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To our shareholders:

Satoshi Arata  
Representative Director and President  
**ESPEC CORP.**  
3-5-6 Tenjinbashi, Kita-ku, Osaka

## NOTICE OF THE 70TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

You are hereby notified of the 70th Ordinary General Meeting of Shareholders of ESPEC CORP. (the “Company”), which will be held as described below.

If you are unable to attend the meeting in person, you may exercise your voting rights in writing (by mail) or via the Internet, etc. in which case we ask you to please exercise your voting rights after reviewing the attached Reference Documents for the General Meeting of Shareholders.

- 1. Date and Time:** Friday, June 23, 2023 at 10:00 a.m. (Japan Standard Time)
- 2. Venue:** Yae Room 5th floor, Imperial Hotel, Osaka 1-8-50 Temmabashi, Kita-ku, Osaka
- 3. Purposes:**

### Items to be reported:

1. Business Report and Consolidated Financial Statements for the 70th Term (from April 1, 2022 to March 31, 2023), as well as the results of audit of the Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Committee
2. Non-Consolidated Financial Statements for the 70th Term (from April 1, 2022 to March 31, 2023)

### Items to be resolved:

- Proposal 1:** Appropriation of surplus
- Proposal 2:** Election of seven (7) Directors (excluding Directors who are Audit & Supervisory Committee Members)

When convening this general meeting of shareholders, the Company takes measures for providing information that constitutes the content of reference documents for the general meeting of shareholders, etc. (matters for which measures for providing information in electronic format are to be taken) in electronic format, and posts this information on the Company’s website. Please access the Company’s website by using the Internet address shown below to review the information.

[The Company’s website]

<https://www.espec.co.jp/ir/event/shareholder.html> (in Japanese)

In addition to posting matters subject to measures for electronic provision on the Company’s website, the Company also posts this information on the website of Tokyo Stock Exchange, Inc. (TSE). To access this information from the latter website, access the TSE website by using the Internet address shown below, enter the issue name (company name) or securities code, and click “Search,” and then click “Basic information” and select “Documents for public inspection/PR information.”

[TSE website (Listed Company Search)]

<https://www2.jpx.co.jp/tseHpFront/JJK010010Action.do?Show=Show> (in Japanese)

## Reference Documents for the General Meeting of Shareholders

### Proposals and Reference Matters

#### Proposal 1 | Appropriation of surplus

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The Company decides that the basic policy on dividends is that the return of profits to shareholders is an important management priority, and constantly raising lasting enterprise value is the key element in ensuring improved shareholder returns, taking into consideration continuity and the dividend payout ratio. Specifically, while retaining a dividend return with a target consolidated dividend payout ratio of around 30%, in cases where the balance of cash and cash equivalents exceeds the planned necessary funds for uses such as dividends, corporate taxes, operating capital, capital investment, and strategic investment, the Company will also add around one third of the excess to the dividend. Moreover, the Company will maintain a dividend of ¥20 as a stable dividend, regardless of the level of profit, but may review this in cases where the Company records consolidated net losses for two consecutive fiscal years. The Company will flexibly examine treasury share acquisitions, bearing in mind the necessary level of internal reserves and considering changes in the management environment and its financial position. Moreover, the Company marked 75 years in business on July 25, 2022. To thank the shareholders who have supported it over this time, the Company proposes to add a commemorative dividend of 2 yen to the ordinary dividend of 43 yen, resulting in a year-end dividend for the entire fiscal year of 45 yen per share.

#### Matters related to year-end dividends

(1) Allocation of dividend property and total amount thereof

45 yen per common share of the Company (including a commemorative dividend of 2 yen)

Total amount of dividends: 933,276,630 yen

Further, the Company paid an interim dividend of 24 yen (including a commemorative dividend of 2 yen), so the dividend for the entire fiscal year is 69 yen per share.

(2) Effective date of distribution of dividends of surplus

June 26, 2023

## Proposal 2

## Election of seven (7) Directors (excluding directors who are Audit & Supervisory Committee Members)

As the terms of office of all seven (7) Directors (excluding Directors who are Audit & Supervisory Committee Members; the same shall apply hereinafter in this proposal) will expire at the close of this General Meeting of Shareholders, the Company proposes to appoint seven (7) Directors.

The Audit & Supervisory Committee has no particular matters to comment on with respect to this proposal.

The candidates for Directors are as follows:

No.	Name		Current Position in the Company	Number of Years in Office as a Director
1	Masaaki Ishida	Reelection	Representative Director and Chairperson	15 years
2	Satoshi Arata	Reelection	Representative Director and President	5 years
3	Kazuhiro Suehisa	Reelection	Director and Managing Executive Officer	5 years
4	Keiji Oshima	Reelection	Director and Executive Officer	1 year
5	Junko Nishitani	Reelection	Director and Executive Officer	1 year
6	Akihiko Yanagitani	Reelection, Candidate for Outside Director, and Candidate for Independent Officer	Outside Director	2 years
7	Kazuo Hirata	Reelection, Candidate for Outside Director, and Candidate for Independent Officer	Outside Director	1 year

- Notes:
1. The tenure as a Director for each candidate is tenure as of the date of this meeting.
  2. There is no special interest between any of the candidates and the Company.
  3. The Company has entered into a directors and officers liability insurance policy as stipulated in Article 430-3 paragraph 1 of the Companies Act with an insurance company. An overview of the policy details is provided on page 6 of the Business Report. If the proposal is passed and the candidates assume office as Directors, they will be included in the insured persons of the insurance policy. Furthermore, the Company plans to renew the insurance policy with the same details at the next renewal date.
  4. The Company has entered into a limited liability agreement with Akihiko Yanagitani and Kazuo Hirata to ensure that he can fulfill his expected roles, and plans to renew the said agreement provided that this proposal is passed and he assume office as Outside Directors. Further, plans to renew the said agreement provided that this proposal is passed and Kazuo Hirata assume office as Outside Directors. The summary of the limited liability agreement is as follows:
    - If the said Outside Director incurs liability for damages arising out of failure to perform his duties, his liability shall be limited to the minimum amount provided for in Article 425, paragraph 1 of the Companies Act.
    - The above limitation shall only apply when it is recognized that the Outside Director performed the duties giving rise to such liability in good faith and with no gross negligence.



No. **1** **Masaaki Ishida** (November 26, 1954)

Career Summary, Position and Responsibilities  
(Significant concurrent positions outside the Company)

Apr. 1977      Joined the Company  
June 2008      Director  
June 2009      Managing Director  
Apr. 2011      President  
Apr. 2022      Representative Director and Chairperson (present position)

Number of Years in Office  
as a Director (At the close of this  
General Meeting of Shareholders)

15 years

Attendance at Board of Directors  
meetings during the  
current fiscal year

Board of Directors meetings:  
13 out of 13

Attendance rate: 100%

Number of Company shares held  
73,368 shares

Reasons for nomination as a candidate for Director:

The candidate has primarily committed himself to the development of the Company's operations in the fields of research and development, quality assurance and international operations, etc. Since 2011, he has demonstrated leadership and has led the Group's growth strategy in his role as President. Further, on the Board of Directors, in addition to appropriately managing proceedings as Chairman, he draws on his wealth of experience and achievements to decide on important matters and oversee the execution of business operations. For these reasons, he has been nominated as a candidate having been deemed fully capable of continuing to fulfill his role as Director.



No. **2** **Satoshi Arata** (October 7, 1966)

Career Summary, Position and Responsibilities  
(Significant concurrent positions outside the Company)

Apr. 1991      Joined the Company  
Apr. 2018      Senior Executive Officer  
June 2018      Director  
Apr. 2019      Chief Officer, Environmental Test Equipment Headquarters  
Apr. 2021      Chief Officer, International Business Headquarters  
                    General Manager, Fukuchiyama Plant  
Apr. 2022      Representative Director and President (present position)

Number of Years in Office  
as a Director (At the close of this  
General Meeting of Shareholders)

5 years

Attendance at Board of Directors  
meetings during the  
current fiscal year

Board of Directors meetings:  
13 out of 13

Attendance rate: 100%

Number of Company shares held  
32,091 shares

(Significant concurrent positions outside the Company)

Chairman, SHANGHAI ESPEC ENVIRONMENTAL EQUIPMENT CORP.

Chairman, ESPEC ENVIRONMENTAL EQUIPMENT (SHANGHAI) CO., LTD.

Chairman, ESPEC TEST EQUIPMENT (GUANGDONG) CO., LTD.

Director, ESPEC (CHINA) LIMITED

Reasons for nomination as a candidate for Director:

The candidate has primarily committed himself to the development of the Company's operations in the fields of the China business, etc., and had currently promoted growth strategy as the Chief Officer of Environmental Test Equipment Headquarters, the Chief Officer of International Business Headquarters. Since 2022, he has been demonstrating leadership and leading the Group's growth strategy in his role as Representative Director and President. He also draws on his wealth of experience and achievements to decide on important matters and oversee the execution of business operations on the Board of Directors. For these reasons, he has been nominated as a candidate having been deemed fully capable of continuing to fulfill his role as Director.



No. **3** **Kazuhiro Suehisa** (November 26, 1963)

Career Summary, Position and Responsibilities  
(Significant concurrent positions outside the Company)

Apr. 1987      Joined the Company  
Apr. 2018      Senior Executive Officer  
June 2018      Director (present position)  
Apr. 2021      Chief Officer, Business Development Headquarters  
                    Chief Officer, Production Management Headquarters (present position)  
Apr. 2022      Director and Managing Executive Officer (present position)  
                    Technical Supervisor (present position)  
                    In charge of Production (present position)  
                    Plant Manager, Fukuchiyama (present position)

Number of Years in Office  
as a Director (At the close of this  
General Meeting of Shareholders)

5 years

Attendance at Board of Directors  
meetings during the  
current fiscal year

Board of Directors meetings:  
13 out of 13

Attendance rate: 100%

Number of Company shares held  
14,543 shares

(Significant concurrent positions outside the Company)

President, ESPEC TEST SYSTEM CORP.

President, ESPEC THERMALTECH SYSTEM CORP.

Reasons for nomination as a candidate for Director:

The candidate has primarily committed himself to the development of the Company's operations in the fields of product development and design, etc., and is currently promoting growth strategy as the Technical Supervisor, In charge of Production and Chief Officer of Production Management Headquarters. He also draws on his wealth of experience and achievements to decide on important matters and oversee the execution of business operations on the Board of Directors. For these reasons, he has been nominated as a candidate having been deemed fully capable of continuing to fulfill his role as Director.



Number of Years in Office as a Director (At the close of this General Meeting of Shareholders)

1 year

Attendance at Board of Directors meetings during the current fiscal year

Board of Directors meetings: 10 out of 10

Attendance rate: 100%

Number of Company shares held  
31,032 shares

No. **4** **Keiji Oshima** (February 14, 1958)

Career Summary, Position and Responsibilities  
(Significant concurrent positions outside the Company)

Apr. 1983      Joined the Company  
Apr. 2008      General Manager, General Affairs & Human Resources Department  
Apr. 2012      Chief Officer of Management  
June 2013      Director  
                    Chief Officer of Export Control Group (present position)  
Apr. 2016      Senior Executive Officer  
                    Chief Officer of Corporate Control Headquarters (present position)  
Apr. 2022      Executive Officer (present position)  
                    In charge of Management (present position)  
June 2022      Director (present position)

Reasons for nomination as a candidate for Director:

The candidate has worked in the fields of Management and Corporate Planning for many years, and is currently engaged in stakeholder management as the Chief Officer of Corporate Control Headquarters and the Chief Officer of the Export Control Headquarters. He also draws on his wealth of experience and achievements to decide on important matters and oversee the execution of business operations on the Board of Directors. For these reasons, he has been nominated as a candidate having been deemed fully capable of continuing to fulfill his role as Director.



Number of Years in Office as a Director (At the close of this General Meeting of Shareholders)

1 year

Attendance at Board of Directors meetings during the current fiscal year

Board of Directors meetings: 10 out of 10

Attendance rate: 100%

Number of Company shares held  
14,205 shares

No. **5** **Junko Nishitani** (August 10, 1959)

Career Summary, Position and Responsibilities  
(Significant concurrent positions outside the Company)

Apr. 1982      Joined the Company  
Apr. 2014      General Manager, Corporate Communication Department  
Apr. 2016      General Manager, Espec Vision Support Department  
Apr. 2017      Executive Officer (present position)  
Apr. 2019      General Manager, Sustainability Management  
Apr. 2022      In charge of Sustainability (present position)  
                    In charge of IR and PR (present position)  
                    Chief Officer of Sustainability Management Headquarters (present position)  
June 2022      Director (present position)

Reasons for nomination as a candidate for Director:

The candidate has been involved in efforts aimed at penetration of the corporate philosophy and branding for many years, and is currently engaged in stakeholder management as the person in charge of IR and PR and as the Chief Officer of the Sustainability Promotion Headquarters. She also draws on her wealth of experience and achievements to decide on important matters and oversee the execution of business operations on the Board of Directors. For these reasons, she has been nominated as a candidate having been deemed fully capable of continuing to fulfill her role as Director.



Number of Years in Office as a Director (At the close of this General Meeting of Shareholders)

2 years

Attendance at Board of Directors meetings during the current fiscal year

Board of Directors meetings: 13 out of 13

Attendance rate: 100%

Number of Company shares held  
315 shares

No. **6** **Akihiko Yanagitani** (June 22, 1955)

Career Summary, Position and Responsibilities  
(Significant concurrent positions outside the Company)

Apr. 1981      Joined Sanyo Special Steel Co., Ltd.  
June.2017      Director, Senior Managing Executive Officers, Sanyo Special Steel Co., Ltd.  
June.2018      Specially Appointed Professor, University of Hyogo (present position)  
Jan. 2019      Fellow, Sanyo Special Steel Co., Ltd.  
Apr. 2019      Guest Professor, Osaka University (present position)  
June.2021      Outside Director, the Company (present position)

Reasons for nomination as a candidate for Director:

In addition to his wealth of insight and experience gained through company management and research into industry-academia collaboration, etc., the candidate is considered to be highly independent and to present no risk of conflict of interest with general shareholders, and has therefore been nominated as a candidate having been deemed fully capable of continuing to fulfill his role as Outside Director.

Matters related to independence:

The candidate satisfies the Criteria for the Independence of Outside Officers of the Company established by the Company (listed on pg. 6). The Company has appointed him to the position of Independent Officer, a position required by the Tokyo Stock Exchange, and plans to renew his appointment as an Independent Officer provided that this proposal is passed and he assumes office as an Outside Director.



Number of Years in Office  
as a Director (At the close of this  
General Meeting of Shareholders)

1 year

Attendance at Board of Directors  
meetings during the  
current fiscal year

Board of Directors meetings:  
10 out of 10

Attendance rate: 100%

Number of Company shares held

254 shares

No. **7** **Kazuo Hirata** (December 4, 1946)

Career Summary, Position and Responsibilities  
(Significant concurrent positions outside the Company)

Apr. 1971	Joined Nippon Telegraph and Telephone Public Corporation (Current NIPPON TELEGRAPH AND TELEPHONE CORPORATION)
July 1993	Deputy Director, Nippon Telegraph and Telephone Public Corporation.
Apr. 1996	Joined New Japan Radio Co., Ltd.(Current Nisshinbo Micro Devices Inc.)
June 2007	President and Representative Director, New Japan Radio Co., Ltd
June.2022	Outside Director, the Company (present position)

Reasons for nomination as a candidate for Director:

In addition to his wealth of insight and experience gained through company management, etc., the candidate is considered to be highly independent and to present no risk of conflict of interest with general shareholders, and has therefore been nominated as a candidate having been deemed fully capable of continuing to fulfill his role as Outside Director.

Matters related to independence:

The candidate satisfies the Criteria for the Independence of Outside Officers of the Company established by the Company (listed on pg. 6). The Company has appointed him to the position of Independent Officer, a position required by the Tokyo Stock Exchange, and plans to renew his appointment as an Independent Officer provided that this proposal is passed and he assumes office as an Outside Director.

(Reference) • Overview of directors and officers liability insurance policy

The Company has concluded a directors and officers liability insurance policy as provided under Article 430-3 paragraph 1 of the Companies Act with an insurance company. The insureds under the policy are officers of the Company and its subsidiaries. The Directors of the Company bear around 10% of the cost of the premiums (a portion corresponding to the rider providing coverage for shareholder representative lawsuits). In brief, the policy provides coverage by the insurance company for liabilities arising from claims received by the insureds in relation to liabilities they have assumed in the execution of their duties, or the pursuit of such liabilities. The policy is renewed each year.

(Reference) • Criteria for the Independence

The Company shall judge Outside Officers to be independent unless any of the following items apply.

- (1) The party is a business executor of the ESPEC Group\*1, or was a business executor of the ESPEC Group during the past 10 years.
- (2) The party is an entity for which the ESPEC Group is a major business partner\*2, or a business executor of said entity.
- (3) The party is a major business partner of the ESPEC Group\*3, or a business executor of said major business partner.
- (4) The party receives 5 million yen or more per year or other financial compensation, excluding remuneration as a director or audit & supervisory board member, from the ESPEC Group as a consultant, accountant, or lawyer (or an employee of a corporation, cooperative and other organization receiving such compensation).
- (5) The party is a person or corporate business executor receiving contributions or subsidies in the amount of 5 million yen or more per year from the ESPEC Group during the most recent fiscal year.
- (6) The party is a person who falls under 2 through 5 above during the past 3years.
- (7) The party is the next of kin\*5of a person who falls under 2 through 6 above (limited to important persons\*4)

\*1. "A business executor" refers to an executive director, executive officer or equivalent party or employee.

\*2. "A major business partner" refers to a business partner providing products or services to the ESPEC Group whose transaction amounts exceeded 2% of yearly consolidated net sales in the most recent business year.

\*3. "The party is a major business partner of the ESPEC Group" refers to a business partner refers to a business partner which the ESPEC Group provides products or services to whose transaction amounts exceeded 2% of yearly consolidated net sales in the most recent business year.

\*4. "Important persons" refers to officers or employees in upper management with a rank of department head or higher.

\*5. "Next of kin" refers to a spouse or relative to the second degree.

(Reference)

The composition of the Board of Directors and the skill matrix of Directors' experience and expertise if Proposals 2 is approved and passed are as follows:

Name	Position in the Company after the proposals are approved and passed	Outside	Experience and expertise							
			A	B	C	D	E	F	G	H
Masaaki Ishida	Director and Chairperson		●	●	●	●				
Satoshi Arata	Director and President		●	●		●				
Kazuhiro Suehisa	Director and Managing Executive Officer		●			●	●			
Keiji Oshima	Director and Executive Officer				●			●	●	●
Junko Nishitani	Director and Executive Officer				●		●	●		
Akihiko Yanagitani	Director	●	●			●				
Kazuo Hirata	Director	●	●	●		●				
Kunikazu Ishii	Director (Standing Audit & Supervisory Committee member)		●			●				
Takahiro Tanaka	Director (Audit & Supervisory Committee member)	●								●
Yasuko Yoshida	Director (Audit & Supervisory Committee member)	●							●	

Note: The above list does not cover all of the knowledge and experience of the candidates.

- A. Experience and expertise
- B. International experience
- C. ESG
- D. Technology development and manufacturing
- E. Sales and marketing
- F. Human resource labor and development
- G. Finance and accounting
- H. Legal affairs