

Fuji Machine Mfg. Co., Ltd.

19 Chausuyama, Yamamachi, Chiryu Aichi, Japan
Nobuyuki Soga, President & CEO

Notice of Convocation of the 70th Ordinary General Meeting of Shareholders

To Our Shareholders:

You are cordially invited to the 70th Ordinary General Meeting of Shareholders of the Company to be held as follows.

If you are unable to attend the Meeting, you may exercise your rights to vote in writing. Please review the “Reference Material for the General Meeting of Shareholders” described below, indicate your approval or disapproval of the proposals on the enclosed Voting Card, then sign and return it so it will arrive by 6:00 p.m., Tuesday, June 28th, 2016.

Meeting Details

- 1. Date & Time:** 10:00 a.m. on Wednesday, June 29th, 2016
- 2. Place:** Grand Hall, 7th floor of the Corporate Headquarters
19 Chausuyama, Yamamachi, Chiryu, Aichi, Japan
- 3. Objectives of Meeting:**
Reporting:
 1. Presentation of the Business Report, Consolidated Financial Statements and Findings of Audits on Consolidated Financial Statements by the Independent Auditor and the Audit & Supervisory Board for the 70th Business Period (from April 1st, 2015, to March 31st, 2016)
 2. Presentation of the Non-consolidated Financial Statements for the 70th Business Period (from April 1st, 2015, to March 31st, 2016)**Agenda:**
 - Proposal 1:** Treatment of Surplus Earnings
 - Proposal 2:** Election of Eight Board Members
 - Proposal 3:** Election of One Substitute Audit & Supervisory Board Member

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- ⊙ When you attend the Meeting in person on the day, we kindly request you to submit the enclosed Voting Card to the reception desk at the meeting venue.
 - ⊙ Please note that any changes to the Reference Material for the General Meeting of Shareholders as well as the Business Report, Non-consolidated/Consolidated Financial Statements will be posted on the Company's website at <http://www.fuji.co.jp/>.

Reference Material for the General Meeting of Shareholders

Proposal 1: Treatment of Surplus Earnings

With regard to the Company's basic policy for profit sharing, we strive to maintain stable dividends, paying attention to capital demands for future business development as well as considering the continuous return of profits to shareholders as one of the most important management measures. In addition, retained earnings are used to develop products to meet market demands, to improve and strengthen the Company's business structure, including capital rationalization and investment, and to make strategic investments for future growth.

Based on the basic policy for profit sharing, we would like to announce the proposed treatment of surplus earnings for the 70th business period as follows.

Details of the year-end dividends

- (1) Type of assets distributed as dividends: Cash
- (2) Allocation of assets distributed as dividends and the total amount thereof: ¥14 per share of the Company's common stock.

Please note that the total of the dividends will amount to ¥1,345,759,520.

As a result, the annual dividend for the current fiscal year is ¥28 per share, including the interim dividend of ¥14.

- (3) Effective date of dividend distribution from surplus earnings: Thursday, June 30th, 2016

Proposal 2: Election of Eight Board Members

The term of office of all eight Board Members expires at the close of this ordinary general meeting of shareholders. Accordingly, the Company proposes the election of eight Board Members including two Outside Board Members.

Candidates for Board Members are as follows.

Candidate number	Name (Date of birth)	Career summary, position and responsibility in the Company (Position and representation of other companies)	Number of the Company's shares owned
1	Nobuyuki Soga (February 26th, 1952)	<p>April 1975 Entered the Company</p> <p>April 1997 Manager, Planning and Management Office</p> <p>April 2006 Manager, Business Planning Office, Electronics Assembly Equipment Division</p> <p>June 2007 Board Member, Executive Officer</p> <p>June 2008 Board Member, Managing Executive Officer</p> <p>June 2009 President & CEO (To present)</p>	21,600
2	Shinsuke Suhara (October 3rd, 1957)	<p>April 1981 Entered the Company</p> <p>April 2004 Manager, Development Department 1, Electronics Assembly Equipment Division</p> <p>June 2008 Executive Officer; Deputy General Manager, Electronics Assembly Equipment Division; Manager, General Engineering Department 1</p> <p>June 2010 Board Member, Executive Officer</p> <p>June 2012 Board Member, Managing Executive Officer</p> <p>June 2015 Board Member, Senior Managing Executive Officer; General Manager, Electronics Assembly Equipment Division (To present)</p> <p>[Representation of Other Companies] Chairman, Kunshan Fuji Machine Mfg. Co., Ltd.</p>	3,000
3	Seigo Kodama (March 12th, 1954)	<p>April 1979 Entered the Company</p> <p>April 2004 Manager, Software Development, Electronics Assembly Equipment Division</p> <p>June 2008 Executive Officer; Head, Technology Development Center</p> <p>June 2012 Board Member, Executive Officer</p> <p>June 2015 Board Member, Managing Executive Officer; Head, Development Center (To present)</p> <p>[Representation of Other Companies] President & CEO, ADTEK FUJI Co., Ltd.</p>	9,000
4	Takayoshi Kawai (July 14th, 1954)	<p>April 1978 Entered the Company</p> <p>April 2004 Manager, Control Technology Development Department, Electronics Assembly Equipment Division</p> <p>June 2008 Executive Officer; Deputy General Manager, Electronics Assembly Equipment Division; Manager, General Engineering Department 2</p> <p>May 2010 President & CEO, Edec Linsey System Co., Ltd.</p> <p>June 2013 Board Member, Executive Officer</p> <p>June 2015 Board Member, Managing Executive Officer; General Manager, Machine Tools Division; Factory Manager, Fujioka Factory (To present)</p>	8,200

Candidate number	Name (Date of birth)	Career summary, position and responsibility in the Company (Position and representation of other companies)	Number of the Company's shares owned
5	Mitsuji Tatsumi (April 12th, 1958)	<p>April 1982 Joined Dainippon Screen Mfg. Co., Ltd. (Currently SCREEN Holdings Co., Ltd.)</p> <p>December 2009 Entered the Company</p> <p>April 2010 General Manager, Accounting Department, Management Division</p> <p>July 2012 Executive Officer; General Manager, Accounting Department</p> <p>June 2014 Board Member, Executive Officer; General Manager, Accounting Department (To present)</p>	7,000
6	Hajime Ezaki (October 5th, 1957)	<p>April 1980 Joined Nichimen Co., Ltd (Currently Sojitz Corporation)</p> <p>November 2003 Entered the Company</p> <p>April 2007 General Manager, International Sales Department No.2 Electronics Assembly Equipment Division</p> <p>June 2011 Executive Officer; Manager, Planning and Management Office</p> <p>March 2014 Executive Officer; General Manager, Marketing and Strategic Planning Department</p> <p>June 2015 Board Member, Executive Officer; General Manager, Marketing and Strategic Planning Department (To present)</p>	1,000
7	Nobuyuki Matsui (May 7th, 1943) Outside Board Member Independent Director	<p>April 1985 Professor, Department of Electrical and Computer Engineering, Nagoya Institute of Technology</p> <p>January 2004 President, Nagoya Institute of Technology</p> <p>June 2010 Outside Board Member of the Company (To present)</p> <p>[Representation of Other Companies] Part-time Specially Appointed Professor to the Chairman of the Board of Trustees, Chubu University Outside Director, Rinnai Corporation Outside Director, Aichi Tokei Denki Co., Ltd.</p>	—
8	Nobuko Kawai (December 5th, 1961) Outside Board Member Independent Director	<p>April 1992 Registered as a lawyer Joined Nishimura & Sanada Law Office (Currently NISHIMURA & ASAHI)</p> <p>January 1995 Joined Chujo Law Office</p> <p>April 1998 Established Nobuko Kawai Law Office (Representative) (To present)</p> <p>April 2002 Contract lawyer, The Japan Center for Settlement of Traffic Accident Disputes (To present)</p> <p>January 2004 Civil Conciliator, Nagoya Summary Court</p> <p>April 2009 Vice Chairman, Aichi Bar Association</p> <p>October 2009 Chairman, Kasugai City Equity Commission (To present)</p> <p>June 2015 Outside Board Member of the Company (To present)</p> <p>[Representation of Other Companies] Professor of the Law School, Nagoya University</p>	—

Notes:

1. These candidates have no particular interests in the Company.

2. Matters on candidates for Outside Board Members

- (1) Nobuyuki Matsui and Nobuko Kawai are candidates for Outside Board Members.
- (2) Although Nobuyuki Matsui has no corporate management experience other than his experience as Outside Board Member, he is nominated as Outside Board Member because the Company believes that he will be able to adequately serve as a decision maker for management issues and as a supervisor for the performance of Company operations, taking advantage of his expertise and experience as a former university professor and president.
- (3) Although Nobuko Kawai has no corporate management experience other than her experience as Outside Board Member, she is nominated as Outside Board Member because the Company believes that she will be able to adequately serve as a decision maker for management issues and as a supervisor for the performance of Company operations, taking advantage of her expertise and experience as a lawyer.
- (4) Nobuyuki Matsui and Nobuko Kawai are incumbent Outside Board Members of the Company. The length of service of Mr. Matsui and Ms. Kawai as Outside Board Members will be six years and one year, respectively, at the close of this ordinary general meeting of shareholders.
- (5) Pursuant to Article 427, Paragraph 1, of the Companies Act, an agreement to limit the liability for damages set forth in, Article 423, Paragraph 1, of the said act is entered into between the Company and Nobuyuki Matsui and Nobuko Kawai. When Mr. Matsui and Ms. Kawai are reappointed, the Company intends to continue the agreement with them. The limit of the liability for damages under the agreement will be the amount stipulated in applicable laws.
- (6) The Company has designated Nobuyuki Matsui and Nobuko Kawai as Independent Directors according to the regulations of the Tokyo Stock Exchange and the Nagoya Stock Exchange, and has notified said Exchanges of that.

Proposal 3: Election of One Substitute Audit & Supervisory Board Member

The Company proposes that one Substitute Audit & Supervisory Board Member be elected in case of a vacancy in the statutory number of Audit & Supervisory Board Members.

As long as it occurs before he assumes office, the election of this Substitute Audit & Supervisory Board Member can be nullified by a resolution of the Board of Directors, with the consent of the Audit & Supervisory Board.

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

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

Name (Date of birth)	Career summary, position in the Company (Position and representation of other companies)	Number of the Company's shares owned
Masaaki Abe (October 31st, 1960) Substitute Outside Audit & Supervisory Board Member Independent Auditor	April 1990 Registered as a Certified Public Accountant April 1992 Established Masaaki Abe Certified Public Accountant Office (Representative) (To present) November 1992 Registered as a Certified Tax Accountant Established Masaaki Abe Certified Tax Accountant Office (Representative) December 2011 Established Abe Certified Tax Accounting Corporation (Representative) (To present)	—

Notes:

1. This candidate has no particular interests in the Company.
2. Matters on the candidate for Substitute Outside Audit & Supervisory Board Member
 - (1) Masaaki Abe is a candidate for Substitute Outside Audit & Supervisory Board Member.
 - (2) Although Masaaki Abe has no corporate management experience, he is nominated as Substitute Outside Audit & Supervisory Board Member because the Company believes that, if he assumes the office of Audit & Supervisory Board Member, he will be able to utilize his expertise and experience as a Certified Public Accountant and Certified Tax Accountant to benefit the auditing system of the Company.
 - (3) Pursuant to Article 427, Paragraph 1, of the Companies Act, the Company will conclude an agreement to limit the liability for damages set forth in Article 423, Paragraph 1, of the said act with Masaaki Abe if he assumes the office of Audit & Supervisory Board Member. The limit of the liability for damages under the agreement will be the amount stipulated in applicable laws.
 - (4) Masaaki Abe satisfies the qualifications for Independent Auditor according to the regulations of the Tokyo Stock Exchange and the Nagoya Stock Exchange.