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Stock Exchange Code 6407
June 5, 2018

To Shareholders with Voting Rights:

Kazunori Kajimoto
President
CKD Corporation
250, Uji 2-chome, Komaki, Aichi, Japan

NOTICE OF THE 98TH ANNUAL GENERAL MEETING OF SHAREHOLDERS

Dear Shareholders:

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

You are cordially invited to attend the 98th Annual General Meeting of Shareholders of CKD Corporation (the "Company"). The meeting will be held for the purposes as described below.

If you are unable to attend the meeting, you can exercise your voting rights in writing or via the Internet. Please review the attached Reference Documents for the General Meeting of Shareholders and exercise your voting rights by 5:00 p.m. (Japan time) on Thursday, June 21, 2018 in accordance with the following procedures.

- 1. Date and Time:** Friday, June 22, 2018 at 10:00 a.m. Japan time
- 2. Place:** The Grand Court III
7th floor, ANA Crowne Plaza Hotel Grand Court Nagoya
1-1-1 Kanayama-cho, Naka-ku, Nagoya, Japan
(Please refer to the Guide Map for the Venue of the Meeting attached at the end of this document.)
- 3. Meeting Agenda:**
 - Matters to be reported:**
 1. The Business report, Consolidated Financial Statements for the Company's 98th Fiscal Year (April 1, 2017 – March 31, 2018) and the 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, 2017 - March 31, 2018)
 - Proposals to be resolved:**
 - Proposal 1:** Election of Seven (7) Directors
 - Proposal 2:** Election of Two (2) Audit & Supervisory Board Members
 - Proposal 3:** Determination of Remuneration for Granting Restricted Stock to the Company's Directors

4. Information on exercising your voting rights

(1) When exercising your voting rights by mail (in writing)

Please indicate your vote for or against on the enclosed Voting Rights Exercise Form and return it so that it is received by 5:00 p.m. (Japan time) on Thursday, June 21, 2018.

(2) When exercising your voting rights via the Internet

If exercising your voting rights via the Internet, please review the attached (page 3) “Procedures for Exercising Your Voting Rights via the Internet” and exercise your voting rights by 5:00 p.m. (Japan time) on Thursday, June 21, 2018.

(3) About the Electronic Voting System Platform

Institutional investors may exercise the voting rights via the Electronic Voting System Platform operated by ICJ, Inc. if the applications for use of the platform are filed in advance.

- When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk. Reception will open at 9:00 a.m.
- Kindly note that we will be in light clothing (cool business attire). We would appreciate if the shareholders will attend the meeting in light clothing.
- Of the documents to be included in this Notice, Notes to Consolidated Financial Statements and Notes to Non-consolidated Financial Statements are posted on the Company’s website (<https://www.ckd.co.jp/>) pursuant to laws and regulations and provisions of Article 15 of the Company’s Articles of Incorporation, and therefore are not provided in this Notice. The Consolidated Financial Statements and Non-consolidated Financial Statements that were audited by the Accounting Auditor and the Audit & Supervisory Board Members consist of every document provided in this Notice as well as Notes to Consolidated Financial Statements and Notes to Non-consolidated Financial Statements.
- Should the Reference Documents for the General Meeting of Shareholders, the Business Report, Consolidated Financial Statements and Non-consolidated Financial Statements require revisions, the revised versions will be posted on the Company’s website (<https://www.ckd.co.jp/>).

Reference Documents for the General Meeting of Shareholders

Proposal 1: Election of Seven (7) Directors

The terms of office of all seven (7) Directors will expire at the conclusion of this Annual General Meeting of Shareholders. We propose the election of seven (7) Directors.

The candidates for Director are as follows:

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
1	Kazunori Kajimoto (November 22, 1956)	April 1980 Joined the Company June 2004 Director & Executive Officer, General Manager, Sales and Marketing Division June 2005 Director & Managing Executive Officer, General Manager, Sales and Marketing Division June 2008 President (to present)	56,949
2	Katsuhito Okuoka (August 23, 1967)	April 1991 Joined the Company October 2008 General Manager, Production Control Department, Komaki Plant - General & Control Equipment, Production and Engineering Division June 2014 Deputy General Manager, Components Business Division June 2015 General Manager, Administration Department Executive Officer June 2016 General Manager, Components Business Division Director & Executive Officer in charge of Quality & Safety General Manager, Components Business Division (to present)	11,753
3	* Masafumi Kokubo (March 9, 1961)	April 1983 Joined the Company March 2005 General Manager, Tokyo Sales Department No. 1, Tokyo Branch, Sales and Marketing Division October 2005 General Manager, Sales and Planning Department, Sales and Marketing Division October 2008 Director and President, TAIWAN CKD CORPORATION September 2012 General Manager, Corporate Planning Department June 2015 Executive Officer General Manager, Corporate Planning Department (to present)	10,704
4	* Shinji Yuhara (June 10, 1963)	April 1986 Joined the Company October 2007 General Manager, Nagoya Sales Department, Nagoya Branch, Sales and Marketing Division May 2012 Osaka Branch Manager, Sales and Marketing Division June 2013 Executive Officer Osaka Branch Manager, Sales and Marketing Division April 2014 Executive Officer Deputy General Manager, Sales and Marketing Division April 2015 Executive Officer General Manager, Sales and Marketing Division (to present)	12,488

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
5	Junichi Kagawa (September 19, 1950)	April 1977 Joined NGK SPARK PLUG CO., LTD. June 2003 Director June 2007 Managing Director June 2009 Senior Managing Director June 2011 Advisor & Senior Technical Executive June 2012 Director, the Company (to present) July 2014 Commissioned by NGK SPARK PLUG CO., LTD. (to present)	1,000
6	Noriko Asai (July 25, 1964)	April 1997 Research Assistant, School of Economics, Nagoya University March 1999 Received Ph.D. (Economics) April 2003 Assistant Professor, School of Management, Chukyo University April 2007 Professor, School of Management, Chukyo University (to present) June 2015 Director, the Company (to present)	0
7	Kazumasa Uemura (May 20, 1957)	March 1990 Received Ph.D. (Medicine) from Nagoya University August 2005 Professor, Medical Education Center, School of Medicine, Nagoya University April 2009 Advisor to President, Nagoya University April 2017 Professor, Faculty of Health and Medical Sciences, Aichi Shukutoku University (to present) May 2017 Professor Emeritus, Nagoya University (to present) June 2017 Director, the Company (to present)	0

(Notes)

1. Reasons for election of candidates for Directors
 - (1) Mr. Kazunori Kajimoto has long experience in overseeing sales divisions as well as abundant experience and broad insight as a corporate executive. We propose his election as Director because we believe he will contribute to our management by utilizing the above.
 - (2) Mr. Katsuhito Okuoka has abundant experience and broad insight in overseeing production divisions. We propose his election as Director because we believe he will contribute to our management by utilizing the above.
 - (3) Mr. Masafumi Kokubo has abundant experience and broad insight in overseeing sales divisions, operations in overseas and corporate planning division. We propose his election as Director because we believe he will contribute to our management by utilizing the above.
 - (4) Mr. Shinji Yuhara has abundant experience and broad insight in overseeing sales divisions. We propose his election as Director because we believe he will contribute to our management by utilizing the above.
 - (5) Mr. Junichi Kagawa has long experience in technology development divisions as well as abundant experience and broad insight as a corporate executive. We propose his election as Director because we believe he will appropriately perform his duties as Outside Director.
 - (6) Ms. Noriko Asai has high academic knowledge and abundant experience as a university professor specializing in management. We propose her election as Director because we believe she will appropriately perform her duties as Outside Director.
 - (7) Mr. Kazumasa Uemura has high academic knowledge, as well as abundant experience including cultivating human resources, as a university professor specializing in medicine and medical studies. We propose his election as Director because we believe he will appropriately perform his duties as Outside Director.
2. Special interests between the candidates for Directors and the Company
 - (1) Mr. Junichi Kagawa is commissioned by NGK SPARK PLUG CO., LTD. The Company and NGK SPARK PLUG CO., LTD. have a business transaction relationship in selling manufactured goods, etc. However, the percentage of the amount of such transaction is less than 0.2% of the consolidated net sales of the Company and NGK SPARK PLUG CO., LTD.
 - (2) There are no special interests between the other candidates and the Company.
3. * indicates a candidate for newly appointed Director.
4. Mr. Junichi Kagawa, Ms. Noriko Asai and Mr. Kazumasa Uemura are candidates for Outside Directors.
5. Remarks in relation to the candidates for Outside Directors are stated below.
 - (1) Number of years the candidates served as Outside Director

- i) The term of office of Mr. Junichi Kagawa as Outside Director will be six (6) years at the closing of this Annual General Meeting of Shareholders.
 - ii) The term of office of Ms. Noriko Asai as Outside Director will be three (3) years at the closing of this Annual General Meeting of Shareholders.
 - iii) The term of office of Mr. Kazumasa Uemura as Outside Director will be one (1) year at the closing of this Annual General Meeting of Shareholders.
- (2) Limitation Liability Agreement with Outside Directors
- The Company entered into an agreement with Mr. Junichi Kagawa, Ms. Noriko Asai and Mr. Kazumasa Uemura to limit their liabilities pursuant to Article 423, Paragraph 1 of the Companies Act to the minimum extent stipulated by Article 425, Paragraph 1 of the Companies Act. Subject to the approval of their reelection, the Company intends to continue the agreements with each of them.
6. Mr. Junichi Kagawa, Ms. Noriko Asai and Mr. Kazumasa Uemura are candidates for independent directors as stipulated by financial instruments exchanges.

Proposal 2: Election of Two (2) Audit & Supervisory Board Members

The terms of office of Audit & Supervisory Board Members, Mr. Koichi Hayashi and Mr. Takeshi Sawaizumi will expire at the conclusion of this Annual General Meeting of Shareholders. We propose the election of two (2) Audit & Supervisory Board Members.

This proposal has already been approved by the Audit & Supervisory Board.

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

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
1	Koichi Hayashi (October 28, 1964)	<p>October 1990 Joined KPMG LLP, New York Office</p> <p>April 1997 Registered as a certified public accountant</p> <p>March 2008 Representative Director, Attax Co., Ltd. (to present)</p> <p>June 2010 Audit & Supervisory Board Member, the Company (to present)</p> <p>June 2013 Outside Auditor, Plaza Create Co., Ltd. (to present)</p>	0
2	Takeshi Sawaizumi (March 19, 1951)	<p>April 1974 Joined The Sumitomo Bank, Limited (currently Sumitomo Mitsui Banking Corporation)</p> <p>November 1998 Manager, Investment Service Sales Division of the same bank</p> <p>April 2001 Manager, Bingo-cho Corporate Business Office of Sumitomo Mitsui Banking Corporation</p> <p>June 2002 Executive Officer, General Manager, Osaka Second Corporate Business Office of the same bank</p> <p>June 2003 Executive Director, Sumitomo Mitsui Card Company, Limited</p> <p>October 2006 President, Alpha REIT Advisors Co., Ltd.</p> <p>June 2008 President, SMBC Consulting Co., Ltd.</p> <p>June 2013 Chairman of the Board of the same company</p> <p>June 2014 Audit & Supervisory Board Member, the Company (to present)</p> <p>October 2014 Advisor, Laox Co., Ltd.</p>	0

(Notes)

1. There are no special interests between each candidate and the Company.
2. Mr. Koichi Hayashi and Mr. Takeshi Sawaizumi are candidates for Outside Audit & Supervisory Board Members.
3. Remarks in relation to the candidates for Outside Audit & Supervisory Board Members are stated below.
 - (1) Reasons for election of candidates for Outside Audit & Supervisory Board Members
 - i) Mr. Koichi Hayashi has expertise and experience as a certified public accountant. We propose his election as Outside Audit & Supervisory Board Member because we believe he will contribute to audit of the Company.
 - ii) Mr. Takeshi Sawaizumi has abundant experience and broad insight as a corporate executive. We propose his election as Outside Audit & Supervisory Board Member because we believe he will contribute to audit of the Company.
 - (2) Number of years the candidates served as Outside Audit & Supervisory Board Members

The term of office of Mr. Koichi Hayashi as Outside Audit & Supervisory Board Member will be eight (8) years at the closing of this Annual General Meeting of Shareholders.

The term of office of Mr. Takeshi Sawaizumi as Outside Audit & Supervisory Board Member will be four (4) years at the closing of this Annual General Meeting of Shareholders.
 - (3) Limitation Liability Agreement with Outside Audit & Supervisory Board Members

The Company entered into an agreement with Mr. Koichi Hayashi and Mr. Takeshi Sawaizumi to limit their liabilities pursuant to Article 423, Paragraph 1 of the Companies Act to the minimum extent stipulated by Article 425, Paragraph 1 of the Companies Act. Subject to the approval of their reelection, the Company intends to continue the agreements with both of them.
4. Mr. Koichi Hayashi and Mr. Takeshi Sawaizumi are candidates for independent directors as stipulated by financial instruments exchanges.

Proposal 3: Determination of Remuneration for Granting Restricted Stock to the Company's Directors

The amount of remuneration, etc. for Directors of the Company approved at the Annual General Meeting of Shareholders held on June 28, 2007 is ¥600 million per year (excluding a salary portion payable to those who are concurrently serving as employees of the Company). However, the Company would like to propose approval for the provision to Directors of the Company of remuneration for granting restricted stock separately from the aforementioned remuneration for them in order to further promote the sharing of the interests with Directors of the Company and shareholders as well as providing Directors of the Company with the incentive to sustainably improve the Company's corporate value.

Based on this proposal, the total amount of the monetary remuneration for granting restricted stock to Directors (excluding Outside Directors) of the Company (hereinafter referred to as "Eligible Directors") will be no more than ¥120 million per year, as an amount considered to be reasonable in light of the aforementioned purpose. The specific allocation to each Eligible Director shall be decided by the Board of Directors.

The currently number of Directors and the number of Directors if Proposal 1 is approved as originally proposed is seven (7) (including three (3) Outside Directors).

The Eligible Directors, based on the resolution of the Board of Directors of the Company, shall make in-kind contribution of all the monetary compensation receivables generated according to this Proposal, and shall, in return, receive the Company's common share that will be issued or disposed of by the Company. The total number of common share of the Company to be issued or disposed of in this way shall not exceed 48 thousand shares of common share per year. (However, in the event of a stock split (including allotment of the Company's common share without contribution), a reverse stock split, or any other circumstance in which the total number of the Company's common share to be issued or disposed of as restricted stock needs to be adjusted, the total number shall be reasonably adjusted.) The amount to be paid per share shall be decided by the Board of Directors of the Company to the extent not especially advantageous for the Eligible Directors based on the closing price of the Company's common share on the Tokyo Stock Exchange on the business day immediately prior to the date of the resolution of each Board of Directors meeting (or the closing price on the transaction day immediately prior thereto if no transaction is made on such business day). For the purpose of such issuance or disposal of common share of the Company, a restricted stock allotment agreement including the outlines and the following details (hereinafter referred to as the "Allotment Agreement") shall be concluded between the Company and each Eligible Director.

- (1) The Eligible Directors shall not transfer, create a security interest on, or otherwise dispose of the common share of the Company allotted under the Allotment Agreement (hereinafter referred to as the "Allotted Shares") during a time period set out by the Board of Directors of the Company (hereinafter referred to as the "Transfer Restriction Period") (this restriction shall be hereinafter referred to as the "Transfer Restriction.").
- (2) If an Eligible Director loses his or her position as Director or other positions appointed by the Board of Directors prior to the expiry of the Transfer Restriction Period, the Company shall rightfully acquire the Allotted Shares free of charge, unless such retirement is due to expiry of the term of office, retirement or other justifiable reasons.
- (3) Notwithstanding the provision in (1) above, the Company shall remove the Transfer Restriction with respect to all of the Allotted Shares at the expiry of the Transfer Restriction Period on the condition that the Eligible Director has served as Director or other positions appointed by the Board of Directors of the Company continuously during the Transfer Restriction Period; provided, however, that the number of the Allotted Shares subjected to the removal of the Transfer Restriction and the timing of such removal shall be reasonably adjusted as appropriate in the event that the Director loses his or her position as specified in (2) above prior to the expiry of the Transfer Restriction Period due to expiry of the term of office, retirement or other justifiable reasons.
- (4) At the expiry of the Transfer Restriction Period, the Company will rightfully acquire free of charge the Allotted Shares for which the Transfer Restriction is not removed pursuant to the provision in (3) above.
- (5) Notwithstanding the provision in (1) above, if a merger agreement to make the Company a non-surviving party of a merger, or a share exchange agreement or a share transfer plan to make the

Company a wholly-owned subsidiary of another party, or any other form of organizational restructuring, etc. are approved at the General Meeting of Shareholders (or by the Board of Directors of the Company if such organizational restructuring, etc. does not require the approval of the General Meeting of Shareholders of the Company) during the Transfer Restriction Period, the Company, prior to the effective date of such organizational restructuring, etc., shall remove, based on the resolution of the Board of Directors of the Company, the Transfer Restriction of the Allotted Shares in the number reasonably determined based on the time period from the date of the beginning of the Transfer Restriction Period to the date of the approval of such organizational restructuring, etc.

(6) In the case of (5) above, as of the time immediately after the removal of the Transfer Restriction as provided for in (5) above, the Company will rightfully acquire free of charge the Allotted Shares for which the Transfer Restriction is not removed.

(7) Apart from the aforementioned matters, the Allotment Agreement shall prescribe matters to be determined by the Board of Directors, including the methods of declaring intention and sending notification under the Allotment Agreement and procedures to revise the Allotment Agreement.