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(Stock Exchange Code 1961)  
June 6, 2019

**To Shareholders with Voting Rights:**

Tsutomu Hasegawa  
Representative Director and President  
SANKI ENGINEERING CO., LTD.  
8-1, Akashicho, Chuo-ku, Tokyo

**NOTICE OF CONVOCATION OF  
THE 95th ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

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

You are cordially invited to attend the 95th Annual General Meeting of Shareholders of SANKI ENGINEERING CO., LTD. (the “Company”). The meeting will be held for the purposes as described below.

If you are unable to attend the meeting, you may exercise your voting rights by either of the methods below. Please review the attached Reference Documents for the General Meeting of Shareholders, and exercise your voting rights by no later than 5:00 p.m. Japan time on Wednesday, June 26, 2019.

[Exercising Voting Rights in Writing]

Please indicate your proposals on the enclosed Voting Rights Exercise Form, and return it such that it arrives by the above deadline for exercise.

[Exercising Voting Rights via the Internet]

Please review the “Guide to Exercising Voting Rights via the Internet” on page 3 (Japanese version only), access the voting rights exercise website designated by the Company (<https://www.web54.net>), and enter your proposals by the above deadline for exercise, in accordance with the on-screen instructions.

- 1. Date and Time:** Thursday, June 27, 2019 at 10:00 a.m. Japan time  
(Reception opens: 9:00 a.m.)
- 2. Place:** Sakura Room, 4th Floor, Main Building, Imperial Hotel Tokyo  
1-1, Uchisaiwai-cho 1-chome, Chiyoda-ku, Tokyo
- 3. Meeting Agenda:**  
**Matters to be reported:**
  1. The Business Report, Consolidated Financial Statements for the Company’s 95th Fiscal Year (April 1, 2018 - March 31, 2019) and results of audits by the Accounting Auditor and the Audit & Supervisory Board of the Consolidated Financial Statements
  2. Non-consolidated Financial Statements for the Company’s 95th Fiscal Year (April 1, 2018 - March 31, 2019)

**Proposals to be resolved:**

- Proposal 1:** Appropriation of Surplus
- Proposal 2:** Election of 12 Directors
- Proposal 3:** Election of 2 Audit & Supervisory Board Members
- Proposal 4:** Election of 1 Substitute Audit & Supervisory Board Member

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1. English versions of this Notice of Annual General Meeting of Shareholders and the Reference Documents for the General Meeting of Shareholders will be posted on the Company’s website (<https://www.sanki.co.jp/>).
  2. Of the documents to be included in this notice of the General Meeting of Shareholders, the Notes to the Consolidated

Financial Statements and Notes to the Non-consolidated Financial Statements are posted on the Company's website (<https://www.sanki.co.jp/>) pursuant to laws and regulations as well as Article 16 of the Articles of Incorporation of the Company, and are therefore not provided in the Appendix of this notice of the General Meeting of Shareholders. The Consolidated Financial Statements and Non-consolidated Financial Statements described in the Appendix of this notice of the General Meeting of Shareholders are excerpt of the Consolidated Financial Statements and Non-consolidated Financial Statements audited by the Accounting Auditor and the Audit & Supervisory Board Members in preparing the accounting audit report and audit report, respectively.

3. Should the Appendix and the Reference Documents for the General Meeting of Shareholders require revisions, the revised versions will be posted on the Company's website (<https://www.sanki.co.jp/>).
4. When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk.

# Reference Documents for the General Meeting of Shareholders

## Proposals and References

### Proposal 1: Appropriation of Surplus

The Company considers the return of profits to shareholders an important management policy. The Company recognizes its dividend policy as the foundation of its shareholder return policy, and has increased its dividends in accordance with its business performance while maintaining a basic policy of a stable dividend, and taking into consideration the balance of ongoing business development and short-term returns to shareholders.

As a result of comprehensively taking into consideration the consolidated performance for the fiscal year under review, the level of profits and shareholders' ongoing support, etc., the Company proposes a year-end dividend for the fiscal year under review as follows, in addition to a special dividend.

#### 1. Items Related to the Year-end Dividend

- (1) Items related to the allocation of dividend property to shareholders and its total amount  
40 yen per common share of the Company  
(Including an ordinary dividend of 20 yen and a special dividend of 20 yen)  
Total of 2,383,738,480 yen

- (2) Effective date of the appropriation of surplus  
June 28, 2019

Furthermore, the Company paid an interim dividend of 20 yen per share, and therefore the total dividend for the fiscal year under review will be 60 yen per share.

#### 2. Other matters concerning appropriation of surplus

- (1) Item and the amount of surplus to be decreased
  - General reserve 15,000,000,000 yen
- (2) Item and the amount of surplus to be increased
  - Retained earnings brought forward 15,000,000,000 yen

**Proposal 2:** Election of 12 Directors

The terms of office of all Directors (12 Directors) will expire at the conclusion of this year's Annual General Meeting of Shareholders. Accordingly, the election of 12 Directors is proposed.

The candidates for Director are as follows:

No.	Name	Current positions and responsibilities	Attendance at the Board of Directors' meetings
1	<u>Reappointed</u> Takuichi Kajiura	Director and Chairman Chair of the Board of Directors	100% (13/13)
2	<u>Reappointed</u> Tsutomu Hasegawa	Representative Director and President	100% (13/13)
3	<u>Reappointed</u> Nobuo Kumura	Representative Director and Executive Vice President; Chief Financial Officer	100% (13/13)
4	<u>Reappointed</u> Hidemi Fujii	Representative Director and Executive Vice President; General Manager, General Affairs and Human Resources Division	100% (13/13)
5	<u>Reappointed</u> Eiji Mitsuishi	Director; Senior Executive Officer; General Manager, Mechanical & Electrical Contracting Headquarters	100% (13/13)
6	<u>Reappointed</u> Takashi Motomatsu	Director; Senior Executive Officer; General Manager, Plants & Machinery Systems Headquarters	92% (12/13)
7	<u>Reappointed</u> Hirokazu Ishida	Director; Senior Executive Officer; General Manager, Management Planning Office	100% (13/13)
8	<u>Reappointed</u> Masayuki Kudo	Director; Managing Executive Officer	100% (11/11)
9	<u>Reappointed</u> Masato Komura	Director	100% (11/11)
10	<u>Reappointed</u> Yukiteru Yamamoto	<u>External</u> <u>Independent</u>	External Director 100% (13/13)
11	<u>Reappointed</u> Makoto Nukaga	<u>External</u> <u>Independent</u>	External Director 100% (13/13)
12	<u>Reappointed</u> Kazuhiko Kashikura	<u>External</u> <u>Independent</u>	External Director 100% (11/11)

No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
1	Takuichi Kajiura (September 22, 1943)  <u>Reappointed</u>	<p>April 1968      Joined the Company</p> <p>June 2003      Director; Deputy General Manager, Air-Conditioning &amp; Plumbing Division</p> <p>June 2004      Managing Executive Officer; General Manager, Air-Conditioning &amp; Plumbing Division</p> <p>April 2005      Managing Executive Officer; General Manager, Sales Headquarters</p> <p>June 2005      Senior Executive Officer; General Manager, Sales Headquarters</p> <p>June 2007      Director; Senior Executive Officer; General Manager, Sales Headquarters</p> <p>April 2008      Director; Senior Executive Officer; General Manager, Mechanical &amp; Electrical Contracting Headquarters</p> <p>April 2010      Representative Director and Executive Vice President; General Manager, Mechanical &amp; Electrical Contracting Headquarters</p> <p>April 2011      Representative Director and Executive Vice President</p> <p>April 2012      Director</p> <p>April 2012      Representative Director and President</p> <p>April 2015      Representative Director and Chairman</p> <p>April 2016      Representative Director and Chairman; Chair of the Board of Directors</p> <p>April 2017      Director and Chairman; Chair of the Board of Directors To present</p>	83,200
<p>Reason for nomination</p> <p>Mr. Takuichi Kajiura focuses on enhancing the functions of the Board of Directors as Chair of the Board of Directors and as Non-executive Director. In addition, he is demonstrating his outstanding skills in activities of various economic organizations. The Company has judged that his excellent experience and insights are essential for the Company to enhance its corporate governance, and has therefore nominated him as a candidate for Director.</p>			
2	Tsutomu Hasegawa (March 4, 1953)  <u>Reappointed</u>	<p>April 1975      Joined the Company</p> <p>June 2008      Executive Officer; Deputy General Manager, Tokyo Branch, Mechanical &amp; Electrical Contracting Headquarters</p> <p>April 2009      Executive Officer; General Manager, Business Strategy Division, Mechanical &amp; Electrical Contracting Headquarters</p> <p>April 2010      Superior Executive Officer; General Manager, Tokyo Branch, Mechanical &amp; Electrical Contracting Headquarters</p> <p>April 2011      Managing Executive Officer; General Manager, Tokyo Branch</p> <p>April 2012      Senior Executive Officer; General Manager, Sales Administration Division</p> <p>June 2012      Director; Senior Executive Officer; General Manager, Sales Administration Division</p> <p>April 2013      Representative Director; Senior Executive Officer; General Manager, Mechanical &amp; Electrical Contracting Headquarters</p> <p>April 2015      Representative Director and President To present</p>	25,200
<p>Reason for nomination</p> <p>Mr. Tsutomu Hasegawa has continually demonstrated his leadership in the decision-making processes of the overall Group as Representative Director and President. In addition, he has been taking the initiative in the promotion of workstyle reforms, placing importance on communication with employees. As his capability as an executive and attractive personality will bring unity among all employees, the Company has judged that he is essential for the Group to enhance its corporate value, and has therefore nominated him as a candidate for Director.</p>			

No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
3	Nobuo Kumura (November 1, 1949)  <u>Reappointed</u>	April 1972      Joined the Company June 2005      Executive Officer; Deputy General Manager, Kansai Branch Office April 2008      Executive Officer; Deputy General Manager, Kansai Branch, Mechanical & Electrical Contracting Headquarters April 2009      Managing Executive Officer; General Manager, Kansai Branch, Mechanical & Electrical Contracting Headquarters April 2011      Managing Executive Officer; General Manager, Kansai Branch April 2013      Managing Executive Officer; General Manager, Kansai Branch (in Charge of West Japan) June 2013      Director; Managing Executive Officer; General Manager, Kansai Branch (in Charge of West Japan) June 2014      Director; Managing Executive Officer; General Manager, CSR Promotion Division April 2015      Director; Senior Executive Officer; General Manager, CSR Promotion Division April 2017      Representative Director and Executive Vice President August 2018    Representative Director and Executive Vice President; Chief Financial Officer To present <Responsibilities> CSR Promotion Division, Chief Cost Inspector Office, Accounting Division, Real Estate Business Office	24,800
Reason for nomination Mr. Nobuo Kumura has many years of experience in operation and division management of the facilities construction business. With such a foundation, he currently assists the President as Representative Director and Executive Vice President, and as Chief Financial Officer on a continuous basis and has responsibility for the CSR promotion departments and accounting departments. The Company has judged that his above experience and abundant insights are essential for the Company to enhance its corporate governance, and has therefore nominated him as a candidate for Director.			

No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
4	Hidemi Fujii (January 1, 1951)  <u>Reappointed</u>	<p>April 1973      Joined the Company</p> <p>June 2006      Executive Officer; General Manager, Chugoku Branch Office</p> <p>April 2008      Executive Officer; Deputy General Manager, Tokyo Branch, Mechanical &amp; Electrical Contracting Headquarters</p> <p>March 2010      Retired from the Company</p> <p>April 2010      Representative Director and President, Sanki Techno Support Co., Ltd.</p> <p>March 2012      Retired from Sanki Techno Support Co., Ltd.</p> <p>April 2012      Managing Executive Officer; General Manager, Tokyo Branch, the Company</p> <p>April 2013      Managing Executive Officer; General Manager, Tokyo Branch (in Charge of East Japan)</p> <p>June 2013      Director; Managing Executive Officer; General Manager, Tokyo Branch (in Charge of East Japan)</p> <p>June 2014      Director; Managing Executive Officer; Deputy General Manager, Mechanical &amp; Electrical Contracting Headquarters (Supervising East Japan and West Japan)</p> <p>April 2015      Director; Senior Executive Officer; General Manager, Mechanical &amp; Electrical Contracting Headquarters</p> <p>April 2017      Representative Director and Executive Vice President</p> <p>April 2019      Representative Director and Executive Vice President; General Manager, General Affairs and Human Resources Division</p> <p>To present</p> <p>&lt;Responsibilities&gt; Information Systems Office, General Affairs and Human Resources Division</p>	19,400
<p>Reason for nomination</p> <p>Mr. Hidemi Fujii has many years of experience in division management of the facilities construction business of the Group. With such a foundation, he currently assists the President as Representative Director and Executive Vice President on a continuous basis and has responsibility for general affairs and human resources department, and information systems department. The Company has judged that his above experience and abundant insights are essential to continuous growth of the Company, and has therefore nominated him as a candidate for Director.</p>			

No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
5	Eiji Mitsuishi (February 24, 1952)  <u>Reappointed</u>	April 1972 April 2011 April 2013 April 2017 June 2017  <Responsibilities> Mechanical & Electrical Contracting Headquarters, Labor Safety, Health, Quality Management & Environment Promotion Office	22,700
		Reason for nomination Mr. Eiji Mitsuishi has many years of experience in operation and division management of the facilities construction business. With such a foundation, he currently demonstrates his excellent management skills as the person responsible for mechanical & electrical contracting departments. The Company has judged that his above experience and management skills are essential for the Company to further enhance corporate value, and has therefore nominated him as a candidate for Director.	
6	Takashi Motomatsu (February 1, 1953)  <u>Reappointed</u>	April 1976 April 2012 October 2012 June 2014 April 2015 June 2015 April 2018  <Responsibilities> Plants & Machinery Systems Headquarters	14,600
		Reason for nomination Mr. Takashi Motomatsu has many years of experience in operation and division management of the environmental systems business. With such a foundation, he currently has responsibility for the machinery systems administration departments and environmental systems administration departments. The Company has judged that his above experience and excellent management skills are essential for the Company to further enhance corporate value, and has therefore nominated him as a candidate for Director.	



No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
7	Hirokazu Ishida (January 22, 1959)  <u>Reappointed</u>	April 1983 April 2012  April 2013 April 2016  June 2017  April 2018  <Responsibilities> Management Planning Office	19,200
		Reason for nomination Mr. Hirokazu Ishida has many years of experience in operation and division management of the facilities construction business. He is currently involved in overall management of the Group as General Manager of the Management Planning Office and is significantly contributing to the enhancement of the Company's corporate value. The Company has judged that his past experience and insights into business management of the Group are essential to the further development of the Company, and has therefore nominated him as a candidate for Director.	
8	Masayuki Kudo (June 27, 1959)  <u>Reappointed</u>	April 1985 June 2014 April 2017  April 2018 June 2018  <Responsibilities> Facility Systems Division, International Business Division	7,800
		Reason for nomination Mr. Masayuki Kudo has abundant operational experience including overseas as an engineer in the facilities construction business. In addition, he has experienced division management in the facility systems business for many years, and has full knowledge regarding business of both related departments. With such a foundation, he is currently demonstrating his outstanding skills as an officer responsible for international business, and facility systems. The Company has judged that his experience in the Company and insights are essential to management of the Company, and has therefore nominated him as a candidate for Director.	

No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
9	Masato Komura (July 12, 1947)  <u>Reappointed</u>	<p>April 1971      Joined Meiji Life Insurance Company</p> <p>July 1997      Director; General Manager, Finance Division, Meiji Life Insurance Company</p> <p>April 2000      Executive Managing Director, Meiji Life Insurance Company</p> <p>January 2004    Senior Executive Director; General Manager, Asset Management Division, Meiji Yasuda Life Insurance Company</p> <p>November 2005   Retired from Meiji Yasuda Life Insurance Company</p> <p>June 2006      Representative Director and Chairman, TOWA KOSAN</p> <p>June 2007      Retired from TOWA KOSAN</p> <p>Director; Senior Executive Officer; General Manager, CSR Promotion Division, the Company</p> <p>April 2012      Director</p> <p>June 2012      Director; Senior Executive Officer; General Manager, CSR Promotion Division</p> <p>June 2014      Full-time Audit &amp; Supervisory Board Member</p> <p>June 2018      Director</p> <p>To present</p>	41,400
<p>Reason for nomination</p> <p>Mr. Masato Komura has worked at an asset management division of a life insurance company for many years and has a thorough knowledge regarding finance and accounting. In addition, at the Company, he has experienced the management of a real estate management subsidiary and served as an officer responsible for environmental systems administration departments and CSR promotion departments and has broad insight. Furthermore, he has contributed to the enhancement of corporate governance since June 2014 when he assumed office as full-time Audit &amp; Supervisory Board Member. In order to utilize his abundant operational experience and insight, the Company has nominated him again as a candidate for Non-executive Director.</p>			
10	Yukiteru Yamamoto (June 3, 1953)  <u>External</u> <u>Independent Officer</u> <u>Reappointed</u>	<p>April 1977      Joined MITSUI LIFE INSURANCE MUTUAL COMPANY</p> <p>June 2008      Director; Managing Executive Officer, MITSUI LIFE INSURANCE COMPANY LIMITED</p> <p>April 2009      Representative Director and President; Chief Operating Officer; General Manager, Operational Improvement Promotion Division</p> <p>April 2012      Representative Director and President; Chief Operating Officer</p> <p>June 2013      Special Advisor</p> <p>June 2014      External Director, the Company</p> <p>To present</p> <p>April 2015      Advisor, MITSUI LIFE INSURANCE COMPANY LIMITED</p> <p>March 2017    Retired from MITSUI LIFE INSURANCE COMPANY LIMITED</p>	5,500
<p>Reason for nomination</p> <p>Mr. Yukiteru Yamamoto has served in positions including Representative Director and President of MITSUI LIFE INSURANCE COMPANY LIMITED, was also active as an Executive Member of the Policy Board of the Japan Business Federation from August 2013 to March 2017, and he thus possesses abundant operational experience and wide-ranging knowledge regarding corporate management. In order to utilize his experience and insight developed through this background, the Company has nominated him again as a candidate for External Director.</p>			

No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
11	Makoto Nukaga (December 21, 1946)  External Independent Officer Reappointed	<p>April 1970      Joined The Bank of Japan</p> <p>May 1988      Manager, Overseas Research Section, Research and Statistics Department</p> <p>May 1990      Manager, Management Planning Section, Management Administration Department</p> <p>May 1991      Manager, General Affairs Section, International Department</p> <p>May 1992      General Manager, Niigata Branch</p> <p>September 1994      Examiner, Examination Department</p> <p>March 1996      General Manager, Kobe Branch</p> <p>October 1997      Retired from The Bank of Japan</p> <p>Director and Vice President, Chibagin Research Institute Corporation</p> <p>June 1998      Director and President</p> <p>June 2010      Director and Chairman</p> <p>December 2010      Retired from Chibagin Research Institute Corporation</p> <p>January 2011      President, Organization for Workers' Retirement Allowance Mutual Aid</p> <p>September 2015      Retired from Organization for Workers' Retirement Allowance Mutual Aid</p> <p>June 2016      External Director, the Company</p> <p>To present</p>	8,600
<p>Reason for nomination</p> <p>Mr. Makoto Nukaga worked at The Bank of Japan for many years, and served in managerial positions in key departments, in addition to serving as Director and President of Chibagin Research Institute Corporation and President of the Organization for Workers' Retirement Allowance Mutual Aid, etc., and he thus possesses abundant operational experience and wide-ranging knowledge. In order to utilize his experience and insight developed through this background, the Company has nominated him again as a candidate for External Director.</p>			
12	Kazuhiko Kashikura (April 13, 1954)  External Independent Officer Reappointed	<p>April 1977      Joined Mitsui Bank Co., Ltd.</p> <p>June 2005      Executive Officer; General Manager, Operations Audit Division, Sumitomo Mitsui Banking Corporation</p> <p>April 2008      Executive Officer</p> <p>April 2008      Retired from Sumitomo Mitsui Banking Corporation</p> <p>May 2008      Representative Director and President, SMBC Staff Service Co., Ltd.</p> <p>May 2013      Retired from SMBC Staff Service Co., LTD.</p> <p>June 2013      Representative Director and President, SMBC Finance Service Co., Ltd.</p> <p>June 2017      Representative Director and Chairman</p> <p>June 2018      External Director, the Company</p> <p>To present</p> <p>Retired from the position of Representative Director and Chairman, SMBC Finance Service Co., Ltd.</p>	600
<p>Reason for nomination</p> <p>Mr. Kazuhiko Kashikura has served as Executive Officer of Sumitomo Mitsui Banking Corporation and a top executive at the same group companies and he thus has abundant experience and broad insight in corporate management. In order to utilize his experience and insight developed through this background, the Company has nominated him again as a candidate for External Director.</p>			

- (Notes)
- There are no special interests between the candidates and the Company.
  - Mr. Yukiteru Yamamoto, Mr. Makoto Nukaga, and Mr. Kazuhiko Kashikura are candidates for External Director.
    - The Company has registered Mr. Yukiteru Yamamoto, Mr. Makoto Nukaga, and Mr. Kazuhiko Kashikura with the Tokyo Stock Exchange as Independent Officers with no possibility of a conflict of interest occurring with general shareholders, whose designation is required by the Exchange. If they are reappointed and assume office as Directors, they will contribute to be Independent Officers.
  - Number of years since candidates for External Director were appointed External Director
    - Mr. Yukiteru Yamamoto's term in office as External Director will be five years at the conclusion of this General Meeting of Shareholders.
    - Mr. Makoto Nukaga's term in office as External Director will be three years at the conclusion of this General Meeting

of Shareholders.

- (3) Mr. Kazuhiko Kashikura's term in office as External Director will be one year at the conclusion of this General Meeting of Shareholders.
4. Liability limitation agreements with candidates for Director  
The Company has entered into agreements with Mr. Takuichi Kajiura, Mr. Masato Komura, Mr. Yukiteru Yamamoto, Mr. Makoto Nukaga, and Mr. Kazuhiko Kashikura to limit their liabilities as provided for in Article 423, Paragraph 1, of the Companies Act, and the maximum amount of liability under this agreement shall be the greater of 10 million yen or the minimum amount stipulated in laws and regulations.

**Proposal 3:** Election of 2 Audit & Supervisory Board Members

The terms of office of Audit & Supervisory Board Members Takeo Inokuchi and Mamoru Norisada will expire at the conclusion of this year's Annual General Meeting of Shareholders. Accordingly, the election of 2 Audit & Supervisory Board Members is proposed.

Furthermore, the Audit & Supervisory Board has given its approval to this proposal.

The candidates for Audit & Supervisory Board Member are as follows:

No.	Name (Date of birth)	Past experience, positions and significant concurrent positions	Number of shares of the Company held
1	Yutaka Atomi (December 5, 1944)  <div style="border: 1px solid black; padding: 2px; display: inline-block; text-align: center;">External</div> <div style="border: 1px solid black; padding: 2px; display: inline-block; text-align: center;">Independent Officer</div> <div style="border: 1px solid black; padding: 2px; display: inline-block; text-align: center;">Newly appointed</div>	April 1970 Intern Doctor, the First Department of Surgery of the Faculty of Medicine of the University of Tokyo June 1988 Visiting Researcher, the Department of Surgery of the University of California, San Francisco February 1989 Research Assistant, the First Department of Surgery of the Faculty of Medicine of the University of Tokyo July 1992 Lecturer, the First Department of Surgery of the Faculty of Medicine of the University of Tokyo October 1992 Professor, the First Department of Surgery of the School of Medicine of Kyorin University April 1998 Vice Director, Kyorin University Hospital April 2004 Dean, the School of Medicine of Kyorin University April 2010 President, Kyorin University April 2018 President Emeritus, Kyorin University To present <Significant concurrent positions> President Emeritus, Kyorin University Outside Audit & Supervisory Board Member, Sumitomo Dainippon Pharma Co., Ltd.	None
Reason for nomination Mr. Yutaka Atomi has been long engaged in education and research at universities, served in positions including President of Kyorin University, and he thus possesses deep insight and abundant experience regarding university management. In order to utilize his experience and insight developed through this background to audit the Company from an objective and fair standpoint, the Company has nominated him as a candidate for External Audit & Supervisory Board Member. Although Mr. Yutaka Atomi does not have experience of being involved in corporate management other than as an external officer, for the reasons stated above, the Company believes that he will be able to execute the duties as an External Audit & Supervisory Board Member of the Company properly.			

No.	Name (Date of birth)	Past experience, positions and significant concurrent positions	Number of shares of the Company held
2	Toshiaki Egashira (November 30, 1948)  External Independent Officer Newly appointed	<p>April 1972      Joined Taisho Marine &amp; Fire Insurance Co., Ltd.</p> <p>June 2006      Representative Director and President, Mitsui Sumitomo Insurance Company, Limited</p> <p>April 2008      Representative Director and President, Mitsui Sumitomo Insurance Group Holdings, Inc.</p> <p>April 2010      Representative Director, President &amp; CEO, MS&amp;AD Insurance Group Holdings, Inc.</p> <p>                    Representative Director, Chairman of the Board, Mitsui Sumitomo Insurance Company, Limited</p> <p>June 2014      Representative Director and Executive Officer, MS&amp;AD Insurance Group Holdings, Inc.</p> <p>April 2016      Representative Director, MS&amp;AD Insurance Group Holdings, Inc.</p> <p>                    Director, Standing Advisor, Mitsui Sumitomo Insurance Company, Limited</p> <p>June 2016      Standing Advisor, Mitsui Sumitomo Insurance Company, Limited</p> <p>                    To present</p> <p>&lt;Significant concurrent positions&gt;</p> <p>                    Standing Advisor, Mitsui Sumitomo Insurance Company, Limited</p> <p>                    Outside Director, Mitsui Fudosan Co., Ltd.</p>	None
<p>Reason for nomination</p> <p>Mr. Toshiaki Egashira has served in positions including Representative Director and President of Mitsui Sumitomo Insurance Company, Limited, and he thus possesses abundant operational experience and wide-ranging knowledge regarding corporate management. In order to utilize his experience and insight developed through this background to audit the Company from an objective and fair standpoint, the Company has nominated him as a candidate for External Audit &amp; Supervisory Board Member.</p>			

(Notes) 1. Special interests between the candidates and the Company

Mr. Yutaka Atomi is serving concurrently as President Emeritus of Kyorin University, with which the Company has transactions including a facilities construction subcontracting agreement.

Mr. Toshiaki Egashira is serving concurrently as Standing Advisor of Mitsui Sumitomo Insurance Company, Limited, with which the Company has transactions including a facilities construction subcontracting agreement and nonlife insurance agreement.

2. (1) Mr. Yutaka Atomi and Mr. Toshiaki Egashira are candidates for External Audit & Supervisory Board Member and fulfill the criteria in the Independence Standards for External Officers established by the Company, as in the most recent three fiscal years, transactions with Kyorin University and Mitsui Sumitomo Insurance Company, Limited described in the above (Note) 1. accounted for a maximum of 0.73% and 0.14% of consolidated net sales, respectively.
- (2) If Mr. Yutaka Atomi and Mr. Toshiaki Egashira are appointed and assume office as Audit & Supervisory Board Members, the Company intends to register them with the Tokyo Stock Exchange as Independent Officers with no possibility of a conflict of interest occurring with general shareholders, whose designation is required by the Exchange.
3. Liability limitation agreements with candidates for Audit & Supervisory Board Members.  
If Mr. Yutaka Atomi and Mr. Toshiaki Egashira are appointed and assume office as Audit & Supervisory Board Members, the Company intends to enter into agreements with them to limit their liabilities as provided for in Article 423, Paragraph 1, of the Companies Act, and the maximum amount of liability under this agreement shall be the greater of 10 million yen or the minimum amount stipulated in laws and regulations.

**Proposal 4:** Election of 1 Substitute Audit & Supervisory Board Member

Substitute Audit & Supervisory Board Member Takaya Abe was elected at the 94th Annual General Meeting of Shareholders held on June 27, 2018, and the effectiveness of his election will expire at the conclusion of this year's Annual General Meeting of Shareholders. Therefore, in order to prepare for cases where the number of Audit & Supervisory Board Members falls below prescribed by laws and regulations, the Company proposes the election of Mr. Takaya Abe as a substitute Audit & Supervisory Board Member.

Furthermore, the Audit & Supervisory Board has given its approval to this proposal.

The candidate for Substitute Audit & Supervisory Board Member is as follows:

Name (Date of birth)	Past experience, positions and significant concurrent positions	Number of shares of the Company held
<p style="text-align: center;">Takaya Abe (February 19, 1952)</p> <p style="text-align: center;"> <span style="border: 1px solid black; padding: 2px;">External</span>  <span style="border: 1px solid black; padding: 2px;">Independent Officer</span>  <span style="border: 1px solid black; padding: 2px;">Reappointed</span> </p>	<p>January 1982    Joined Shinwa Audit Corporation  April 1984    Registered as certified public accountant  May 1995    Partner, Asahi Audit Corporation  May 2001    Representative Partner  July 2010    Partner, KPMG AZSA LLC  June 2014    Retired from KPMG AZSA LLC  July 2014    Established Abe Certified Public Accountant Office  To present</p> <p>&lt;Significant concurrent position&gt;  Certified public accountant (Abe Certified Public Accountant Office)</p>	None
<p>Reason for nomination  In order to utilize Mr. Takaya Abe's expertise and experience, etc. developed as a certified public accountant to strengthen the audit systems of the Company, the Company has nominated him as a candidate for substitute External Audit &amp; Supervisory Board Member.</p>		

- (Notes)
1. There are no special interests between the candidate and the Company.
  2. (1) The candidate is a candidate for substitute External Audit & Supervisory Board Member.  
(2) If Mr. Takaya Abe assumes office as Audit & Supervisory Board Member, the Company intends to register him with the Tokyo Stock Exchange as Independent Officer with no possibility of a conflict of interest occurring with general shareholders, whose designation is required by the Exchange.
  3. Liability limitation agreements with the candidate for substitute External Audit & Supervisory Board Member  
If Mr. Takaya Abe is appointed as Audit & Supervisory Board Member, the Company intends to enter into an agreement with him to limit his liability as provided for in Article 423, Paragraph 1 of the Companies Act, and the maximum amount of liability under this agreement shall be the greater of 10 million yen or the minimum amount stipulated in laws and regulations.

<Reference>

[Policy on nomination of a candidate for Director and Audit & Supervisory Board Member]

The Company established the “Sanki Engineering Corporate Governance Guidelines” and stipulated a policy about nomination of a candidate for Director and Audit & Supervisory Board Member as follows.

1. Candidates for Director

(Policy on nomination of candidates for Director)

- (1) The Board of Directors shall nominate as a candidate for Director a person who has abundant operational experience and knowledge, excellent insight, and high ethics and is expected to fulfill the role of a Director and the Board of Directors as listed below.
- (2) The Board of Directors shall nominate as a candidate for External Director a person who is expected to provide advice from an independent and objective standpoint in addition to qualifications listed in the preceding paragraph.
- (3) If any Director becomes unable to fulfill his/her duties as the Director of the Company for health or medical reasons or causes any damage to the corporate value of the Company due to nonfulfillment of his/her duties, an agenda regarding the dismissal of the Director shall be deliberated by the Board of Directors through examination by the Advisory Committee on Nomination and Remuneration.

(Roles of Directors and the Board of Directors)

- (1) Directors and the Board of Directors shall make effort to realize sustainable growth and enhance corporate value over the medium to long term as entrusted by the shareholders by realizing efficient and effective corporate governance, conducting important decision-making of the Company, and supervising execution of duties.
- (2) Directors and the Board of Directors shall make effort to build internal control systems, establish risk management systems, and make information disclosure in a timely and appropriate manner.
- (3) The Board of Directors shall supervise the state of progress regarding election of a successor to the chief executive officer whenever necessary.
- (4) The Board of Directors shall establish procedures on transactions with conflicts of interest and deliberate and approve transactions.

2. Candidates for Audit & Supervisory Board Member

(Policy on nomination of candidates for Audit & Supervisory Board Member)

- (1) The Board of Directors shall nominate as a candidate for Audit & Supervisory Board Member a person who has excellent insight and high ethics and is expected to fulfill the role of an Audit & Supervisory Board Member as listed below, subject to prior consent from the Audit & Supervisory Board.
- (2) The Board of Directors shall nominate as a candidate for External Audit & Supervisory Board Member a person who is expected to provide advice from an independent and objective standpoint in addition to qualifications listed in the preceding paragraph.
- (3) The Board of Directors shall make effort to nominate as a candidate for Audit & Supervisory Board Member at least one person who has appropriate knowledge regarding finance and accounting.

(Roles of Audit & Supervisory Board Members)

Audit & Supervisory Board Members who shall play a part of supervision functions in cooperation with the Board of Directors shall make efforts to realize sound and sustainable growth and enhancement of corporate value over the medium to long term, and establish a superior corporate governance structure that can respond to social trust, while maintaining appropriate cooperation with stakeholders by auditing the execution of duties of Directors as an independent organization entrusted by the shareholders.



[Independence Standards for External Officers]

The Company established the “Independence Standards for External Officers” and designates those not applicable to all of categories listed below as an Independent Officer.

1. A person whose major business partner (Note 1) is the Company or an executive person (Note 2) of the same if such person is a juridical person, etc. (Note 3).
2. A major business partner (Note 1) of the Company or a major lender (Note 4) of the Company or an executive person (Note 2) of the same if such person is a juridical person, etc. (Note 3).
3. A consultant, accounting professional, or legal professional who receives a significant amount of money or other assets (Note 5) from the Company other than Officer remuneration.
4. A person who has fallen under any of items 1 to 3 above in a recent period (Note 6)
5. A relative within the second degree of relationship of a person who falls under any of items (a) to (d) below (excluding a person with whom relationship was dissolved due to a divorce, dissolution, etc.).
  - (a) A person who falls under any of items 1 to 4.
  - (b) An executive person (Note 2) of the Company’s subsidiary
  - (c) A Non-executive Director of the Company’s subsidiary (in the case that an External Audit & Supervisory Board Member is nominated as an Independent Officer)
  - (d) A person who has fallen under the preceding (b) or (c) or an executive person (Note 2) of the Company in a recent period (Note 6)
6. A major shareholder of the Company holding 10% or more of the Company’s total shares for three or more consecutive years in a recent period (Note 6) or an executive person (Note 2) of the same if such person is a juridical person, etc. (Note 3).

(Note 1) A “Major business partner” refers to a business partner with which the Company has transactions corresponding to, in principle, 3% or more of annual consolidated sales of the Company for three or more consecutive years (3% of annual consolidated sales is approximately 6,369 million yen in fiscal 2018)

(Note 2) An “executive person” refers to an Executive Director or employee in the General Manager position or equivalent managerial position and other equally important position

(Note 3) A “juridical person, etc.” refers to a juridical person or any organization other than a juridical person (including agricultural cooperatives and management associations)

(Note 4) A “major lender” refers to a lender from which the balance of loans as of the end of each fiscal year is, in principle, 2% or more of the consolidated total assets of the Company on the same day for three or more consecutive years (2% of the consolidated total asset is approximately 3,906 million yen in fiscal 2018)

(Note 5) A “significant amount of money or other assets” refers to that with a value equivalent to a cash amount of 10 million yen or more per annum

(Note 6) A “recent period” refers to a five-year period before the time point in which the election proposal to be submitted to the shareholder’s meeting is determined