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(Stock Exchange Code 4617)  
May 30, 2019

**To Shareholders with Voting Rights:**

Masataka Uetake  
President and CEO  
Chugoku Marine Paints, Ltd.  
1-7, Meiji-Shinkai, Otake-Shi, Hiroshima

**NOTICE OF  
THE 122ND 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 122nd Annual General Meeting of Shareholders of Chugoku Marine Paints, Ltd. (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, follow the instructions on (2) or (3) of "4. Instructions on Exercising Voting Rights" on the next page, and exercise your voting rights by 5:00 p.m. on Wednesday, June 19, 2019, Japan time.**

- 1. Date and Time:** Thursday, June 20, 2019 at 10:00 a.m. Japan time
- 2. Place:** 3F main conference room of the Company's Hiroshima Office located at 1-7, Meiji-Shinkai, Otake-Shi, Hiroshima, Japan
- 3. Meeting Agenda:**
  - Matters to be reported:**
    1. The Business Report, Consolidated Financial Statements for the Company's 122nd Fiscal Year (April 1, 2018 - March 31, 2019) and results of audits by the Accounting Auditor and the Board of Corporate Auditors of the Consolidated Financial Statements
    2. Non-consolidated Financial Statements for the Company's 122nd Fiscal Year (April 1, 2018 - March 31, 2019)

**Proposals to be resolved:**

- Proposal 1:** Appropriation of Surplus
- Proposal 2:** Election of 6 Directors
- Proposal 3:** Election of 2 Corporate Auditors
- Proposal 4:** Election of 1 Substitute Corporate Auditor

#### 4. Instructions on Exercising Voting Rights

(1) Exercise of Voting Rights via Proxy

You may designate one (1) other shareholder with the Company's voting rights to act as your proxy and exercise the voting rights. Please be advised that the proxy must submit a documentation proving power of attorney (a letter of attorney, etc.) at the reception.

(2) Exercise of Voting Rights in Writing (Voting Rights Exercise Form)

- 1) Please indicate your vote for or against the proposal on the enclosed Voting Rights Exercise Form and return it so that it is received by the aforementioned exercise deadline.
- 2) In the event that there is no indication of being for or against each proposal in the Voting Rights Exercise Form, it will be handled as an indication of support.
- 3) In the event that voting rights are exercised both via the Voting Rights Exercise Form and the Internet, the vote via the Internet, will be deemed valid.

A "Registration Protection Sticker" will be enclosed in order to protect the shareholders' personal information. Please use it when returning the paper for the Voting Rights Exercise Form.

(3) Exercise of Voting Rights via Electromagnetic Means (the Internet)

- 1) You may exercise your voting right via the Internet only by accessing the Company's designated voting website (<https://evote.tr.mufg.jp/>) using computers or smartphones (mobile phones are not permitted), or by using a smartphone to read the "Login QR Code" presented on the lower right of the Voting Rights Exercise Form and accessing the website. For details on the exercise of voting rights by reading the QR Code, please see the enclosed leaflet (Japanese version only). (Please note that this service is unavailable every day between 2:00 a.m. and 5:00 a.m.)  
\*QR Code is a registered trademark of DENSO WAVE INCORPORATED.
- 2) Depending on their Internet user environments, shareholders may not be able to exercise their voting rights via this dedicated voting site due to Internet firewalls, antivirus software, inability to set TLS-encrypted transfers, proxy servers, etc.
- 3) Please enter the "login ID" and "temporary password" indicated on the Voting Rights Exercise Form and then enter your vote by following the on-screen instructions. To prevent persons other than shareholders from illegally accessing the website and altering the content of your voting selections, we will ask shareholders who use the website to change their "temporary passwords" on the website. When reading the "Login QR Code" via smartphone, it is possible to exercise voting rights by automatically connecting to the voting website. (Use of the "login ID" and "temporary password" are not required.)
- 4) Due to security concerns, exercise of voting rights using the QR Code is only available once. From the second time onward, you will be required to enter the "login ID" and "temporary password" even after reading the QR Code.
- 5) Depending upon the type of smartphone, it may not be possible to login with the QR Code. If you cannot login using the QR Code, please access the voting website (<https://evote.tr.mufg.jp/>) from a computer or smartphone and exercise your voting rights.
- 6) In the event that voting rights are exercised both via the Internet and the Voting Rights Exercise Form, the vote via the Internet will be deemed valid.
- 7) In the event that voting rights are exercised multiple times via the Internet, the most recent vote will be deemed valid.
- 8) Expenses related to connecting to the voting website (the Internet connection fee, etc.) will be borne by the shareholder.
- 9) Votes will be accepted via the Internet by the aforementioned exercise deadline; however, you are cordially requested to exercise your voting rights earlier, and call the Help Desk (as mentioned below) with any inquiries or questions.

For inquiries concerning systems, etc.  
Stock Transfer Agency Division, Mitsubishi UFJ Trust and Banking Corporation (Help Desk)  
Telephone: 0120-173-027 (Business hours: 9:00 a.m.- 9:00 p.m., toll free)

(4) Non-uniform Exercise of Voting Rights

Please notify the Company's shareholder registry administrator in writing to this effect, together with the reason therefor by three days prior to the General Meeting of Shareholders.

[Information for Institutional Investors]

Institutional shareholders may use the “Electronic Voting Platform for Foreign and Institutional Investors” operated by ICJ, Inc. as a method for exercising voting rights at the General Meeting of Shareholders of the Company.

When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk.

End

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- ◎ Of the documents to be included with this Notice of Convocation of the Annual General Meeting of Shareholders, the “Notes to the Consolidated Financial Statements” of the Consolidated Financial Statements and the “Notes to the Non-consolidated Financial Statements” of the Non-consolidated Financial Statements are posted on the Company’s website (<https://www.cmp.co.jp/>) in accordance with laws and regulations and the Company’s Articles of Incorporation, and are not included in the attached documents to this Notice of Convocation of the Annual General Meeting of Shareholders.
  - ◎ The above “Notes to the Consolidated Financial Statements” of the Consolidated Financial Statements and the “Notes to the Non-consolidated Financial Statements” of the Non-consolidated Financial Statements are also subject to audits by the Accounting Auditor and Corporate Auditors, alongside the attached documents to this Notice of Convocation.
  - ◎ Should the Reference Documents for the General Meeting of Shareholders, the Business Report, the Consolidated Financial Statements, and the Non-consolidated Financial Statements require revisions, the revised versions will be posted on the Company’s website.
  - ◎ The contents of the resolutions in this General Meeting of Shareholders will be posted on the Company’s website listed above, after the conclusion of this General Meeting of Shareholders, in substitution of being dispatched in writing.

# Reference Documents for the General Meeting of Shareholders

## Proposals and References

### Proposal 1: Appropriation of Surplus

It is proposed that surplus to be appropriated as follows.

#### Matters related to year-end dividends

While placing emphasis on the return of profits to shareholders, the Company's basic policy is to stably distribute results over the long term, comprehensively taking into account factors such as business results and capital efficiency. In the Medium-term Management Plan that began in April 2018, the Company will appropriate dividends with a dividend on equity (DOE) ratio of 3% and a consolidated dividend payout ratio of not less than 30%.

With regard to the year-end dividends for the 122nd fiscal year, based on the above policy, the Company proposes an annual dividend of ¥34 per share, and after deduction of the ¥17 per share implemented as an interim dividend on December 3, 2018, the value is proposed to be ¥17 per share.

1	Type of dividend assets	Cash
2	Items relating to the allocation of dividend assets to shareholders and its total amount	¥17 per share of common stock Total: ¥1,031,915,062 (As a result, ¥34 per annum adding paid interim dividend)
3	Effective date of payment of dividend from surplus	June 21, 2019

**Proposal 2:** Election of 6 Directors

The terms of office of all 6 Directors will expire at the conclusion of this Annual General Meeting of Shareholders. Accordingly, the election of 6 Directors is proposed.

The candidates for Directors are as follows. Furthermore, to increase the independence and objectivity of the selection process, the selection of candidates for Director is determined by the Board of Directors based on reports by the “Nomination Advisory Committee,” a body chaired by an Independent Director comprised of committee members of which the majority are Independent Directors.

No.	Name	Position	Attendance at Board of Directors meetings
1	Masataka Uetake <input type="text" value="Reappointment"/>	President and CEO	11/11
2	Junji Tomochika <input type="text" value="Reappointment"/>	Managing Director; Chief, Administration Headquarter	11/11
3	Yasuyuki Kiseki <input type="text" value="Reappointment"/>	Director; Chief, Production Headquarter	10/11
4	Hideyuki Tanaka <input type="text" value="Reappointment"/>	Director; Chief, Technical Headquarter	9/11
5	Koji Ueda <input type="text" value="Reappointment"/>	Candidate for Outside Director Candidate for Independent Director	Outside Director 11/11
6	Motoyoshi Nishikawa <input type="text" value="Reappointment"/>	Candidate for Outside Director Candidate for Independent Director	Outside Director 11/11

- (Notes)
1. There are no special interests between each candidate and the Company.
  2. Mr. Koji Ueda and Mr. Motoyoshi Nishikawa are candidates for Outside Director prescribed in Article 2, Paragraph 3, Item 7 of the Ordinance for Enforcement of the Companies Act.
  3. The term of office of Mr. Koji Ueda as Outside Director of the Company will be four years at the conclusion of this Annual General Meeting of Shareholders, and the term of office of Mr. Motoyoshi Nishikawa as Outside Director of the Company will be three years at the conclusion of this Annual General Meeting of Shareholders.
  4. Pursuant to the Articles of Incorporation, the Company has concluded liability limitation agreements with Mr. Koji Ueda and Mr. Motoyoshi Nishikawa, and an overview of the contents of said agreement are provided in “3-(2) Overview of content of liability limitation agreements” on page 21 of this Notice of Convocation of the Annual General Meeting of Shareholders (Japanese version only). If the reelection of both persons is approved, the Company plans to continue with said liability limitation agreements.
  5. Mr. Koji Ueda and Mr. Motoyoshi Nishikawa are candidates for Independent Director required under the rules of Tokyo Stock Exchange.





<b>No. 5</b>	<b>Koji Ueda</b>	<u>Reappointment</u>	<u>Candidate for Outside Director</u> <u>Candidate for Independent Director</u>
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Date of birth: March 8, 1962

Number of shares of the Company held: 1,600

Attendance at Board of Directors meetings: 11/11

Significant concurrent positions: Professor, Institute of Business and Accounting, Professional Graduate School, Kwansai Gakuin University; Representative Partner, Nexus Audit Corporation; Outside Corporate Auditor, YUKE'S Co., Ltd.

Past experience, positions and responsibilities at the Company

April 1996	Registered as Certified Public Accountant	April 2010	Professor, Institute of Business and Accounting, Professional Graduate School, Kwansai Gakuin University (present)
July 2006	Representative Partner, Nexus Audit Corporation (present)		
April 2007	Outside Corporate Auditor, YUKE'S Co., Ltd. (present)	June 2015	Outside Director, the Company (present)

[Reasons for selection as a candidate for Outside Director]

He possesses a wealth of experience and advanced insights as a university professor and certified public accountant, and as the Company has judged that he can continue to provide effective advice from an independent standpoint, he has been designated a candidate for Outside Director.

[About independence of candidate for Outside Director]

There are no transactional relationships between the Group and him or his place of employment, and the Company has judged that there are no conflicts of interest with ordinary shareholders.

<b>No. 6</b>	<b>Motoyoshi Nishikawa</b>	<u>Reappointment</u>	<u>Candidate for Outside Director</u> <u>Candidate for Independent Director</u>
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Date of birth: January 1, 1946

Number of shares of the Company held: 3,800

Significant concurrent positions:

Attendance at Board of Directors meetings: 11/11

Visiting Counsel, Nomura & Partners

Past experience, positions and responsibilities at the Company

April 1968	Joined Yawata Iron & Steel Co., Ltd. (currently NIPPON STEEL CORPORATION)	April 2010	Outside Audit & Supervisory Board Member, NKSJ Holdings, Inc. (currently Sampo Holdings, Inc.)
June 1997	Director, NIPPON STEEL CORPORATION	July 2011	Admitted to the bar Visiting Counsel, Nomura & Partners (present)
April 2001	Managing Director, the above company		
June 2003	Senior Advisor (Chief Legal Counsel), the above company	April 2012	Outside Director, OLYMPUS CORPORATION
July 2007	Advisor, the above company	June 2016	Outside Director, the Company (present)
June 2009	Audit & Supervisory Board Member, NITTETSU ELEX Co., Ltd. (currently NIPPON STEEL TEXENG. CO., LTD.)		

[Reasons for selection as a candidate for Outside Director]

He possesses a wealth of experience and advanced insights as an attorney, corporate manager, and Outside Director, and as the Company has judged that he can continue to provide effective advice from an independent standpoint, he has been designated a candidate for Outside Director.

[About independence of candidate for Outside Director]

There are no transactional relationships between the Group and him or his place of employment, and the Company has judged that there are no conflicts of interest with ordinary shareholders.



**Proposal 3:** Election of 2 Corporate Auditors

The terms of office of Corporate Auditors Hidenori Miyoshi and Seiichi Kawakami will expire at the conclusion of this Annual General Meeting of Shareholders. Accordingly, the election of 2 Corporate Auditors is proposed.

The candidates for Corporate Auditors are as follows.

The Board of Corporate Auditors has previously given its approval to this proposal.

<b>No. 1</b>	<b>Atsushi Ushida</b>	<u>New appointment</u>	
Date of birth: August 14, 1959		Number of shares of the Company held: 700	
Significant concurrent positions: Not applicable.			
Past experience and positions at the Company			
April 1982	Joined the Company	July 2011	General Manager, Industrial Coatings Dept., Domestic Sales & Marketing Div., Sales Headquarter
August 2002	Manager, Tohoku Sales Office, Tokyo Branch, Sales Management Dept., Industrial Div.	July 2012	Executive Officer; General Manager, Industrial Coatings Dept., Domestic Sales & Marketing Div., Sales Headquarter
April 2007	Branch Manager, Osaka Branch, Sales & Marketing Div., Industrial Coatings Headquarter	July 2013	Executive Officer; Deputy Chief, Sales Headquarter; and General Manager, Industrial Coatings Dept., Domestic Sales & Marketing Div., the above Headquarter
April 2009	Branch Manager, Osaka Branch, Domestic Sales & Marketing Div., Sales Headquarter	July 2018	Executive Officer; Deputy Chief, Sales Headquarter; and Chief, Sales & Marketing Div. (Industrial Coatings) (present)

[Reasons for selection as a candidate for Corporate Auditor]

After serving as the person responsible the Company's main sales locations, he has supervised industrial coatings divisions as Executive Officer since 2012, etc., and as the Company has judged that his wealth of experience and insight regarding the Company's business and organizational management will contribute to strengthening the Company's audit functions, he has been designated a candidate for Corporate Auditor.

No. 2	Yorito Kubota	New appointment	Candidate for Outside Corporate Auditor
			Candidate for Independent Auditor

Date of birth: February 14, 1953

Number of shares of the Company held: —

Significant concurrent positions: Licensed tax accountant

Past experience and positions at the Company

April 1971	Joined Hiroshima Regional Taxation Bureau	July 2013	Resigned from Hiroshima-higashi Taxation Office
July 2006	Director of Iwakuni Taxation Office	August 2013	Opened the business as Tax Accountant (present)
July 2009	Chief Internal Inspector, Hiroshima Detached Internal Inspector Office, Director-General's Secretariat, National Tax Agency	October 2013	Partner, Hiroshima Branch Office, HONGO TSUJI TAX & CONSULTING
July 2012	Director of Hiroshima-higashi Taxation Office	June 2016	Substitute Corporate Auditor, the Company (present)

[Reasons for selection as a candidate for Outside Corporate Auditor]

He does not have any previous experience of participation in corporate management, but he possesses a wide range of knowledge and business experience in finance and accounting. Therefore, the Company believes that he is capable of auditing the execution of Directors' duties from an objective and fair standpoint, and thus nominates him as a candidate for Outside Corporate Auditor.

[About independence of candidate for Outside Corporate Auditor]

There are no transactional relationships between the Group and him or his place of employment, and the Company has judged that there are no conflicts of interest with ordinary shareholders.

- (Notes)
1. There are no special interests between the candidate and the Company.
  2. Mr. Yorito Kubota is a candidate for Outside Corporate Auditor prescribed in Article 2, Paragraph 3, Item 8 of the Ordinance for Enforcement of the Companies Act.
  3. Mr. Yorito Kubota is a candidate for Independent Auditor required under the rules of Tokyo Stock Exchange.
  4. If Mr. Yorito Kubota is elected as Corporate Auditor, the Company is scheduled to enter into an agreement with him that limits the liability for damages stipulated in Article 423, Paragraph 1 of the Companies Act to the minimum liability amount stipulated in Article 425, Paragraph 1 of the same act.

**Proposal 4:** Election of 1 Substitute Corporate Auditor

The effectiveness of the current Substitute Corporate Auditor's appointment will expire at the opening of this Annual General Meeting of Shareholders. In order to prepare for the contingency of the number of Corporate Auditors falling below the current number, the election of 1 Substitute Corporate Auditor is proposed.

The candidate for Substitute Corporate Auditor is as follows.

The Board of Corporate Auditors has previously given its approval to this proposal.

<b>Hiroko Tani</b>	<b>New appointment</b>
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Date of birth: July 3, 1955

Number of shares of the Company held: —

Significant concurrent positions: Certified public accountant

Past experience and positions at the Company

November 1982 Joined Asahi & Co. (currently KPMG  
AZSA LLC)

June 2018  
July 2018

Resigned from KPMG AZSA LLC  
Established Certified Public Accountant  
Office (present)

August 1989 Registered as Certified Public  
Accountant

June 2004 Employee of KPMG AZSA & Co.  
(currently KPMG AZSA LLC)

(Notes) 1. There are no special interests between the candidate and the Company.

2. Ms. Hiroko Tani is a candidate for Substitute Corporate Auditor who is an Outside Corporate Auditor prescribed in Article 2, Paragraph 3, Item 8 of the Ordinance for Enforcement of the Companies Act, and meets the requirements for Independent Auditor stipulated by the Tokyo Stock Exchange. She does not have any previous experience of participation in corporate management, but she possesses a wide range of knowledge and business experience in finance and accounting. Therefore, the Company believes that she is capable of auditing the execution of Directors' duties from an objective and fair standpoint, and thus nominates her as a candidate.

3. If Ms. Hiroko Tani assumes the office of Corporate Auditor, the Company is scheduled to enter into an agreement with her that limits the liability for damages stipulated in Article 423, Paragraph 1 of the Companies Act to the minimum liability amount stipulated in Article 425, Paragraph 1 of the same act.

End