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Securities Code: 6432

May 1, 2020

To our shareholders:

Toshiya Takeuchi
President and Representative Director
TAKEUCHI MFG. CO., LTD.
205, Uwadaira, Sakaki-machi, Hanishina-gun, Nagano

Notice of the 58th Annual General Meeting of Shareholders

You are hereby notified of the 58th Annual General Meeting of Shareholders of TAKEUCHI MFG. CO., LTD. (the “Company”), which will be held as indicated below.

If you are unable to attend the meeting in person, you may exercise your voting rights in writing or via the Internet, etc. Please review the attached Reference Documents for General Meeting of Shareholders, and exercise your voting rights by 5:00 p.m. on Wednesday, May 27, 2020 (JST).

1. Date and Time: Thursday, May 28, 2020, at 10:00 a.m. (JST) (Reception opens at 9:15 a.m.)
(The venue “Santomyuze” opens its doors at 9:00 a.m. Please note that you cannot enter the building before that. As the reception desk becomes very crowded just prior to the starting time of the meeting, we request that you arrive a little earlier, within the time frame after the reception opens.)

2. Venue: Small Hall, Santomyuze (Ueda Performing Arts & Cultural Center)
3-15-15, Tenjin, Ueda-shi, Nagano

3. Purpose of the Meeting

Matters to be reported:

1. The Business Report and the Consolidated Financial Statements for the 58th fiscal year (from March 1, 2019 to February 29, 2020), and the results of audits of the Consolidated Financial Statements by the Financial Auditor and the Audit and Supervisory Committee
2. The Non-consolidated Financial Statements for the 58th fiscal year (from March 1, 2019 to February 29, 2020)

Matters to be resolved:

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| Proposal No. 1 | Appropriation of Surplus |
| Proposal No. 2 | Election of Six Directors (Excluding Directors Who Are Audit and Supervisory Committee Members) |
| Proposal No. 3 | Election of Three Directors Who Are Audit and Supervisory Committee Members |
| Proposal No. 4 | Election of One Substitute Director Who Is an Audit and Supervisory Committee Member |
| Proposal No. 5 | Revision of Remuneration Amount for Directors (Excluding Directors Who Are Audit and Supervisory Committee Members) |

- If you attend the meeting in person, please submit the enclosed voting form at the reception desk. Please note that anyone other than a shareholder who is entitled to exercise voting rights (e.g., non-shareholding proxy, person accompanying the shareholder) will not be allowed inside the venue.
- Among the documents to be provided with this Notice of the General Meeting of Shareholders, “Notes to the Consolidated Financial Statements” and “Notes to the Non-Consolidated Financial Statements” are published online on the Company’s website,* and thus not provided in the attached documents to this Notice of the General Meeting of Shareholders, in accordance with the provisions of laws and regulations and Article 15 of the Articles of Incorporation of the Company.
Therefore, the documents attached to this Notice of the General Meeting of Shareholders make up only a part of what was audited for the Consolidated Financial Statements and the Non-consolidated Financial Statements by the Financial Auditor and the Audit and Supervisory Committee in the course of preparation of their audit report.
- If any changes are made to items in the Reference Documents for the General Meeting of Shareholders, the Business Report, the Non-consolidated Financial Statements or the Consolidated Financial Statements, such changes will be posted on the Company’s website.*
- This convocation notice is disclosed on the Company’s website* prior to it being sent out by postal mail from the standpoint of providing information contained therein at an early stage.

*The Company’s website (<http://www.takeuchi-mfg.co.jp/>).

Reference Documents for the General Meeting of Shareholders

Proposal No. 1 Appropriation of Surplus

The Company proposes the appropriation of surplus as follows:

Year-end dividends

The Company regards the return of profit to its shareholders as one of its key management priorities. It maintains a basic policy of paying stable dividends on a continual basis while securing internal reserves necessary for putting the Company on a firmer footing and preparing for future business development.

In line with the aforementioned policy, the Company proposes to pay year-end dividends for the fiscal year as follows:

- Type of dividend property
To be paid in cash.
- Allotment of dividend property and their aggregate amount
The Company proposes to pay a dividend of ¥50 per common share of the Company.
In this event, the total dividends will be ¥2,387,257,100.
- Effective date of dividends of surplus
The effective date of dividends will be May 29, 2020.

Proposal No. 2 Election of Six Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

The terms of office of all five Directors (excluding Directors who are Audit and Supervisory Committee Members; the same shall apply hereinafter in this proposal) will expire at the conclusion of this meeting.

In that regard, the Company proposes the election of six Directors, increasing the number of Directors by one to enhance the management system.

This proposal was reviewed by the Audit and Supervisory Committee, after being discussed by the Nomination Advisory Committee, and the committee did not find any matters requiring special mention.

The candidates for Director are as follows:

Candidate No.	Name	Current position and responsibility in the Company	Attendance at Board of Directors meetings (*)
1	Akio Takeuchi Reelection	Chairman and Representative Director Responsible for Design & Development Department	16/16 (100%)
2	Toshiya Takeuchi Reelection	President and Representative Director Responsible for Sales Department, Head Office, Togura Factory, and Audit Office	16/16 (100%)
3	Takahiko Watanabe Reelection	Director and General Manager of Purchasing Department Responsible for Quality and Production Control Departments	16/16 (100%)
4	Clay Eubanks Reelection	Director Responsible for Global Sales Promotion (Director and President of Takeuchi Mfg. (U.S.) Ltd.)	Since assuming position in May 2019 13/13 (100%)
5	Osamu Kobayashi Reelection	Director and General Manager of Business Management Department Responsible for General Affairs and Information System Departments	Since assuming position in May 2019 13/13 (100%)
6	Hiroshi Yokoyama New election	Executive Officer and General Manager of Design & Development Department	-

* In addition to the number Board of Directors meetings above, one resolution was adopted in writing, which is regarded as having been resolved by the Board of Directors pursuant to Article 370 of the Companies Act and Article 27 of the Articles of Incorporation of the Company.

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
1	Akio Takeuchi (November 3, 1933) Reelection	<p>Aug. 1963 Established the Company as President and Representative Director</p> <p>May 2019 Chairman and Representative Director responsible for Design & Development Department (current position)</p> <p>(Significant concurrent positions outside the Company)</p> <p>Director and Chairman of Takeuchi Mfg. (U.S.) Ltd.</p> <p>Director and President of Takeuchi Mfg. (U.K.) Ltd.</p> <p>Director and President of Takeuchi France S.A.S.</p> <p>Chairman of Takeuchi Qingdao Mfg. Co., Ltd.</p> <p>Representative Director of Takeuchi Scholarship Foundation</p>	0 shares
<p>[Reasons for nomination as candidate for Director]</p> <p>Since establishing the Company in 1963, Akio Takeuchi has a record of achievement in developing and growing the Company for many years as its founder, and possesses excellent management skills based on many years of experience and ample achievements in corporate management. As the Company expects him to draw on the ample experience, record of achievement, and knowledge he has gained thus far to fulfill a decision-making and supervisory role in management, it nominated him as a candidate for Director.</p>			
2	Toshiya Takeuchi (January 9, 1963) Reelection	<p>Apr. 1985 Joined the Company</p> <p>May 2004 Director and General Manager of Murakami Factory</p> <p>May 2008 Director and Vice President</p> <p>May 2011 Director and Vice President supervising Production, Quality, and Procurement Departments</p> <p>May 2014 Director and Vice President</p> <p>May 2016 Director and Vice President responsible for Production, Research & Development, and Quality Departments</p> <p>May 2017 Director and Vice President</p> <p>May 2018 Director and Vice President responsible for Production, Quality, General Affairs, Business Management, and Information System Departments</p> <p>May 2019 President and Representative Director responsible for Sales Department, Head Office, Togura Factory, and Audit Office (current position)</p> <p>(Significant concurrent positions outside the Company)</p> <p>Director of Takeuchi Mfg. (U.S.) Ltd.</p> <p>Director of Takeuchi Mfg. (U.K.) Ltd.</p> <p>Director of Takeuchi Qingdao Mfg. Co., Ltd.</p>	3,895,423 shares
<p>[Reasons for nomination as candidate for Director]</p> <p>Toshiya Takeuchi assumed the position of Director of the Company in 2004 and has been leading the strengthening of production and quality, mainly in the production departments, over many years. He assumed the position of President and Representative Director in 2019, and has been exercising strong leadership towards achieving the goals set in the Second Medium-term Management Plan (FY2019-2021) in addition to promoting business strategies. As the Company expects him to draw on this experience, record of achievement, and knowledge to fulfill a decision-making and supervisory role in management, it nominated him as a candidate for Director.</p>			

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned	
3	Takahiko Watanabe (April 28, 1960) Reelection	Apr. 2006 May 2016 June 2016 May 2018 May 2019	Joined the Company Executive Officer and General Manager of Purchasing Control Department Executive Officer and General Manager of Purchasing Department Director and General Manager of Purchasing Department responsible for the Production Control Department Director and General Manager of Purchasing Department responsible for the Quality and Production Control Departments (current position)	1,064 shares
		<p>[Reasons for nomination as candidate for Director] Since joining the Company in 2006, Takahiko Watanabe has worked in procurement departments throughout his career, has dedicated his efforts to and has a record of achievement in consistently procuring fair-quality components at optimum price, contributing greatly to the improvement of the Company's business performance. As the Company expects him to draw on this experience, record of achievement, and knowledge to fulfill a decision-making and supervisory role in management, it nominated him as a candidate for Director.</p>		
4	Clay Eubanks (November 16, 1964) Reelection	Sept. 1984 Jan. 2000 Jan. 2003 May 2018 May 2019 (Significant concurrent positions outside the Company) Director and President of Takeuchi Mfg. (U.S.) Ltd.	Joined Takeuchi Mfg. (U.S.) Ltd. Central Region Sales Manager Vice President and General Manager Director and President (current position) Managing Executive Officer of the Company Director responsible for Global Sales Promotion (current position)	1,050 shares
		<p>[Reasons for nomination as candidate for Director] As President of the Company's U.S. sales subsidiary, and Director responsible for Global Sales Promotion of the Company since 2019, Clay Eubanks has been greatly contributing to opening up markets and expanding sales. As the Company expects him to draw on this experience, record of achievement, and knowledge to fulfill a decision-making and supervisory role in management, in addition to being able to ensure the internationality and diversity of the Board of Directors, it nominated him as a candidate for Director.</p>		
5	Osamu Kobayashi (May 14, 1959) Reelection	Oct. 2015 June 2016 May 2017 May 2018 May 2019	Joined the Company, General Manager of the Internal Audit Office General Manager of Production Control Department General Manager of Business Management Department Executive Officer and General Manager of Business Management Department Director and General Manager of Business Management Department responsible for the General Affairs and Information System Departments (current position)	494 shares
		<p>[Reasons for nomination as candidate for Director] Osamu Kobayashi possesses business experience from his previous work as a director in charge of administrative departments at a listed company, and since joining the Company in 2015, he has served as General Manager of the Internal Audit Office, Production Control Department, and Business Management Department, contributing greatly to the development of the Company's management structure. As the Company expects him to draw on this experience, record of achievement, and knowledge to fulfill a decision-making and supervisory role in management, it nominated him as a candidate for Director.</p>		

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
6	Hiroshi Yokoyama (January 17, 1962) New election	Apr. 1985 Joined the Company	28,912 shares
		May 2016 General Manager of Design & Development Department	
		May 2018 Executive Officer and General Manager of Design & Development Department (current position)	
	<p>[Reasons for nomination as candidate for Director] Since joining the Company in 1985, Hiroshi Yokoyama has worked in the Design & Development Department throughout his career, and is currently managing the promotion of development projects for various new products and continuing to release new products into the market in a timely manner as General Manager of Design & Development Department, contributing greatly to the improvement of the Company's business performance. As the Company expects him to draw on this experience, record of achievement, and knowledge to fulfill a decision-making and supervisory role in management, it nominated him as a candidate for Director.</p>		

- Notes:
1. There is no special interest between any of the candidates and the Company.
 2. The number of the Company's shares held by candidate for Director Akio Takeuchi is stated above as 0 shares. The Company was informed that, effective January 31, 2017, the 2,702,100 shares of the Company previously held by Mr. Takeuchi were donated to the Takeuchi Scholarship Foundation, of which he is the Representative Director.
 3. The number of the Company's shares held by each candidate includes the shares held through the Officer's Shareholding Association, with fractional shares rounded down.

Proposal No. 3 Election of Three Directors Who Are Audit and Supervisory Committee Members

The terms of office of all three Directors who are Audit and Supervisory Committee Members will expire at the conclusion of this meeting. Therefore, the Company proposes the election of three Directors who are Audit and Supervisory Committee Members.

The consent of the Audit and Supervisory Committee has been obtained for this proposal.

Candidates for the role of Director who is an Audit and Supervisory Committee Member are as follows:

Candidate No.	Name	Current position and responsibility in the Company	Attendance at Board of Directors meetings (*)	Attendance at Board of Audit and Supervisory Committee meetings
1	Minoru Kusama Reelection Outside Independent	Outside Director, Full-time Audit and Supervisory Committee Member	16/16 (100%)	16/16 (100%)
2	Akihiko Kobayashi Reelection Outside Independent	Outside Director, Audit and Supervisory Committee Member	16/16 (100%)	16/16 (100%)
3	Michio Iwabuchi Reelection Outside Independent	Outside Director, Audit and Supervisory Committee Member	16/16 (100%)	16/16 (100%)

* In addition to the number Board of Directors meetings above, one resolution was adopted in writing, which is regarded as having been resolved by the Board of Directors pursuant to Article 370 of the Companies Act and Article 27 of the Articles of Incorporation of the Company.

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
	Minoru Kusama (July 13, 1955) Reelection	Apr. 1980 Joined The Hachijuni Bank, Ltd. Oct. 2003 General Manager of Chino Station-front Branch Mar. 2008 General Manager of Audit Office May 2012 Full-time Auditor of the Company May 2016 Outside Director (Full-time Audit and Supervisory Committee Member) (current position)	1,692 shares
1	<p>* Minoru Kusama is a candidate for outside Director.</p> <p>[Reasons for nomination as candidate for outside Director who is an Audit and Supervisory Committee Member] Minoru Kusama possesses considerable knowledge related to finance and accounting gained from his many years of experience at a bank. Therefore, the Company proposes his election as an outside Director. He has never in the past been involved in the management of a company. However, the Company judges he will appropriately fulfill his duties as an outside Director who is an Audit and Supervisory Committee Member based on the above reasons. Mr. Kusama is currently an outside Director who is an Audit and Supervisory Committee Member of the Company, and at the conclusion of this meeting, his tenure will have been eight years (including four years as an outside Auditor prior to transitioning to a company with an Audit and Supervisory Committee).</p> <p>[Registration as Independent Officer] Minoru Kusama satisfies the "Standards for Independence of Outside Directors" established by the Company and the requirements for an independent officer as provided for by Tokyo Stock Exchange, Inc. Please note that Mr. Kusama had served in the past as a person who executed business of The Hachijuni Bank, Ltd., a bank with which the Company does business. However, since there have been no borrowings made by the Company from The Hachijuni Bank, Ltd. during the last three fiscal years, and since he left The Hachijuni Bank, Ltd. eight years ago, the Company deems that he maintains sufficient independence. The Company has submitted notification to Tokyo Stock Exchange, Inc. that Mr. Kusama has been appointed as an independent officer as provided for by the aforementioned exchange. If his reelection is approved, the Company plans for his appointment as an independent officer to continue.</p> <p>[Limited liability agreements with outside Director who is an Audit and Supervisory Committee Member] Pursuant to Article 427, paragraph 1 of the Companies Act, the Company has entered into an agreement with Minoru Kusama to limit his liability for damages under Article 423, paragraph 1 of the Companies Act. The maximum amount of liability for damages under this agreement is the minimum liability amount provided for in Article 425, paragraph 1 of the same Act. If the reelection of Mr. Kusama is approved, the Company plans to renew the aforementioned agreement with him.</p>		

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
	Akihiko Kobayashi (November 29, 1959) Reelection	Apr. 1986 Registered as an attorney at law (Tokyo Bar Association) Joined Yoshihiro Kataoka Law Firm June 1990 Partner of Kataoka & Kobayashi (current position) Apr. 2007 Specially-appointed Professor of Chuo Law School May 2015 Outside Director of the Company Apr. 2016 Professor of Chuo Law School (current position) May 2016 Outside Director (Audit and Supervisory Committee Member) (current position) (Significant concurrent positions outside the Company) Partner of Kataoka & Kobayashi Professor of Chuo Law School	630 shares
2	<p>* Akihiko Kobayashi is a candidate for outside Director.</p> <p>[Reasons for nomination as candidate for outside Director who is an Audit and Supervisory Committee Member] Akihiko Kobayashi possesses abundant experience and deep insight as an attorney at law, as well as achievements as a law school professor. The Company proposes his election as an outside Director so that his keen perception may be utilized in the audit and supervision of the Company's management. He has never in the past been involved in the management of a company. However, the Company judges he will appropriately fulfill his duties as an outside Director who is an Audit and Supervisory Committee Member based on the above reasons. Mr. Kobayashi is currently an outside Director who is an Audit and Supervisory Committee Member of the Company, and at the conclusion of this meeting, his tenure will have been five years (including one year as an outside Auditor prior to transitioning to a company with an Audit and Supervisory Committee).</p> <p>[Registration as Independent Officer] Akihiko Kobayashi satisfies the "Standards for Independence of Outside Directors" established by the Company and the requirements for an independent officer as provided for by Tokyo Stock Exchange, Inc. In addition, the Company does not engage in business transactions with Mr. Kobayashi or with any organization or group he belongs to. Accordingly, the Company deems that he maintains sufficient independence. The Company has submitted notification to Tokyo Stock Exchange, Inc. that Mr. Kobayashi has been appointed as an independent officer as provided for by the aforementioned exchange. If his reelection is approved, the Company plans for his appointment as an independent officer to continue.</p> <p>[Limited liability agreements with outside Director who is an Audit and Supervisory Committee Member] Pursuant to Article 427, paragraph 1 of the Companies Act, the Company has entered into an agreement with Akihiko Kobayashi to limit his liability for damages under Article 423, paragraph 1 of the Companies Act. The maximum amount of liability for damages under this agreement is the minimum liability amount provided for in Article 425, paragraph 1 of the same Act. If the reelection of Mr. Kobayashi is approved, the Company plans to renew the aforementioned agreement with him.</p>		

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
	<p style="text-align: center;">Michio Iwabuchi (December 15, 1955) Reelection</p>	<p>Oct. 1979 Joined Coopers & Lybrand (later Chuo Audit Corporation)</p> <p>Aug. 1983 Registered as a certified public accountant</p> <p>Sept. 1984 Joined Chuo Audit Corporation (later Chuo Shinko Audit Corporation)</p> <p>Aug. 1992 Partner of Chuo Shinko Audit Corporation (later MISUZU Audit Corporation)</p> <p>July 2007 Senior Partner of Ernst & Young ShinNihon (current Ernst & Young ShinNihon LLC)</p> <p>July 2017 Principal of Michio Iwabuchi Certified Public Accountant Office (current position) Audit Advisor of Nagano Prefecture</p> <p>May 2018 Outside Director (Audit and Supervisory Committee Member) (current position)</p> <p>(Significant concurrent positions outside the Company) Managing Director of Matsusho Gakuen Auditor of R&C Holdings Co., Ltd. Principal of Michio Iwabuchi Certified Public Accountant Office</p>	294 shares
3	<p>* Michio Iwabuchi is a candidate for outside Director.</p> <p>[Reasons for nomination as candidate for outside Director who is an Audit and Supervisory Committee Member] Michio Iwabuchi possesses expertized knowledge related to finance and accounting as a certified public accountant. The Company proposes his election as an outside Director so that keen perception may be utilized in the audit and supervision of the Company's management. He has never in the past been involved in the management of a company. However, the Company judges he will appropriately fulfill his duties as an outside Director who is an Audit and Supervisory Committee Member based on the above reasons. Mr. Iwabuchi is currently an outside Director who is an Audit and Supervisory Committee Member of the Company, and at the conclusion of this meeting, his tenure will have been two years.</p> <p>[Registration as Independent Officer] Michio Iwabuchi satisfies the "Standards for Independence of Outside Directors" established by the Company and the requirements for an independent officer as provided for by Tokyo Stock Exchange, Inc. In addition, the Company does not engage in business transactions with Mr. Iwabuchi or with any organization or group he belongs to. Accordingly, the Company deems that he maintains sufficient independence. The Company has submitted notification to Tokyo Stock Exchange, Inc. that Mr. Iwabuchi has been appointed as an independent officer as provided for by the aforementioned exchange. If his reelection is approved, the Company plans for his appointment as an independent officer to continue.</p> <p>[Limited liability agreements with outside Director who is an Audit and Supervisory Committee Member] Pursuant to Article 427, paragraph 1 of the Companies Act, the Company has entered into an agreement with Michio Iwabuchi to limit his liability for damages under Article 423, paragraph 1 of the Companies Act. The maximum amount of liability for damages under this agreement is the minimum liability amount provided for in Article 425, paragraph 1 of the same Act. If the reelection of Mr. Iwabuchi is approved, the Company plans to renew the aforementioned agreement with him.</p>		

Note: There is no special interest between any of the candidates and the Company.

Proposal No. 4 Election of One Substitute Director Who Is an Audit and Supervisory Committee Member

The Company requests approval for the election of one substitute Director who is an Audit and Supervisory Committee Member to be ready to fill a vacant position should the number of Directors who are Audit and Supervisory Committee Members fall below the number required by laws and regulations.

The consent of the Audit and Supervisory Committee has been obtained for this proposal.

The candidate for substitute Director who is an Audit and Supervisory Committee Member is as follows:

Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
Yoshitaka Uchiyama (August 7, 1965) New election	Apr. 1994 Registered as an attorney at law (Tokyo Bar Association) Joined Kataoka & Kobayashi July 2004 Principal of Uchiyama Yoshitaka Law Office (current position) Mar. 2013 Outside Director of Central Servicer Corporation (current position) (Significant concurrent positions outside the Company) Principal of Uchiyama Yoshitaka Law Office Outside Director of Central Servicer Corporation	0 shares

* Yoshitaka Uchiyama is a candidate for a substitute outside Director.

[Reasons for nomination as candidate for substitute outside Director who is an Audit and Supervisory Committee Member]

Yoshitaka Uchiyama possesses abundant experience as an attorney at law and is familiar with corporate legal affairs as well as civil and commercial law in general. He also has experience as an outside director of a company. The Company proposes his election as a substitute outside Director who is an Audit and Supervisory Committee Member so that his keen perception may be utilized in the audit and supervision of the Company's management. He has never in the past been involved in the management of a company except as an outside director. However, the Company judges he will appropriately fulfill his duties as an outside Director who is an Audit and Supervisory Committee Member based on the above reasons.

[Registration as Independent Officer]

Yoshitaka Uchiyama satisfies the "Standards for Independence of Outside Directors" established by the Company and the requirements for an independent officer as provided for by Tokyo Stock Exchange, Inc. The Company engages in transactions including commission of legal services with Uchiyama Yoshitaka Law Office, of which Mr. Uchiyama is the Principal. However, the transaction amount in the fiscal year under review was a small amount of less than ¥500 thousand. Accordingly, the Company deems that he maintains sufficient independence.

If the election of Mr. Uchiyama is approved, in the event of his assuming the office of Director who is an Audit and Supervisory Committee Member, the Company plans to submit notification to Tokyo Stock Exchange, Inc., concerning his appointment as an independent officer as provided for by the aforementioned exchange.

[Limited liability agreements with Director who is an Audit and Supervisory Committee Member]

If the election of Yoshitaka Uchiyama is approved, and if he assumes the office of Director who is an Audit and Supervisory Committee Member, pursuant to Article 427, paragraph 1 of the Companies Act, the Company plans to enter into an agreement with him to limit his liability for damages under Article 423, paragraph 1 of the same Act. Pursuant to this agreement, the defined maximum amount of liability for damages is the minimum liability amount provided for under Article 425, paragraph 1 of the same Act.

Note: There is no special interest between the candidate and the Company.

Proposal No. 5 Revision of Remuneration Amount for Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

At the 54th Annual General Meeting of Shareholders held on May 27, 2016, it was resolved that the annual remuneration amount for Directors (excluding Directors who are Audit and Supervisory Committee Members; the same shall apply hereinafter in this proposal) shall be ¥200 million or less (provided that this amount does not include the employee salary portion), which has remained until now. However, in consideration of changes to the designated duties of Directors, increases to the number of employees, etc., the Company wishes to revise the annual remuneration amount for Directors to ¥300 million or less. In addition, the Company proposes that the remuneration amount for Directors continues to exclude the employee salary portion for Directors who are concurrently employees.

The Company currently has five Directors, but if Proposal No. 2 is approved and adopted as proposed, the number of Directors will be six.

This proposal was reviewed by the Audit and Supervisory Committee, but it was judged to be appropriate, so there are no specific statements or objections.

(Reference)

Standards for Independence of Outside Directors of TAKEUCHI MFG. CO., LTD.

The Company has determined the following “Standards for Independence of Outside Directors” taking into account the independence standards established by Tokyo Stock Exchange, Inc., and judges that an outside Director or a candidate for outside Director is sufficiently independent if none of the following items applies to the individual:

1. A person who is currently or was in the past ten years a Director (excluding outside Director), Auditor (excluding outside Auditor), Executive Officer or any other employee of the Company or a subsidiary of the Company.
2. A person who currently falls under or in the past three years fell under any of the following (1) to (10):
 - (1) A party whose major client is the Company (*1) or an executive thereof
 - (2) A major client of the Company (*2) or an executive thereof
 - (3) A major lender (*3) of the Company or an executive thereof
 - (4) A consultant, accountant, legal or other professional who receives a large amount of monetary consideration (*4) or other property from the Company in addition to compensation as an officer
 - (5) A party belonging to the auditing firm that is the Accounting Auditor of the Company
 - (6) An executive of the lead managing underwriter of the Company
 - (7) A major shareholder (*5) of the Company or an executive thereof
 - (8) An executive of a company of which the Company is a major shareholder (*5)
 - (9) A recipient of substantial donations, etc. (*6) from the Company or an executive thereof
 - (10) An executive of a company involved in mutual dispatch to and from the Company
3. A spouse or relative within the second degree of kinship of a person who currently falls under or in the past one year fell under the following (1) or (2):
 - (1) Director (excluding outside Director), Auditor (excluding outside Auditor), Executive Officer or any other employee of the Company or a subsidiary of the Company
 - (2) A person who falls under any of the above 2.-(1) to 2.-(10), who is also an important person (*7)

*1: “A party whose major client is the Company” refers to a party for which the transaction amount with the Company has exceeded 2% of the party’s net sales in any of its last three fiscal years.

*2: “A major client of the Company” refers to a party from which the transaction amount with the Company has exceeded 2% of the Company’s net sales in any of the last three fiscal years.

*3: “Major lender” refers to one which has lent the Company an amount equivalent to over 2% of the Company’s total assets in any of the last three fiscal years.

*4: “Large amount of monetary consideration” refers to amounts that has exceeded ¥10 million annually in any of the last three fiscal years.

*5: “Major shareholder” refers to a shareholder whose ownership ratio of voting rights is 10% or higher.

*6: “Substantial donations, etc.” refers to amounts that has exceeded ¥10 million annually in any of the last three fiscal years.

*7: “Important person” refers to an employee that holds a senior management position such as executive director, executive, executive officer, general manager or above.