

[Translation for Reference and Convenience Only]

Please note that the following is an unofficial English translation of the Japanese original text of the Notice of Convocation of the 65th Ordinary General Shareholders' Meeting of Ryosan Company, Limited. The Company provides this translation for reference and convenience purposes only and without any warranty as to its accuracy or otherwise. In the event of any discrepancy between this translation and the Japanese original, the latter shall prevail.

Securities Code: 8140

June 8, 2021

Ryosan Company, Limited
2-3-5 Higashi-Kanda, Chiyoda-ku, Tokyo
Kazuhiko Inaba
Representative Director, President

NOTICE OF CONVOCATION OF THE 65TH ORDINARY GENERAL SHAREHOLDERS' MEETING

Dear Shareholders,

Ryosan Company, Limited ("Ryosan" or "the Company") hereby notifies that the Company's 65th Ordinary General Shareholders' Meeting will be held as set forth below.

If you are not going to attend the meeting, you may exercise your voting rights by mail or via the Internet in accordance with the reference materials for the Ordinary General Shareholders' Meeting, by no later than 5:30 p.m. on Thursday, June 24, 2021 (Japan Time).

- 1. Date and Time:** Friday, June 25, 2021 at 10:00 a.m. (Japan Time)
(Doors are scheduled to open at 9:00 a.m.)
- 2. Place:** Hall on the 8th floor of Ryosan's Head Office Building, 2-3-5 Higashi-Kanda, Chiyoda-ku, Tokyo
The venue is different from the previous Ordinary General Shareholders' Meeting.
- 3. Meeting Agenda:**
- Matters to be Reported:**
1. Reports on the Business Report and the Consolidated Financial Statements, as well as the Results of Audits of Consolidated Financial Statements by the Accounting Auditor and the Audit and Supervisory Committee for the 65th Fiscal Year (from April 1, 2020 to March 31, 2021)
 2. Reports on the Non-Consolidated Financial Statements for the 65th Fiscal Year (from April 1, 2020 to March 31, 2021)
- Matters to be Resolved:**
- Proposal:** Election of Three Directors (excluding Directors, Audit and Supervisory Committee Members)

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- When you attend the meeting, you are kindly asked to submit the enclosed Voting Rights Exercise Form at the reception desk of the venue on the day of the meeting.
 - Pursuant to the provisions of laws and ordinances, as well as Article 17 of the Articles of Incorporation of the Company, the Consolidated Statements of Changes in Net Assets and Notes to Consolidated Financial Statements within the Consolidated Financial Statements, as well as the Non-Consolidated Statements of Changes in Net Assets and Notes to Non-Consolidated Financial Statements within the Non-Consolidated Financial Statements, are available on the Company's website (<https://www.ryosan.co.jp/>). For this reason, these documents are not included in this Notice. In addition, the Consolidated Financial Statements and Non-Consolidated Financial Statements audited by the Accounting Auditor and the Audit and Supervisory Committee consist of the documents provided in this Notice as well as the Consolidated Statements of Changes in Net Assets, Notes to Consolidated Financial Statements, Non-Consolidated Statements of Changes in Net Assets, and Notes to Non-Consolidated Financial Statements posted on the Company's website (<https://www.ryosan.co.jp/>).

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- Should any corrections be made to the Reference Materials for the Ordinary General Shareholders' Meeting, the Business Report, the Consolidated Financial Statements and the Non-Consolidated Financial Statements, such corrections will be announced on the Company's Web site (<https://www.ryosan.co.jp/>).
- Please understand that resolutions in the Ordinary General Shareholders' Meeting will be published on the Company's website (<https://www.ryosan.co.jp/>) in place of sending written notifications to shareholders.

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Countermeasures Against the Novel Coronavirus (COVID-19)

1. The risk of group infection will arise when a large number of Shareholders attend to the Ordinary General Shareholders' Meeting. Shareholders who are considering attending the Ordinary General Shareholders' Meeting are therefore asked to consider the status of the COVID-19 pandemic and their own health status in deciding whether or not to attend.
2. Elderly persons, those with underlying conditions and pregnant women are especially asked to consider carefully whether to attend the Ordinary General Shareholders' Meeting or not.
3. In order to prevent the spread of infection with COVID-19, Shareholders who attend the Ordinary General Shareholders' Meeting are asked to wear masks, disinfect hands with hand sanitizer and submit to a body temperature check using a contactless thermometer. Please understand in advance that if you have a fever of 37.5°C or more or otherwise appear to be in ill health, you may be refused entry to the venue by Ordinary General Shareholders' Meeting management staff.
4. Ryosan directors and Ordinary General Shareholders' Meeting management staff will confirm their own health before attending, including checking their own temperatures, and to wear a face mask while participating.
5. In order to prevent the spread of infection, the proceedings will be kept as short as possible. Shareholders are asked for their cooperation in this effort. Also, seating at the venue will be arranged to maximize space between participants. Please cooperate in maintaining appropriate mutual distance while seated. Please understand in advance that we may deny entry to the venue due to the limited number of seats.
6. If any major changes occur in the management of the Ordinary General Shareholders' Meeting, those changes will be posted on the Ryosan website. (<https://www.ryosan.co.jp/>)

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Reference Materials for the Ordinary General Shareholders' Meeting

Proposal and Reference Matters

Proposal: Election of Three Directors (excluding Directors, Audit and Supervisory Committee Members)

The terms of office of all three current Directors (excluding Directors, Audit and Supervisory Committee Members) end at the close of this General Meeting.

It is therefore proposed that three Directors be elected.

The candidates for Directors listed in this proposal have been carefully examined by the Audit and Supervisory Committee, which have come to the conclusion that they are adequate to serve as Directors of the Company.

The candidates for the Directors are as follows:

Candidate No.	Name	Current positions and Responsibilities within the Company	Newly Appointed / Reappointed
1	Kazuhiko Inaba	Representative Director, President, and General Manager, Electronic Components Business Headquarters	Reappointed
2	Shunya Endo	Executive Officer, General Manager, 1st Domestic Marketing and Sales Headquarters	Newly appointed
3	Hiroyuki Igari	Executive Officer, General Manager, Sales Administration Headquarters, in charge of Automotive Solution Marketing Department, and in charge of Korea, Americas, and Europe regions	Newly appointed

<Reference> Director candidate nomination policy and procedure

In order to ensure objectivity and transparency in management, Ryosan has established Nomination and Remuneration Advisory Committee composed of a majority of Outside Directors as a consultative body for the Board of Directors. Director nomination candidates are proposed by Representative Director and President in consultation with the Nomination and Remuneration Advisory Committee and are approved by the Board of Directors.

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Candidate No.	Name (Date of Birth)	Brief Personal History, Positions and Responsibilities within the Company, and Important Concurrent Positions Held	Shares of the Company Owned	
1	Kazuhiko Inaba (June 14, 1967)	Apr. 1990	Joined the Company	2,700
		July 2013	General Manager, 2nd Sales Department	
		June 2017	Executive Officer, General Manager, Electronic Components Business Headquarters	
		June 2019	Director, Senior Executive Officer, General Manager, Electronic Components Business Headquarters	
		Feb. 2020	Representative Director, President, General Manager, Corporate Planning Headquarters, and General Manager, Electronic Components Business Headquarters	
		June 2020	Representative Director, President, and General Manager, Electronic Components Business Headquarters (present post)	
Reasons for nomination: Since joining the Company, Mr. Kazuhiko Inaba served as General Manager of 2nd Sales Department in charge of major corporate sales and Executive Officer and General Manager of Electronic Components Business Headquarters. In his current post as Representative Director and President, he demonstrates leadership, managing the Group through the wealth of experience and wide-ranging knowledge he has acquired through sales operations and framing and promoting implementation of business strategy. He was nominated to be re-elected as he is judged to be an indispensable personnel for the execution of Ryosan's 11th Medium-Term Business Plan and sustainable growth in the future.				
2	Shunya Endo (February 7, 1967)	Mar. 1988	Joined the Company	1,000
		May 2007	General Manager, 1st Nagoya Sales Branch	
		Nov. 2013	Managing Director, Ryosan (Thailand) Co., Ltd.	
		June 2016	Executive Officer, General Manager, Central Japan/Tokai Marketing and Sales Headquarters	
		June 2020	Executive Officer, General Manager, 1st Domestic Marketing and Sales Headquarters (present post)	
		Reasons for nomination: Since joining the Company, Mr. Shunya Endo served as General Manager of 1st Nagoya Sales Branch, Managing Director of Ryosan (Thailand) Co., Ltd., and Executive Officer and General Manager of Central Japan/Tokai Marketing and Sales Headquarters. In his current post as Executive Officer and General Manager of 1st Domestic Marketing and Sales Headquarters, he demonstrates leadership and possesses an abundance of knowledge of and experience with Ryosan's overseas business as well as our business overall. He was nominated to be elected as he is judged to be an indispensable personnel for the execution of Ryosan's 11th Medium-Term Business Plan.		

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Candidate No.	Name (Date of Birth)	Brief Personal History, Positions and Responsibilities within the Company, and Important Concurrent Positions Held	Shares of the Company Owned
3	Hiroyuki Igari (March 15, 1967)	<p>Apr. 1989 Joined the Company</p> <p>Apr. 2002 Sales Department General Manager, Singapore Ryosan Private Limited</p> <p>Apr. 2003 2nd Management Department General Manager, Hong Kongo Ryosan Limited</p> <p>Apr. 2008 General Manager, 1st Sales Department</p> <p>June 2017 Executive Officer, General Manager, Sales Administration Headquarters, and in charge of Korea, Americas, and Europe regions</p> <p>Apr. 2019 Executive Officer, General Manager, Sales Administration Headquarters, in charge of Automotive Solution Marketing Department, and in charge of Korea, Americas, and Europe regions (present post)</p> <p><Important Concurrent Positions Held> Chairman, Korea Ryosan Corporation Chairman, Ryosan Technologies USA Inc.</p>	1,000
<p>Reasons for nomination: Since joining the Company, Mr. Hiroyuki Igari served as Sales Department General Manager of Singapore Ryosan Private Limited, 2nd Management Department General Manager of Hong Kongo Ryosan Limited, and General Manager of 1st Sales Department. In his current post as Executive Officer and General Manager of the Sales Administration Headquarters, he demonstrates leadership and possesses an abundance of knowledge of and experience with Ryosan's overall business and business management. He was nominated to be elected as he is judged to be an indispensable personnel for the execution of Ryosan's 11th Medium-Term Business Plan.</p>			

- Notes: 1. None of the candidates have any special interest in the Company.
2. Ryosan concluded a directors and officers liability insurance contract with an insurance company as set forth in Clause 1 of Article 430-3 in the Corporate Act of Japan and will cover insured persons with the said insurance contract mainly for compensation against damages and expenses for lawsuits to be borne by the persons insured. Each candidate will be included in the persons insured in the said insurance contract. In addition, during the next insurance contract renewal, Ryosan plans to renew the contract with the same details.

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Consolidated Balance Sheet

(As of March 31, 2021)

(Millions of yen)

Account	Amount	Account	Amount
ASSETS		LIABILITIES	
Current assets	132,488	Current liabilities	56,236
Cash and deposits	20,685	Accounts payable - trade	32,984
Notes and accounts receivable-trade	71,088	Short-term loans payable	18,551
Merchandise and finished goods	35,672	Lease obligations	226
Work in process	28	Accounts payable - other	1,985
Accounts receivable - other	4,571	Accrued expenses	1,439
Other	720	Income taxes payable	844
Allowance for doubtful accounts	(278)	Other	205
Non-current assets	15,598	Non-current liabilities	2,240
Property, plant and equipment	8,707	Lease obligations	285
Buildings and structures	2,713	Deferred tax liabilities	485
Land	5,299	Net defined benefit liability	1,409
Leased assets	471	Asset retirement obligations	25
Other	224	Other	33
Intangible assets	881	Total liabilities	58,477
Investments and other assets	6,009	NET ASSETS	
Investment securities	3,587	Shareholders' equity	87,310
Deferred tax assets	330	Capital stock	17,690
Other	2,154	Capital surplus	19,114
Allowance for doubtful accounts	(63)	Retained earnings	57,039
		Treasury shares	(6,533)
		Accumulated other comprehensive income	2,299
		Valuation difference on available-for-sale securities	1,526
		Deferred gains or losses on hedges	1
		Foreign currency translation adjustment	824
		Remeasurements of defined benefit plans	(52)
		Total net assets	89,609
Total assets	148,087	Total liabilities and net assets	148,087

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Consolidated Statement of Income

(For the period from April 1, 2020 to March 31, 2021)

(Millions of yen)

Account	Amount	
Net sales		219,884
Cost of sales		200,852
Gross profit		19,031
Selling, general, and administrative expenses		14,403
Operating income		4,628
Non-operating income		
Interest income	43	
Dividend income	67	
Share of profit of entities accounted for using equity method	23	
Foreign exchange gains	341	
Rent income	53	
Miscellaneous income	198	728
Non-operating expenses		
Interest expenses	199	
Miscellaneous loss	34	234
Ordinary income		5,122
Extraordinary income		
Gain on sales of non-current assets	59	
Gain on sales of investment securities	662	
Gain on sales of golf club memberships	4	
Compensation for customs duty	367	1,093
Extraordinary loss		
Loss on valuation of golf membership	1	1
Profit before income taxes		6,214
Income taxes - current	1,270	
Income taxes - deferred	356	1,627
Profit		4,586
Profit attributable to owners of parent		4,586

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Non-consolidated Balance Sheet

(As of March 31, 2021)

(Millions of yen)

Account	Amount	Account	Amount
ASSETS		LIABILITIES	
Current assets	88,380	Current liabilities	38,967
Cash and deposits	7,651	Accounts payable - trade	24,168
Notes receivable - trade	598	Short-term loans payable	11,284
Electronically recorded monetary claims - operating	2,041	Lease obligations	188
Accounts receivable - trade	49,928	Accounts payable - other	1,784
Merchandise and finished goods	22,713	Accrued expenses	974
Work in process	28	Income taxes payable	489
Accounts receivable - other	4,457	Other	77
Other	965	Non-current liabilities	1,259
Allowance for doubtful accounts	(5)	Lease obligations	233
Noncurrent assets	16,294	Provision for retirement benefits	966
Property, plant and equipment	8,358	Asset retirement obligations	25
Buildings	2,613	Other	33
Structures	3	Total liabilities	40,227
Vehicles	0	NET ASSETS	
Tools, furniture and fixtures	86	Shareholders' equity	62,919
Land	5,275	Capital stock	17,690
Leased assets	379	Capital surplus	19,114
Intangible assets	483	Legal capital surplus	19,114
Goodwill	5	Retained earnings	32,648
Telephone subscription right	47	Legal retained earnings	1,371
Software	430	Other retained earnings	31,276
Leased assets	0	General reserve	19,300
Investments and other assets	7,452	Retained earnings brought forward	11,976
Investment securities	3,387	Treasury shares	(6,533)
Shares of subsidiaries and associates	1,314	Valuation and translation adjustments	1,527
Investments in capital	128	Valuation difference on available-for-sale securities	1,526
Investments in capital of subsidiaries and affiliates	494	Deferred gains or losses on hedges	1
Claims provable in bankruptcy, claims provable in rehabilitation and other	3	Total net assets	64,447
Deferred tax assets	552	Total liabilities and net assets	104,674
Other	1,582		
Allowance for doubtful accounts	(3)		
Allowance for investment loss	(7)		
Total assets	104,674		

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Non-consolidated Statement of Income

(For the period from April 1, 2020 to March 31, 2021)

(Millions of yen)

Account	Amount	
Net sales		138,435
Cost of sales		126,879
Gross profit		11,556
Selling, general, and administrative expenses		10,522
Operating income		1,033
Non-operating income		
Interest income	12	
Dividend income	2,190	
Foreign exchange gains	38	
Consulting fee income	619	
Miscellaneous income	304	3,164
Non-operating expenses		
Interest expenses	124	
Loss on investments in partnership	1	
Miscellaneous loss	27	153
Ordinary income		4,045
Extraordinary income		
Gain on sales of non-current assets	59	
Gain on sales of investment securities	662	721
Extraordinary loss		
Loss on valuation of shares of subsidiaries and associates	59	
Loss on valuation of golf membership	1	
Provision of allowance for investment loss	7	67
Profit before income taxes		4,699
Income taxes - current	623	
Income taxes - deferred	245	868
Profit		3,830