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(Securities Code 7242)  
June 10, 2020

**To Shareholders with Voting Rights:**

Masao Ono  
Representative Director,  
President Executive Officer  
KYB Corporation  
World Trade Center Bldg.,  
2-4-1, Hamamatsu-cho,  
Minato-ku, Tokyo

**NOTICE OF  
THE 98TH ORDINARY GENERAL MEETING OF SHAREHOLDERS**

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

We are pleased to inform you that the 98th Ordinary General Meeting of Shareholders of KYB Corporation (the "Company") will be held for the purposes as described below.

Recently, the government and prefectural governors have made requests to refrain from going out, in order to prevent the spread of COVID-19. After careful deliberation in response to this situation, we have decided to hold this General Meeting of Shareholders by implementing appropriate measures to prevent infection.

With a view to preventing the spread of infection, we kindly request our shareholders to consider refraining from attending the meeting in person and choose instead to exercise their voting rights preliminarily in writing or via the Internet, etc. We appreciate your understanding and cooperation.

Please exercise your voting rights by 5:15 p.m. on Wednesday, June 24, 2020 (Japan time), after taking the time to consult the attached reference documents for the General Meeting of Shareholders.

**1. Date and Time:** Thursday, June 25, 2020 at 10:00 a.m. (Reception starts at 9:00 a.m.) (Japan time)

**2. Place:** Hamamatsucho Convention Hall, 5th Floor Main Hall  
Nippon Life Hamamatsucho Crea Tower, 2-3-1, Hamamatsu-cho, Minato-ku, Tokyo

**3. Meeting Agenda:**

**Matters to be reported:**

1. The Business Report, Consolidated Financial Statements for the Company's 98th Fiscal Year (April 1, 2019 - March 31, 2020) and results of audits by the Accounting Auditor and the Audit & Supervisory Board of the Consolidated Financial Statements
2. Non-consolidated Financial Statements for the Company's 98th Fiscal Year (April 1, 2019 - March 31, 2020)

**Proposals to be resolved:**

**Proposal 1:** Election of seven (7) Members of the Board of Directors

**Proposal 2:** Election of four (4) Audit & Supervisory Board Members

**Proposal 3:** Election of one (1) Substitute Audit & Supervisory Board Member

**4. Exercise of voting rights:**

If you vote both in writing on the Voting Rights Exercise Form and via the Internet, only your vote placed

via the Internet will be counted.

If you vote multiple times via the Internet, only the last vote will be counted.

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- When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk. For the purpose of saving resources, please bring this NOTICE OF THE 98TH ORDINARY GENERAL MEETING OF SHAREHOLDERS to the meeting.

**We do not prepare gifts for shareholders attending the meeting. We appreciate your understanding.**

- The following items have been posted on the Company's website (<https://www.kyb.co.jp/>) in accordance with laws and regulations and the provisions of Article 15 of the Articles of Incorporation of the Company and are accordingly not included in this NOTICE OF THE 98TH ORDINARY GENERAL MEETING OF SHAREHOLDERS.

- Status of Accounting Auditor
- Consolidated Statements of Changes in Equity; Notes to the Consolidated Financial Statements
- Statements of Changes in Equity; Notes to the Non-consolidated Financial Statements

The Consolidated Financial Statements and the Non-consolidated Financial Statements included in this NOTICE OF THE 98TH ORDINARY GENERAL MEETING OF SHAREHOLDERS are part of the Consolidated Financial Statements and the Non-consolidated Financial Statements audited by the Accounting Auditor and the Audit & Supervisory Board Members for the preparation of the Accounting Audit Report and Audit & Supervisory Board's Report.

- Any revisions to the Reference Documents for the General Meeting of Shareholders, the Business Report, the Consolidated Financial Statements, or the Non-consolidated Financial Statements will be posted on the Company's website (<https://www.kyb.co.jp/>).

- Please note that persons who are not shareholders, such as non-shareholder proxies or persons accompanying shareholders, are not allowed to attend the meeting.

# Reference Documents for the General Meeting of Shareholders

## Proposal 1: Election of seven (7) Members of the Board of Directors

The term of office of all the six (6) Members of the Board of Directors will expire at the conclusion of this meeting. Therefore, we propose election of seven (7) Members of the Board of Directors in order to ensure management transparency and further strengthen corporate governance.

The candidates for the Members of the Board of Directors are as follows:

List of candidates for Members of the Board of Directors

No.	Name	Attributes	Current positions in the Company	Attendance of the meetings of the Board of Directors
1	Yasusuke Nakajima	(Reappointment)	Member of the Board of Directors, Chairman	100% (17/17)
2	Masao Ono	(Reappointment)	Representative Director, President Executive Officer	100% (17/17)
3	Takaaki Kato	(Reappointment)	Representative Director, Executive Vice President Executive Officer	100% (17/17)
4	Keisuke Saito	(Reappointment)	Member of the Board of Directors, Executive Vice President Executive Officer	100% (17/17)
5	Rokurou Tsuruta	(Reappointment)	(Candidate for Member of the Board of Directors (Outside)) (Independent Officer)	Member of the Board of Directors (Outside) 100% (17/17)
6	Shuhei Shiozawa	(Reappointment)	(Candidate for Member of the Board of Directors (Outside)) (Independent Officer)	Member of the Board of Directors (Outside) 100% (17/17)
7	Masakazu Sakata	(New appointment)	(Candidate for Member of the Board of Directors (Outside)) (Independent Officer)	-







No.	Name (Date of birth)	Career summary, positions, and responsibilities at the Company		Number of shares of the Company held
4	Keisuke Saito (August 18, 1959) (Reappointment)	April 1983 August 2002 September 2005 July 2007 July 2008 July 2009 September 2010 June 2011 April 2014 January 2016 April 2017 April 2018 January 2019 June 2019	Joined the Ministry of International Trade and Industry (present Ministry of Economy, Trade and Industry) General Manager, Beijing Office, Japan-China Economic Association Director, Industrial Revitalization Division, Economic and Industrial Policy Bureau, Ministry of Economy, Trade and Industry Director, Industrial Science and Technology Policy Division, Industrial Science and Technology Policy and Environment Bureau, Ministry of Economy, Trade and Industry Director, Finance Division, Minister's Secretariat, Ministry of Economy, Trade and Industry Director-General for Energy Conservation and Renewable Energy Department, Agency for Natural Resources and Energy, Ministry of Economy, Trade and Industry Special Adviser of the Company Member of the Board of Directors, Senior Managing Executive Officer, General Manager, Engineering Div. and General Manager, Corporate Planning Div. Member of the Board of Directors, Senior Managing Executive Officer, in charge of legal affairs and information technology administration, General Manager, Engineering Div. Member of the Board of Directors, Senior Managing Executive Officer, in charge of Information Technology Administration, in charge of Aircraft Components Div., General Manager, Engineering Div. Member of the Board of Directors, Senior Managing Executive Officer, in charge of Aircraft Components Div., General Manager, Hydraulic Components Operations Member of the Board of Directors, Senior Managing Executive Officer, General Manager, Hydraulic Components Operations and General Manager, Aircraft Components Div. Member of the Board of Directors, Senior Managing Executive Officer, General Manager, Seismic Isolation/Mitigation Correspondence Operations Member of the Board of Directors, Executive Vice President Executive Officer, General Manager, Seismic Isolation/Mitigation Correspondence Operations (current position)	3,000
		[Reasons for proposing him as a candidate for Member of the Board of Directors] He has diverse experience and a rich human network gained while working in the Ministry of Economy, Trade and Industry and deep knowledge cultivated in the Company in the areas of engineering, research and development. In the last fiscal year, he demonstrated leadership as a responsible person for settling the problem of seismic isolation/mitigation oil dampers for buildings. He has an appropriate judgment and ability to act, and we expect that he is a qualified person to accomplish the conformation of the dampers. Consequently, we reappoint him as a candidate for Member of the Board of Directors.		
		[Significant concurrent positions] None		



No.	Name (Date of birth)	Career summary, positions, and responsibilities at the Company	Number of shares of the Company held
6	<p>Shuhei Shiozawa (September 19, 1955) (Reappointment) (Candidate for Member of the Board of Directors (Outside)) (Candidate for Independent Officer)</p> <p>Term of office as a Member of the Board of Directors (Outside): 4 years</p> <p>Attendance of the meetings of the Board of Directors: (17/17)</p>	<p>April 1981 Assistant, Faculty of Economics, Keio University April 1987 Associate Professor, Faculty of Economics, Keio University April 1991 Visiting researcher, Institut d'Etudes Politiques de Paris April 1994 Professor, Faculty of Economics, Keio University January 2001 Director for International Economic Affairs, Cabinet Office October 2005 Dean, Faculty of Economics, Keio University March 2012 Member of the Board of Directors (Outside), Kenedix, Inc. (current position) June 2016 Member of the Board of Directors (Outside) of the Company (current position) June 2017 Independent Director (Audit &amp; Supervisory Committee member), Ahresty Corporation (current position) April 2019 Professor Emeritus, Keio University (current position) April 2019 President, Tokyo International University (current position)</p> <p>[Reasons for proposing him as a candidate for Member of the Board of Directors (Outside)] We expect him to give us useful opinions and recommendations on finance and CSR of the Company based on a wealth of knowledge and insight as a specialist in economics. Consequently, we reappoint him as a candidate for Member of the Board of Directors (Outside). Although he has not participated in corporate management other than as an outside director, we judge that he will duly perform his duties as a Member of the Board of Directors (Outside) for the above mentioned reasons.</p> <p>[Significant concurrent positions] President, Tokyo International University Professor Emeritus, Keio University Member of the Board of Directors (Outside), Kenedix, Inc. Independent Director (Audit &amp; Supervisory Committee member), Ahresty Corporation</p> <p>[Other remarks] During his service as a Member of the Board of Directors (Outside), details of the acts of charging by the Company based on inappropriate man-hour recording with respect to defense equipment for the Ministry of Defense came to light. He was not aware of those acts before they came to light, but had customarily made recommendations regarding the importance of legal compliance and internal control on various occasions such as the Board of Directors' meetings of the Company. After those facts came to light, he has performed his duties appropriately in the cause investigation, preparation of recurrence prevention measures, and promotion and enhancement of compliance.</p>	400

### (Notes)

1. No conflict of interests exists between any of the above candidates and the Company.
2. The Company has designated Mr. Rokuro Tsuruta and Mr. Shuhei Shiozawa, candidates, as independent officers under the rules of the Tokyo Stock Exchange and filed the designations with the Tokyo Stock Exchange.  
If the reappointment of both Mr. Rokuro Tsuruta and Mr. Shuhei Shiozawa is approved, the Company will continue to designate them as independent officers.
3. If the appointment of Mr. Masakazu Sakata, a candidate, is approved, the Company will designate him as an independent officer under the rules of the Tokyo Stock Exchange and file the designation with the Tokyo Stock Exchange.
4. Liability Limitation Agreement with Members of the Board of Directors (Outside):  
Mr. Rokuro Tsuruta and Mr. Shuhei Shiozawa, candidates, have each entered into an agreement with the Company to limit their liabilities. If the reappointment of both Mr. Rokuro Tsuruta and Mr. Shuhei Shiozawa is approved, the Company shall continue the agreement with each of them. If the appointment of Mr. Masakazu Sakata is approved, the Company will enter into an agreement with him to limit his liability.

**Proposal 2:** Election of four (4) Audit & Supervisory Board Members

The term of office for all the four (4) Audit & Supervisory Board Members will expire at the conclusion of this meeting. Therefore, we propose election of four (4) Audit & Supervisory Board Members.

The Audit & Supervisory Board has given its consent to this proposal in advance.

The candidates for Audit & Supervisory Board Members are as follows.

No.	Name (Date of birth)	Career summary and positions at the Company			Number of shares of the Company held
2	<p>Junichi Tanaka (May 9, 1961) (Reappointment)</p> <p>(Candidate for Audit &amp; Supervisory Board Member (Outside)) (Candidate for Independent Officer)</p> <p>Term of office as an Audit &amp; Supervisory Board Member: 1 year</p> <p>Attendance of the meetings of the Audit &amp; Supervisory Board: (17/17)</p> <p>Attendance of the meetings of the Board of Directors: (13/13)</p> <p>*The number of attendance is stated for the meetings of the Board of Directors and the Audit &amp; Supervisory Board held on or after June 25, 2019</p>	<p>April 1984      Joined The Yasuda Fire and Marine Insurance Co., Ltd. (present Sompo Japan Insurance Inc.)</p> <p>September 2014    Senior Vice President, General Manager, Global Business Planning Dept., Sompo Japan Nipponkoa Insurance Inc. (present Sompo Japan Insurance Inc.)</p> <p>April 2016        Senior Vice President, General Manager, Global Business Planning Dept., Sompo Japan Nipponkoa Holdings, Inc. (present Sompo Holdings, Inc.)</p> <p>Executive Vice President, General Manager, Europe &amp; South America, Regional Headquarters, Sompo Japan Nipponkoa Insurance Inc.</p> <p>Executive Vice President, General Manager, Europe &amp; South America, Regional Headquarters, Sompo Japan Nipponkoa Holdings, Inc.</p> <p>Executive Vice President, General Manager, Europe &amp; South America, Regional Headquarters, Sompo Holdings, Inc.</p> <p>Executive Vice President, Sompo Japan Nipponkoa Insurance Inc.</p> <p>Executive Vice President, Sompo Holdings, Inc.</p> <p>CEO of Overseas Insurance Business, Executive Vice President, Sompo Holdings, Inc.</p> <p>CEO of Overseas Insurance Business, Director, Executive Vice President, Sompo Holdings, Inc.</p> <p>Audit &amp; Supervisory Board Member (Full Time) of the Company (current position)</p> <p>[Reasons for proposing him as a candidate for Audit &amp; Supervisory Board Member (Outside)] We expect that he will continue giving us useful opinions and recommendations based on the expertise and experience he has acquired while working in a non-life insurance company, mainly from the viewpoint of business operations audit. Consequently, we appoint him as a candidate for Audit &amp; Supervisory Board Member (Outside). He retired from his position as CEO of Overseas Insurance Business, Director, Executive Vice President, Sompo Holdings, Inc. in March 2019.</p> <p>[Significant concurrent positions] None</p> <p>[Other remarks] During his service as an Audit &amp; Supervisory Board Member (Outside), details of the acts of charging by the Company based on inappropriate man-hour recording with respect to defense equipment for the Ministry of Defense came to light. He was not in office when the acts was conducted, but after those facts came to light, he has performed his duties appropriately in the cause investigation, preparation of recurrence prevention measures, and promotion and enhancement of compliance.</p>			0

No.	Name (Date of birth)	Career summary and positions at the Company		Number of shares of the Company held
3	Eiji Hisada (January 25, 1956) (New appointment)	<p>April 1978      Joined the Company</p> <p>November 1999    General Manager, Overseas Administration Dept.</p> <p>April 2004      General Manager, International Headquarters</p> <p>April 2005      General Manager, Affiliated Business Dept., Corporate Planning Div.</p> <p>June 2007      Member of the Board of Directors, General Manager, Corporate Planning Dept., Corporate Planning Div.</p> <p>June 2009      Member of the Board of Directors, General Manager, Human Resources Div. and General Manager, Gifu Human Resources Dept.</p> <p>April 2012      Managing Executive Officer, General Manager, Human Resources Div.</p> <p>April 2015      Managing Executive Officer, Deputy General Manager, Corporate Planning Div. and General Manager, Corporate Planning Dept.</p> <p>June 2016      Managing Executive Officer, President of KYB Europe Headquarters GmbH (present KYB Europe GmbH)</p> <p>February 2019    Managing Executive Officer, in charge of Audit and General Manager, President Office</p> <p>May 2020      Managing Executive Officer, in charge of Audit (current position)</p> <p>[Reasons for proposing him as a candidate for Audit &amp; Supervisory Board Member] He has considerable knowledge of finance and accounting based on his experience in corporate planning, human resources and management of overseas group companies. We expect that he will give us useful opinions and recommendations. Consequently, we appoint him as a candidate for Audit &amp; Supervisory Board Member.</p> <p>[Significant concurrent positions] None</p>		4,000

No.	Name (Date of birth)	Career summary and positions at the Company		Number of shares of the Company held
4	Masahiko Sagara (September 21, 1958) (New appointment)  (Candidate for Audit & Supervisory Board Member (Outside)) (Candidate for Independent Officer)	<p>April 1981      Joined The Yasuda Mutual Life Insurance Company (present Meiji Yasuda Life Insurance Company)</p> <p>January 2004     General Manager, Non-life Insurance Administration Office, Coordination Dept., Meiji Yasuda Life Insurance Company</p> <p>September 2004   General Manager, Osaka-kita Branch, Meiji Yasuda Life Insurance Company</p> <p>April 2008       General Manager, Gunma Branch, Meiji Yasuda Life Insurance Company</p> <p>April 2011       General Manager, Corporate Business Planning Dept., Meiji Yasuda Life Insurance Company</p> <p>July 2012        Executive Officer, General Manager, Corporate Business Planning Dept., Meiji Yasuda Life Insurance Company</p> <p>April 2014       Managing Executive Officer, Meiji Yasuda Life Insurance Company</p> <p>April 2017       Managing Executive Officer, General Manager, Agency Business Div., Meiji Yasuda Life Insurance Company</p> <p>April 2019       Representative Director and Chairman, Meiji Yasuda General Insurance Co., Ltd.</p> <p>[Reasons for proposing him as a candidate for Audit &amp; Supervisory Board Member (Outside)] He has acquired a practical viewpoint through his sales experience and a multifaceted perspective through his management experience. We expect that he will give us useful opinions in the audit to support the auditing to establish a high-quality corporate governance system to meet the social trust. Consequently, we appoint him as a candidate for Audit &amp; Supervisory Board Member (Outside). He is scheduled to retire from Meiji Yasuda General Insurance Co., Ltd. in June 2020.</p> <p>[Significant concurrent positions] None</p>		0

### (Notes)

1. No conflict of interests exists between any of the above candidates and the Company.
2. The Company has designated Mr. Junichi Tanaka, a candidate, as independent officer under the rules of the Tokyo Stock Exchange and filed the designation with the Tokyo Stock Exchange. If his reappointment is approved, the Company will continue to designate him as an independent officer.
3. If the appointment of Mr. Masahiko Sagara, a candidate, is approved, the Company will designate him as an independent officer under the rules of the Tokyo Stock Exchange and file the designation with the Tokyo Stock Exchange.
4. The liability limitation agreement with candidates for Audit & Supervisory Board Members:

Mr. Tomoo Akai and Mr. Junichi Tanaka, c

their liabilities. If their reappointment is approved, the Company will continue the agreements. If the appointment of Mr. Eiji Hisada and Mr. Masahiko Sagara, candidates, is approved, the Company will enter into agreements with them to limit their liabilities.

### **Proposal 3: Election of one (1) Substitute Audit & Supervisory Board Member**

Mr. Atsushi Shigeta was elected as a Substitute Audit & Supervisory Board Member at the 97th Ordinary General Meeting of Shareholders held on June 25, 2019 by its resolution effective until the commencement of this meeting. To prepare for any case where the number of Outside Audit & Supervisory Board Members becomes less than the number required by laws and regulations, we propose to elect one (1) Substitute Audit & Supervisory Board Member.

Such Substitute Audit & Supervisory Board Member will assume the office of Audit & Supervisory Board Member only if the number of Outside Audit & Supervisory Board Members becomes less than the number required by laws and regulations. His term of office shall be equal to the remaining term of office of his predecessor.

The Audit & Supervisory Board has given its consent to this proposal in advance.

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

### (Notes)

1. No conflict of interests exists between Mr. Atsushi Shigeta, a candidate, and the Company.
2. Mr. Atsushi Shigeta, a candidate, once served as an Executive of Mizuho Bank, Ltd., a Specified Associated Service Provider of the Company. However, it has been ten years since he retired from the position and now he does not engage in the business execution of the bank.
3. The liability limitation agreement with a candidate for Substitute Audit & Supervisory Board Member:  
The Company has entered into an agreement with Mr. Atsushi Shigeta to limit his liability on condition that he assumes office as Audit & Supervisory Board Member. If his election is approved, the Company will continue the agreement. The outline of the agreement is as follows:
  - If Mr. Atsushi Shigeta becomes liable to the Company for failure to perform his duties as an Audit & Supervisory Board Member after the conclusion of this agreement, the maximum amount of his liability shall be twice the total value of the annual property benefits that he has received or should receive from the Company as consideration for the execution of his duties during his term of office as calculated by the method provided in Article 113 of the Ordinance for Enforcement of the Companies Act, and any amount in excess of the maximum amount shall be

exempted from the liability, provided that he has conducted his duties in good faith and without gross negligence.

[Independence Standards for Outside Directors and Outside Audit & Supervisory Board Members]

The Company has established the independence standards for outside directors and outside Audit & Supervisory Board members based on the requirements for independent officers established by financial instrument exchanges. Officers are deemed to lack independence if any of the following apply.

1. Persons who have work experience at the Company or its subsidiaries (KYB Group)
2. Persons who have work experience at principal lenders (Note 1) to the KYB Group
3. Major shareholders (Note 2) of the Company, or their members or executives
4. Major customers (Note 3) for the KYB Group's products and services, or their members or executives
5. Major suppliers (Note 4) of products and services to the KYB Group, or their members or executives
6. Consultants, accounting professionals, legal professionals and the like who receive annual payments or other goods in kind exceeding ¥10 million from the KYB Group, excluding officer compensation (if a corporation or other organization is the recipient and the amount received exceeds 2% of the organization's annual gross income, any member or executive of the organization)
7. Persons who receive donations of more than ¥10 million annually from the KYB Group (if the recipient is a corporation or other organization, any member or executive of the organization)
8. Members or executives of corporations or other organizations that engage in the mutual dispatch of directors or executive officers with the KYB Group
9. Persons who have work experience at an audit firm that is an accounting auditor of the KYB Group
10. Persons to whom any of 3 to 9 above are applicable over the past 10 years
11. A spouse or relative within the second degree of kinship of a person to whom any of 1 to 10 above are applicable
12. Other persons who have special reasons that may cause a conflict of interest with the Company

(Notes)

1. The KYB Group's principal lenders are financial institutions and other large creditors that the KYB Group relies on for funding and could not readily replace.
2. Major shareholders are those that hold 10% or more of voting rights at the end of the Company's fiscal year, whether directly or indirectly (including rights held indirectly through a trust bank or other vehicle).
3. Major customers for the KYB Group's products and services are those with an annual transaction amount exceeding 2% of the KYB Group's consolidated sales.
4. Major suppliers of products and services to the KYB Group are those with annual transaction volume exceeding 2% of the consolidated sales of the supplier group.