Brief personal history, position and concurrent holding of important positions		Number of the Company's shares held
New Candidate Outside Auditor Independent Auditor  Fusakazu Kondo (November 17, 1960)	April	1983	Joined The Dai-ichi Mutual Life Insurance Company (currently Dai-ichi Life Insurance Company, Ltd.)
	April	2004	General Manager, Profit Management Department, The Dai-ichi Mutual Life Insurance Company
	April	2010	General Manager, Corporate Finance Department, The Dai-ichi Life Insurance Company, Ltd.
	June	2012	Senior Audit and Supervisory Board Member (Full-Time), The Dai-ichi Life Insurance Company, Ltd.
	October	2016	Director (Audit and Supervisory Committee Member (Full-Time)), Dai-ichi Life Holdings, Inc. (current position)
	<Concurrent holding of important positions>		
	Director (Audit and Supervisory Committee Member (Full-Time)), Dai-ichi Life Holdings, Inc.		0
<Reasons for electing the candidate for Outside Statutory Auditor> Fusakazu Kondo has participated mainly in finance-related businesses at a life insurance company, as well as engaged in auditing work as a Senior Audit and Supervisory Board Member (Full-Time) and an Audit and Supervisory Committee Member (Full-Time) at the said company. The Company expects him to utilize his abundant experience and knowledge in these fields to oversee the execution of duties by Directors and executors of business from an independent and objective point of view, and requests his new election as Outside Statutory Auditor.			

- (Note) 1. There is no special interest between the above candidate and the Company.
2. Fusakazu Kondo is a candidate for Outside Statutory Auditor as stipulated in Article 2, Paragraph 3, Item 8 of the Ordinance for Enforcement of the Companies Act.
  3. Fusakazu Kondo satisfies the requirement as an Independent Statutory Auditor as defined by Tokyo Stock Exchange. If the election of Fusakazu Kondo is approved, the Company will register him with the Tokyo Stock Exchange as an Independent Statutory Auditor.
  4. If the election of Fusakazu Kondo as Statutory Auditor is approved, pursuant to the Articles of Incorporation, the Company will entered into a contract with Fusakazu Kondo, which provides that the liability for damages stipulated in Article 423, Paragraph 1 of the Companies Act shall be up to the minimum liability amount specified in each item of Article 425, Paragraph 1 of the same law.

## Proposal 5-Election of One (1) Alternate Statutory Auditor

To prepare for a contingency in which the Company does not have the number of Statutory Auditors required by laws and regulations, it is proposed to elect one (1) Alternate Statutory Auditor.

The election of the aforementioned Alternate Statutory Auditor may be cancelled by the resolution of the Board of Directors, provided such cancellation is done prior to the assumption of office and with the consent of the Board of Statutory Auditors.

Therefore, we have obtained the consent of the Board of Statutory Auditors with respect to the submission of this proposal.

The candidate for Alternate Statutory Auditor is shown below.

Name (Date of birth)	Brief personal history, position and concurrent holding of important positions		Number of the Company's shares held
Outside Auditor Independent Auditor  Takafumi Kiyonaga (October 19, 1967)	April	1995	Registered as an attorney-at-law (Daini Tokyo Bar Association) Joined Nozomi Sogo Attorneys at Law (current position)
	April	2012	Lecturer, Legal Training and Research Institute of the Supreme Court of Japan (until March 2015)
	April	2017	Specially Appointed Professor, Rikkyo Law School (current position)
	<Concurrent holding of important positions> Attorney-at-law		0
<Reasons for electing the candidate for Alternate Statutory Auditor> Although Takafumi Kiyonaga has never been involved directly in corporate management, he has abundant experience and advanced expertise as an attorney. The Company expects that he would utilize his experience and knowledge to oversee the execution of duties by Directors and executors of business from an independent and objective point of view, and requests his new election as Alternate Statutory Auditor.			

- (Note) 1. There is no special interest between the above candidate and the Company.
2. Takafumi Kiyonaga satisfies the requirement as an Independent Statutory Auditor as defined by Tokyo Stock Exchange. If Takafumi Kiyonaga assumes office as Outside Statutory Auditor, the Company will register him with the Tokyo Stock Exchange as an Independent Statutory Auditor.
3. If Takafumi Kiyonaga assumes office as Outside Statutory Auditor, pursuant to the Articles of Incorporation, the Company will entered into a contract with Takafumi Kiyonaga, which provides that the liability for damages stipulated in Article 423, Paragraph 1 of the Companies Act shall be up to the minimum liability amount specified in each item of Article 425, Paragraph 1 of the same law.

(Reference) Independence Criteria for Outside Officers

The Company has stipulated the criteria for the independence of Outside Officers as follows for the determination of their independence.

In principle, a person who does not fall under any of the following items at present or within the past three years

- (1) A party whose major business partner is the Company, or an executor of business thereof if the party is a corporation, etc.
- (2) A major business partner of the Company, or an executor of business thereof if the party is a corporation, etc.
- (3) A consultant, accounting specialist or legal specialist who receives a significant amount of money or other property from the Company other than the compensation from the Company as an Outside Officer.
- (4) An employee, etc. of the consulting firm, accounting office or law firm, etc. whose major business partner is the Company
- (5) A party who receives a significant amount of donation, etc. from the Company, or an executor of business thereof if the party is a corporation, etc.
- (6) A major shareholder (a party who holds more than 10% of the total voting rights) of the Company, or an executor of business thereof if the party is a corporation, etc.
- (7) A close relative of the following (excluding insignificant person)
  - A. A person who falls under (1) to (6) described above
  - B. A Director, Statutory Auditor, Operating Officer or important employee of the Company or its subsidiary

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