

May 27, 2022

To Our Shareholders:

Shinya Ogawa

President, Member of the Board



100 Kyutoku-Cho, Ogaki, Gifu, Japan

NOTICE OF THE 98TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

We hereby inform you of the 98th Ordinary General Meeting of Shareholders to be held as follows. Given the spread of COVID-19, we ask all the shareholders to refrain from coming to the venue if at all possible and to exercise voting rights in writing or on the Internet in advance. Please review the Reference Documents for the General Meeting of Shareholders, and exercise your voting rights **no later than 17:00 on Friday, June 17, 2022(JST)**.

- 1. Date:** 10:00 am, Saturday, June 18, 2022
- 2. Place:** at the room Kyokko in OGAKI FORUM HOTEL.
2-31 Mangoku, Ogaki, Gifu, Japan

3. Objectives of the Meeting:

Reports:

- (1) Business Report and Consolidated Financial Statements, as well as Results of the Audits of the Consolidated Financial Statements by the Accounting Auditors and the Audit & Supervisory Board for the 98th Fiscal Term (from April 1, 2021 to March 31, 2022).
- (2) Financial Statements for the 98th Fiscal Term (from April 1, 2021 to March 31, 2022)

Agenda:

Proposal No.1: Partial Amendments to the Articles of Incorporation

Proposal No.2: Election of Six (6) Members of the Board

Proposal No.3: Election of One (1) Substitute Audit & Supervisory Board Member

Please carefully consider your attendance on the day of the meeting, taking into account COVID-19 infection status and your own health condition.

You may exercise your voting rights at this General Meeting of Shareholders either by returning the enclosed voting form or via the Internet.

- If any corrections are made to the reference materials to be distributed at the shareholders' meeting, as well as the business report and statements of accounts (consolidated and non-consolidated), such corrections will also be listed on the following website.
- As we disclose the matters concerning stock warrant of the Company subject to business report, Status of Accounting Auditor, the system, policy and the status of operation of the Company, the policy for determination of dividends of surplus, and consolidated financial statements including consolidated statement of changes in net assets, consolidated statement of cash flows (Reference) and notes to consolidated financial statements, and non-consolidated financial statements including statement of changes in net assets and notes to non-consolidated financial statements, on the corporate website according to law and the provisions of Article 14 of the Articles of Incorporation, we did not include them in the attachment to the convocation notice.

- Apart from the documents listed in the attachments to this notice of convocation, the business reports and financial statements (consolidated and non-consolidated) audited by the accounting auditor and the audit & supervisory board include the items posted on the company website below.(Japanese only)

website: <https://www.pacific-ind.co.jp/investor/meeting/>

Proposal No.1: Partial Amendments to the Articles of Incorporation

1. Reasons for the Amendments

The amended provisions regarding the system for electronic provision of materials for general shareholders' meetings, which are stipulated in the proviso of Article 1 of the supplementary provisions of the "Act Partially Amending the Companies Act" (Act No. 70 of 2019), will be enforced on September 1, 2022. Accordingly, the amendments are proposed to establish provisions to electronically provide information contained in the reference materials for the general shareholders' meeting, etc., and to limit the scope of matters to be included in the paper copy to be sent to shareholders who have requested it.

In addition, the current provisions related to the internet disclosure and deemed provision of the reference materials for the general shareholders' meeting, etc., will become unnecessary and will therefore be deleted, and supplementary provisions related to the effective date, etc., will be established in line with these amendments.

2. Details of the Amendments

Details of the Amendments are as follows.

(The underlined sections represent the proposed changes.)

| Current Articles of Incorporation | Proposed Change |
|---|---|
| (Disclosure of Proxy Statement and Other Documents on Internet and Deemed Provision) <u>Article14 The Company may deem to have provided its shareholders with information to be described or indicated in the proxy statement, business report, financial statements and consolidated financial statements for the purpose of convening the General Meeting of Shareholders by disclosing such information using Internet as prescribed in the Ministry of Justice Ordinance.</u> (New) | (Deleted) <u>(Measure for provision information electronically)</u> <u>Article 14: The Company shall electronically provide information contained reference documents and other documents for the general meeting of shareholders in convening the general meeting of shareholders.</u> <u>②Among information be provided electronically, the Company reserves the right to exclude, in whole or in part, any or all of the information set forth by the Ordinance of the Ministry of Justice in the documents to be delivery to shareholders who have requested delivery of hardcopies of documents by the record date for voting rights.</u> |

| Current Articles of Incorporation | Proposed Change |
|-----------------------------------|---|
| (New) | <p data-bbox="863 170 1182 203"><u>(Supplementary Provisions)</u></p> <p data-bbox="863 203 1453 577">1. <u>The deletion of Article 14 (Internet Disclosure and Deemed Provision of Reference Documents for General Shareholders Meeting) of the Articles of Incorporation before amendment and the establishment of the Article 14 (Measures for Electronic Provision, etc.) after amendment shall come into effect on the date of enforcement of the amended provisions stipulated in the proviso of Article 1 of the supplementary provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019) (the “Effective Date”).</u></p> <p data-bbox="863 577 1453 786">2. <u>Notwithstanding the provisions of the preceding paragraph, Article 14 of the Articles of Incorporation before amendment shall remain in force with respect to a General Shareholders’ Meeting to be held on a date within six months from the Effective Date.</u></p> <p data-bbox="863 786 1453 958">3. <u>These supplementary provisions shall be deleted after the lapse of six months from the Effective Date or the lapse of three months From the date of the General Shareholders’ Meeting set forth in the preceding paragraph, whichever is later.</u></p> |

Proposal No.2: Election of Six (6) Members of the Board

As the terms of office of all six (6) current Directors will expire at the conclusion of this General Meeting of Shareholders, we propose the election of six (6) Directors, including two (2) Outside Directors.


The nominees for members of the board are as follows:

| Nominee NO. | | Name | Current posts, assignments in the Company and attribute | Board Meeting attendance in fiscal year 2021 |
|-------------|-----------------|------------------|--|--|
| 1 | Reappointment | Shinya Ogawa | President, Member of the Board | 12/12 (100%) |
| 2 | Reappointment | Tetsushi Ogawa | Executive Vice President, Member of the Board Business Management, Chief Officer, Corporate Planning Center, | 12/12 (100%) |
| 3 | Reappointment | Hisashi Kayukawa | Managing Officer , Member of the Board Chief Officer, Valve & TPMS Business Group | 12/12 (100%) |
| 4 | Reappointment | Terumi Noda | Managing Officer, Member of the Board Chief Officer, Stamping & Plastic Molding Business Group | 12/12 (100%) |
| 5 | Reappointment | Osamu Motojima | Outside Board Member and Independent Officer | 12/12 (100%) |
| 6 | New appointment | Masako Hayashi | Outside Board Member and Independent Officer | — |

(Reference)Director Skill Matrix

| | Name | Management/ Governance | Manufacturing/ Human Resource Development | R&D/ Technology | Finance/ Accounting | Legal/ Risk Management | International Experience | Sales and Procurement |
|----------------------------|------------------|---------------------------|--|--------------------|------------------------|------------------------------|-----------------------------|--------------------------|
| Board Member | Shinya Ogawa | ● | ● | | ● | ● | ● | ● |
| | Tetsushi Ogawa | ● | ● | ● | ● | | ● | ● |
| | Hisashi Kayukawa | ● | ● | ● | ● | | | |
| | Terumi Noda | ● | ● | | ● | | ● | ● |
| Outside Board Member | Osamu Motojima | ● | ● | ● | | ● | ● | |
| | Masako Hayashi | ● | ● | | | | ● | |


1. Shinya Ogawa (September 8, 1947) Reappointment

| | | |
|---|---|---|
|  | ■ Brief personal history, posts and assignments in the Company | |
| | April 1973: | Joined Toyota Motor Co., Ltd. (Current Toyota Motor Corporation) |
| | January 1981: | Left Toyota Motor Co., Ltd. |
| | February 1981: | Joined Pacific Industrial Co., Ltd. |
| | June 1983: | Member of the Board |
| | June 1985: | Managing Officer, Member of the Board |
| | March 1989: | Senior Managing Officer, Member of the Board |
| | February 1990: | Executive Vice President, Member of the Board |
| | June 1996: | President, Member of the Board (current position) |
| ■ Number of the Company's shares owned: 1,466,480 | | |
| ■ Reason that the Company appointed Shinya Ogawa as a candidate for member of the board: Shinya Ogawa, as President of the Company, has worked over the years on sustainability management with a focus on improvement of corporate value and all stakeholders based on the corporate philosophy (Technology development, Respect for humanity, Conservation of global environment), thereby contributing to the growth and development of the Company. Given his knowledge as a business manager, demonstrated by his track record, and his abundant experience, the Company proposes that he be elected as Member of the Board. | | |


2. Tetsushi Ogawa (August 16, 1978) Reappointment

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|  | ■ Brief personal history, posts and assignments in the Company | |
| | April 2005: | Joined Toyota Motor Corporation |
| | December 2010: | Left Toyota Motor Corporation |
| | January 2011: | Joined Pacific Industrial Co., Ltd. |
| | June 2011: | Operating Officer |
| | June 2013: | Managing Officer |
| | June 2015: | Senior Managing Officer, Member of the Board |
| | June 2018: | Executive Vice President, Member of the Board |
| | June 2021: | Vice President and Representative Director, Business Management (current position) , Chief Officer, Corporate Planning Center |
| ■ Number of the Company's shares owned: 79,425 | | |
| ■ Reason that the Company appointed Tetsushi Ogawa as a candidate for member of the board: As Executive Vice President, Tetsushi Ogawa has promoted profit improvement centered on a growth strategy and production site improvement, contributing to the realization of increased corporate value by exhibiting distinguished management in corporate reorganization based on M&A, enhancement of the governance system and manufacturing that makes customers happy. We continue to select him as a candidate for Director as he has a diverse sense of value, including a Kaizen spirit, as well as comprehensive and precise perspectives, including a production site perspective, and excellent insight. | | |


3. Hisashi Kayukawa (October 24, 1957) Reappointment

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|  | ■ Brief personal history, posts and assignments in the Company | |
| | March 1980: June 2009: June 2013: June 2015: January 2020: | Joined Pacific Industrial Co., Ltd. Operating Officer Managing Officer Managing Officer, Member of the Board Managing Officer, Member of the Board, Chief Officer, Valve & TPMS Business Group (current position) |
| ■ Important post concurrently held at another corporation: President, Schrader-Bridgeport International, Inc. President, Schrader SAS | | |
| ■ Number of the Company's shares owned: 43,663 | | |
| ■ Reason that the Company appointed Hisashi Kayukawa as a candidate for member of the board: Hisashi Kayukawa has been involved in all production related phases, from development, design, production engineering, and through to production for many years, and has worked on advanced technology development with his abundant experience and knowledge, taking the lead to enhance the Company's technology. We appointed him as a candidate, because of his abundant experience and professional knowledge in this area. | | |

4. Terumi Noda (November 17, 1957) Reappointment

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|  | ■ Brief personal history, posts and assignments in the Company | |
| | May 1980: June 2004: June 2009: June 2015: June 2019: January 2020: | Joined Pacific Industrial Co., Ltd. President, PI System Co., Ltd. Operating Officer, President, Pacific Manufacturing Ohio, Inc. Managing Officer Managing Officer, Member of the Board Managing Officer, Member of the Board, Chief Officer, Stamping & Plastic Molding Business Group (current position) |
| ■ Important post concurrently held at another corporation: President, Pacific Industries USA Inc. | | |
| ■ Number of the Company's shares owned: 53,536 | | |
| ■ Reason that the Company appointed Terumi Noda as a candidate for member of the board: Terumi Noda has been involved in both domestic and international sales development for many years and has excellent insight for business. Also, as the President of a subsidiary in the U.S. and an IT subsidiary, he is familiar with global business environments and advanced communication business environments, etc. We selected him as a candidate for these reasons and because he has broad insight and abundant experience in the areas of corporate planning, human resources, accounting and finance, and procurement etc. | | |

5. Osamu Motojima (December 5, 1948) Reappointment, Outside Board Member and Independent Officer

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|  | <p>■ Brief personal history, posts, assignments in the Company and important posts concurrently held at other organizations</p> |
| | <p>July 1987: Professor, Kyoto University, Plasma Physics Laboratory</p> |
| | <p>April 1988: Professor, Institute of Plasma Physics, Nagoya University</p> |
| | <p>April 1998: Scientific Advisor, Ministry of Education, Science and Culture</p> |
| | <p>April 2002: Director-General, National Institute for Fusion Science</p> |
| | <p>April 2004: Vice President, National Institutes of Natural Sciences</p> |
| | <p>March 2009: Foreign Member, The Royal Swedish Academy of Engineering Sciences (current position)</p> |
| | <p>April 2009: Professor Emeritus, National Institutes for Fusion Science (current position)</p> |
| | <p>May 2009: President, Future Energy Research Association (current position)</p> |
| | <p>July 2010: Director General, ITER International Fusion Energy Organization</p> |
| | <p>June 2013: Professor Emeritus, The Graduate University for Advanced Studies (current position)</p> |
| | <p>March 2015: Director General Emeritus, ITER International Fusion Energy Organization (current position)</p> |
| | <p>June 2015: Member of the Board, Pacific Industrial Co., Ltd. (current position)</p> |
| | <p>December 2015: Advisor to the Chairman, Chubu University (current position)</p> |
| <p>June 2019: Director, Chubu University (current position)</p> | |
| <p>April 2022: Advisor to the Chairman, Chubu Gakuin College (current position)</p> | |
| <p>■ Duration of assignment of Outside Board Member: seven (7) years (at the conclusion of this 98th Ordinary General Meeting of Shareholders)</p> | |
| <p>■ Important posts concurrently held at other organizations: Director General Emeritus, ITER International Fusion Energy Organization President, Future Energy Research Association Advisor to the Chairman・Director , Chubu University</p> | |
| <p>■ The relationship between the organizations that he concurrently holds an important post and Pacific Industrial Co., Ltd. The Company and the organizations that Osamu Motojima concurrently holds an important post have no capital or other business relationship.</p> | |
| <p>■ Reason that the Company appointed Osamu Motojima as a candidate for Outside Board Member and expected roles, etc.: The Company proposes that we elect Osamu Motojima as Outside Board Member because he has experience in acting as a professor at universities and specialized agencies for many years as well as Director-General of National Institute for Fusion Science and Director General of ITER. He has abundant international experiences and advanced special knowledge of environment and technologies. After the election, we expect the candidates to contribute their valuable comments to the Board of Directors, etc. on the formulation and other process of management plans, mainly from a managerial perspective, utilizing their expertise, as well as to supervise the progress, etc. of the management plans.</p> | |
| <p>■ Number of the Company's shares owned: 0</p> | |

6. Masako Hayashi (July 21, 1955) New appointment, Outside Board Member and Independent Officer

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|  | <p>■ Brief personal history, posts, assignments in the Company and Important posts concurrently held at other organizations</p> |
| | <p>October 199: Professor, Faculty of Regional Studies, Gifu University</p> |
| | <p>November 2003: Visiting Professor, Institute of East Asian Studies, University of Leipzig, Federal Republic of Germany</p> |
| | <p>April 2010: Vice president, Gifu University</p> |
| | <p>October 2015: Member of Tokai Regional Council on State Property, Tokai Local Finance Bureau, Ministry of Finance (current position)</p> |
| | <p>April 2016: Member of the Council of the Gifu Prefecture Support Center for the Promotion of Female Participation</p> |
| | <p>October 2017: Member of the Gifu Region Labour Council, Gifu Labour Bureau, Ministry of Health, Labour and Welfare</p> |
| | <p>December 2017: Chairwoman, Public Safety Commission of Gifu Prefecture (current position)</p> |
| | <p>January 2018: Member of the Gifu Prefecture Excellent Enterprise Certification Committee for Promoting Work-Life Balance</p> |
| | <p>April 2021: Emeritus Professor, Gifu University (current position)</p> |
| <p>■ Important post concurrently held at another organization: Emeritus Professor, Gifu University Chairwoman, Public Safety Commission of Gifu Prefecture Member of Tokai Regional Council on State Property, Tokai Local Finance Bureau, Ministry of Finance</p> | |
| <p>■ The relationship between the organization that she concurrently holds an important post and Pacific Industrial Co., Ltd. The Company and the organization that Masako Hayashi concurrently holds an important post have no capital or other business relationship.</p> | |
| <p>■ Reason that the Company appointed Masako Hayashi as a candidate for Outside Board Member and expected roles, etc.: Masako Hayashi has served as Vice President and Professor of universities for many years, and has also served as a member of a Public Safety Commission, drawing on her abundant international experience and advanced social knowledge. In addition, while serving as a council member for the Ministry of Finance, the Ministry of Health, Labour and Welfare, Gifu Prefecture, etc., she has been deeply involved in female participation and the promotion of work-life balance, etc. The Company proposes that we elect Masako Hayashi as an Outside Board Member having judged that it would be optimal for the company to have her supervise the management of the company, which promotes the participation of human resources with diverse values, from a female perspective. After the election, we expect the candidates to contribute their valuable comments to the Board of Directors, etc., on the formulation, etc., of management reforms, mainly from a managerial perspective, utilizing their expertise, as well as to supervise the progress, etc., of management plans.</p> | |
| <p>■ Number of the Company's shares owned: 0</p> | |

(Note)

1. There is no special interest between each candidate and the Company.
2. Osamu Motojima and Masako Hayashi are candidates for Outside board members. Osamu Motojima and Masako Hayashi are registered as Independent Officer as stipulated by the Tokyo Stock Exchange and Nagoya Stock Exchange with the respective Exchange. When they are elected as originally proposed, they will serve as Independent Officer.
3. Liability limitation agreement with outside board members
 The Company stipulates in the Articles of Incorporation that it may sign an agreement with Outside board members to limit the liability for damages to the Company to a certain extent. When Osamu Motojima and Masako Hayashi are elected, the Company plans to sign an agreement for limitation of liability when they assume the post, which limits the compensation for damage to the higher of the pre-determined amount (2 million yen or higher) or the minimum liability amount stipulated by law.
4. Outline of the Directors and Officers Liability Insurance
 The Company has entered into a liability insurance contract for officers, etc. with an insurance company, which will cover damages that may arise due to the insured assuming responsibilities for the execution of their duties or receiving claims related to the pursuit of such responsibilities. Each candidate will be covered as an insured person under the said insurance policy.


Proposal No.3: Election of One (1) Substitute Audit & Supervisory Board Member

We hereby propose that we elect a substitute audit & supervisory board member to avoid the situation that the Company does not satisfy the legal requirement for the number of audit & supervisory board members.

For this agenda, we have received consent of the Audit & Supervisory Board.

The nominee for the substitute audit & supervisory board member is as follows:

Kan Kakiuchi (November 4, 1962) Substitute Outside Audit & Supervisory Board Member

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|  | ■ Brief personal history, posts, assignments in the Company and important post concurrently held at another organization |
| | April 1999: Certified as an attorney Jointed Tsurumi Law Office October 2003: Established Kakiuchi Law Firm and posted to the head of this firm (current position) |
| ■ Important post concurrently held at another organization: Head of Kakiuchi Law Firm | |
| ■ The relationship between the organization that he concurrently holds an important post and Pacific Industrial Co., Ltd. The Company and the organizations that Kan Kakiuchi, a nominee for substitute outside audit & supervisory board member, concurrently holds an important post have no capital or other business relationship. | |
| ■ Reason that the Company appointed Kan Kakiuchi as a candidate for Substitute Outside Audit & Supervisory Board Member and reason that the Company judged that he can properly perform the task as Outside Audit & Supervisory Board Member: Kan Kakiuchi has expert knowledge and abundant experience in corporate legal affairs as a lawyer, and has utilized his advanced social knowledge to serve as a third-party committee member, etc., at various corporate organizations. Based on such experience, the company has judged that he will be able to audit the execution of duties by Directors appropriately and requests his election as a Substitute Audit & Supervisory Board Member. | |
| ■ Number of the Company's shares owned: 0 | |

(Note)

1. There is no special interest between each candidate and the Company.
2. Kan Kakiuchi is candidates for Substitute Outside Auditor. When he is elected as originally proposed, he will serve as Independent Officer as stipulated by the Tokyo Stock Exchange and Nagoya Stock Exchange.
3. Liability limitation agreement with outside audit & supervisory board member
The Articles of Incorporation of the Company allows the conclusion of a liability limitation agreement between the Company and outside audit & supervisory board member. When the appointment of Kan Kakiuchi is approved, at the assignment of outside audit & supervisory board member, the Company intends to conclude a liability limitation agreement which limits the maximum amount of liability to be either higher the previously fixed amount of over JPY2 million or the legal minimum liability.
4. Outline of the Directors and Officers Liability Insurance
The Company has entered into a liability insurance contract for officers, etc. with an insurance company, which will cover damages that may arise due to the insured assuming responsibilities for the execution of their duties or receiving claims related to the pursuit of such responsibilities. Each candidate will be covered as an insured person under the said insurance policy.