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(Stock Exchange Code 9065)  
June 10, 2020

**To Shareholders with Voting Rights:**

Kimihiro Nakamura  
President (Representative Director)  
Sankyu Inc.  
6-7 Minatomachi, Moji-ku, Kitakyusyu-shi,  
Fukuoka  
Head Office: 5-23, Kachidoki, 6-chome,  
Chuo-ku, Tokyo

**NOTICE OF  
THE 111th ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

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

We hereby inform you that the 111th Annual General Meeting of Shareholders of Sankyu Inc. (the “Company”) will be held 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 following the Instructions for the Exercise of Voting Rights, no later than 5:35 p.m. on Wednesday, June 24, 2020, Japan time.

- 1. Date and Time:** Thursday, June 25, 2020 at 10:00 a.m. Japan time (Reception starts at 9:00 a.m.)
- 2. Place:** Conference room at the Company located at  
5-23, Kachidoki, 6-chome, Chuo-ku, Tokyo, Japan  
(Please see the map of the venue for the General Meeting of Shareholders at the end of this document (Japanese version).)
- 3. Meeting Agenda:**
  - Matters to be reported:**
    1. The Business Report and Consolidated Financial Statements for the Company’s 111th Fiscal Year (April 1, 2019 - March 31, 2020) 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 111th Fiscal Year (April 1, 2019 - March 31, 2020)
  - Proposals to be resolved:**
    - Proposal 1:** Distribution of Surplus
    - Proposal 2:** Election of 7 Directors
    - Proposal 3:** Election of 1 Substitute Corporate Auditor

#### **4. Instructions for the Exercise of Voting Rights**

**(1) Method for exercising voting rights**

You can exercise your voting rights through one of the following three means: by attending the meeting, mailing the Voting Rights Exercise Form, or via the Internet.

**(2) Handling of duplicate voting**

If you have exercised your voting rights both by mailing the Voting Rights Exercise Form and via the Internet, only the exercise of voting rights via the Internet shall be deemed effective.

If you have exercised your voting rights more than once via the Internet, only the final execution shall be deemed effective.

If you attend the meeting after exercising your voting rights by mailing the Voting Rights Exercise Form or via the Internet, your voting rights shall be deemed to have been exercised at the meeting.

**(3) Exercising of voting rights by a proxy**

If you are unable to attend the meeting, another shareholder with voting rights can attend the meeting as a proxy. However, please note that it is necessary to submit the written proof of the right of proxy.

**(4) Disclosure via the Internet**

Of the documents needed to be attached to this notice of convocation, the items 1) to 5) below are posted on the Company's website (<https://www.sankyu.co.jp/>), in accordance with laws and regulations as well as the provisions in Article 16 of the Company's Articles of Incorporation and are therefore not included in this attached document.

- 1) Systems and Policies of the Company
- 2) Consolidated Statements of Changes in Equity
- 3) Notes to Consolidated Financial Statements
- 4) Statements of Changes in Equity
- 5) Notes to Non-consolidated Financial Statements

The Business Report, Non-consolidated Financial Statements and Consolidated Financial Statements that were audited by the Board of Corporate Auditors include the items 1) to 5) above in addition to those stated in this attached document. The Non-consolidated Financial Statements and Consolidated Financial Statements that were audited by the Accounting Auditor include the items 2) and 5) above in addition to those stated in this attached document.

- When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk.
- Should the Reference Documents for the General Meeting of Shareholders, the Business Report, the Non-consolidated Financial Statements and Consolidated Financial Statements require revisions, the revised versions will be posted on the Company's website (<https://www.sankyu.co.jp/>).

# Reference Documents for the General Meeting of Shareholders

## Proposals and References

### **Proposal 1:** Distribution of Surplus

Regarding dividends, the Company recognizes stable return of profits to shareholders as one of its top management priorities and has a basic policy on profit distribution to distribute earnings based on business results while making strategic capital investments and enhancing its financial soundness for future business development.

Based on this policy, the year-end dividend for this fiscal year shall be as follows, taking into consideration business results for this fiscal year and future enhancement of business competitiveness and financial structure.

#### **1. Items related to the year-end dividend**

- (1) Items related to the allocation of dividend property to shareholders and its total amount  
50 yen per common share of the Company  
Total of 3,025,108,150 yen
- (2) Date the distribution of surplus comes into effect:  
June 26, 2020

#### **2. Items related to the distribution of surplus**

- (1) Increasing surplus account and its amount  
General reserves 12,500,000,000 yen
- (2) Decreasing surplus account and its amount  
Retained earnings brought forward 12,500,000,000 yen



If this Proposal is approved as proposed, the annual dividend for this fiscal year will be 105 yen per share, including an interim dividend.



**Proposal 2:** Election of 7 Directors



The terms of office of 5 Directors Takashi Ogawa, Masao Inoue, Toshio Yuki, Hiroshi Otake and Terukazu Okahashi will expire at the conclusion of this year's Annual General Meeting of Shareholders. Accordingly, the election of 7 Directors is proposed to further strengthen the coming management system.


The candidates are as follows:

No.	Name	Current positions	Responsibilities	Attendance at the Board of Directors' meetings
1	Takashi Ogawa [Reappointment]	Senior Executive Director (Representative Director)	Member of the Board Director, Administration	100% (15 out of 15 meetings)
2	Masao Inoue [Reappointment]	Director & Executive Managing Officer	Senior General Manager, Plant Engineering Services Division	100% (15 out of 15 meetings)
3	Toshio Yuki [Reappointment]	Director & Executive Managing Officer	Director in charge of Corporate Planning	100% (15 out of 15 meetings)
4	Hiroshi Otake [Reappointment]	Director & Corporate Officer	CTO and Senior General Manager, Technical Development & Administration Division	100% (15 out of 15 meetings)
5	Terukazu Okahashi [Reappointment] [External Director] [Independent Director]	Director		100% (15 out of 15 meetings)
6	Toshiaki Arima [New appointment]	Executive Managing Officer		-
7	Makoto Ogawa [New appointment] [External Director] [Independent Director]			-

No.	Name (Date of birth) (Age)	Past experience, positions and responsibilities	Number of shares of the Company held
1	 <p>Takashi Ogawa (September 7, 1956) (63) [Reappointment]</p>	<p>April 1980    Joined the Company</p> <p>July 2003    General Manager, Logistics Planning Dept.</p> <p>April 2005    General Manager, Planning Dept., Logistics Solution Division</p> <p>April 2008    General Manager, Corporate Planning Dept.</p> <p>May 2011    Corporate Officer For Kansai Area</p> <p>June 2011    Corporate Officer</p> <p>April 2014    Executive Managing Officer in charge of Corporate Planning</p> <p>June 2014    Director &amp; Executive Managing Officer</p> <p>April 2016    Senior Executive Director (Representative Director) (to present) Member of the Board, Director, Administration (to present)</p> <p>[Significant concurrent positions] Not applicable</p>	4,300
<p>[Reason for nomination as candidate]</p> <p>Having served as General Manager of Planning Dept., Logistics Solution Division, General Manager, Corporate Planning Dept., and Corporate Officer for Kansai Area which is the head of regional business unit, Mr. Takashi Ogawa has abundant experience in business and corporate management of the Group. The Company nominated him as a candidate for Director because we expect that he will continue to fulfill a sufficient role of decision making on important matters in the administration section of the Company and supervision of management execution by making use of his experience.</p>			
2	 <p>Masao Inoue (December 9, 1956) (63) [Reappointment]</p>	<p>April 1981    Joined the Company</p> <p>April 2005    General Manager, Chiba Branch</p> <p>April 2009    General Manager, Kimitsu Branch</p> <p>April 2012    Corporate Officer For Eastern Japan Area</p> <p>June 2012    Corporate Officer</p> <p>April 2016    Executive Managing Officer Senior General Manager, Plant Engineering Services Division (to present)</p> <p>June 2016    Director &amp; Executive Managing Officer (to present)</p> <p>[Significant concurrent positions] Not applicable</p>	2,800
<p>[Reason for nomination as candidate]</p> <p>Since Mr. Masao Inoue has deeply engaged in our mainstay steel and chemical business as the head of the branches and served as Corporate Officer for Eastern Japan Area which is the head of regional business unit, he has abundant experience in business and corporate management of the Group. The Company nominated him as a candidate for Director because we expect that he will continue to fulfill a sufficient role of decision making on important matters in the business section of the Company and supervision of management execution by making use of his experience.</p>			

No.	Name (Date of birth) (Age)	Past experience, positions and responsibilities	Number of shares of the Company held
3	 <p>Toshio Yuki (June 10, 1959) (61)</p> <p>[Reappointment]</p>	<p>April 1983      Joined The Industrial Bank of Japan Limited (currently Mizuho Bank, Ltd.)</p> <p>May 2009      General Manager, International Department, Mizuho Securities Co., Ltd. (seconded)</p> <p>January 2012    Joined the Company</p> <p>April 2012      Director, SANKYU SOUTHEAST ASIA HOLDINGS PTE. LTD. (Seconded overseas)</p> <p>April 2016      Head in charge of Corporate Planning (to present)</p> <p>April 2019      Director &amp; Executive Managing Officer (to present)</p> <p>[Significant concurrent positions] Not applicable</p>	3,700
<p>[Reason for nomination as candidate]</p> <p>Mr. Toshio Yuki, who was originally from The Industrial Bank of Japan Limited (currently Mizuho Bank, Ltd.), had served as a Director at a holding company of the Company's overseas subsidiaries for four years while making use of abundant experience in a global financial institution. The Company nominated him as a candidate for Director because we expect that he will continue to fulfill a sufficient role of decision making on important matters in the corporate planning section of the Company and supervision of management execution.</p>			
4	 <p>Hiroshi Otobe (February 13, 1960) (60)</p> <p>[Reappointment]</p>	<p>April 1983      Joined Sumitomo Metal Industries, Ltd. (currently NIPPON STEEL CORPORATION)</p> <p>October 2012    General Manager, Equipment &amp; Maintenance Technology Center</p> <p>April 2016      Joined the Company Deputy General Manager, Technical Development &amp; Administration Division</p> <p>June 2016      Corporate Officer</p> <p>April 2018      CTO and Senior General Manager, Technical Development &amp; Administration Division (to present)</p> <p>June 2018      Director &amp; Corporate Officer (to present)</p> <p>[Significant concurrent positions] Not applicable</p>	4,600
<p>[Reason for nomination as candidate]</p> <p>Mr. Hiroshi Otobe, who was originally from Sumitomo Metal Industries, Ltd. (currently NIPPON STEEL CORPORATION), has abundant experience in technologies for facilities and their maintenance in the steel and other industries. By making use of such experience, he had served as Deputy General Manager and General Manager of Technical Development &amp; Administration Division. The Company nominated him as a candidate for Director because we expect that he will continue to fulfill a sufficient role of decision making on important matters in the technical development &amp; administration section of the Company and supervision of management execution.</p>			

No.	Name (Date of birth) (Age)	Past experience, positions and responsibilities	Number of shares of the Company held
5	 <p>Terukazu Okahashi (November 25, 1949) (70)</p> <p>[Reappointment] [External Director] [Independent Director]</p>	<p>April 1972      Joined MITSUI &amp; CO., LTD.  April 2006      Executive Officer, Deputy General Manager, Osaka Office  April 2009      President, Mitsui &amp; Co.(Canada) Ltd.  March 2011      Retired from Mitsui &amp; Co.(Canada) Ltd.  May 2011      Advisor, Seiko Holdings Corporation (to present)  June 2014      External Director, the Company (to present)</p> <p>[Significant concurrent positions]  External Director, Infomart Corporation  External Director, Mercuria Investment Co., Ltd.</p>	0
<p>[Reason for nomination as candidate]  Mr. Terukazu Okahashi has abundant experience and excellent insights as a corporate manager and has provided valuable opinions and suggestions on the Company's management as an External Director. The Company has concluded that he is well qualified to be an External Director going forward of decision making on important matters at the Company's Board of Directors and supervision of management execution.</p> <p>[Years of service as External Director]: 6 years (at the conclusion of this Annual General Meeting of Shareholders)</p>			
6	 <p>Toshiaki Arima (September 24, 1956) (63)</p> <p>[New appointment]</p>	<p>April 1979      Joined the Company  April 2005      President, SANKYU (SINGAPORE) PRIVATE LIMITED  April 2010      Corporate Officer For Southeast Asia Area, the Company  June 2010      Corporate Officer  October 2010      Corporate Officer For Southeast Asia Area, the Company and President, SANKYU SOUTHEAST ASIA HOLDINGS PTE. LTD.  April 2012      Deputy General Manager, On-Site Business Solution Division, the Company (to present)  April 2018      Executive Managing Officer (to present)</p> <p>[Significant concurrent positions]  Not applicable</p>	2,900
<p>[Reason for nomination as candidate]  Since Mr. Toshiaki Arima has deeply engaged in our mainstay chemical business and served as the head of an overseas affiliated company and Corporate Officer for Southeast Asia Area which is the head of regional business unit in the overseas area business centered on Southeast Asia, he has abundant experience in business and corporate management of the Group. The Company nominated him as a candidate for Director because we expect that he will fulfill a sufficient role of decision making on important matters in the business section of the Company and supervision of management execution by making use of his experience.</p>			

No.	Name (Date of birth) (Age)	Past experience, positions and responsibilities	Number of shares of the Company held
7	 <p>Makoto Ogawa (March 24, 1961) (59)</p> <p>[New appointment] [External Director] [Independent Director]</p>	<p>April 1983      Joined Ministry of Labour (currently Ministry of Health, Labour and Welfare)</p> <p>June 2016      Director-General, Secretariat of Central Labour Relations Commission, Ministry of Health, Labour and Welfare</p> <p>July 2017      Director-General, Employment Security Bureau</p> <p>July 2018      Retired</p> <p>[Significant concurrent positions] Not applicable</p>	0
<p>[Reason for nomination as candidate]</p> <p>Although Mr. Makoto Ogawa, who was originally from Ministry of Labour (currently Ministry of Health, Labour and Welfare) has not been involved in corporate management as a director or corporate auditor of a company, the Company has concluded that he is well qualified to be an External Director by taking into consideration that he will provide appropriate opinions and instructions regarding decision making on important matters at the Company's Board of Directors and supervision of management execution across a wide range of fields in the Company including human resources, labor relations, safety, and health, by making use of abundant experience in labor administration.</p>			

(Notes)

1. There are no special interests between each candidate and the Company.
2. Matters regarding the candidate for External Director are as follows.

(1) Liability limitation agreement with External Directors

Mr. Terukazu Okahashi is currently External Director of the Company and the Company has entered into an agreement with him to limit his liability pursuant to Article 423, Paragraph 1 of the Companies Act in accordance with the provisions of Article 427, Paragraph 1 of the Companies Act. If the election of Mr. Terukazu Okahashi and Mr. Makoto Ogawa is approved, the Company intends to renew or newly enter into said agreement with them. The maximum amount of liability pursuant to the agreement is the amount stipulated by laws and regulations if they have performed their duties in good faith and without gross negligence.

- (2) The Company has registered Mr. Terukazu Okahashi as Independent Director/Auditor with the Tokyo Stock Exchange, Inc. and Fukuoka Stock Exchange. If the election of Mr. Terukazu Okahashi and Mr. Makoto Ogawa is approved, they will continue to serve or newly serve as Independent Directors.




**Proposal 3:** Election of 1 Substitute Corporate Auditor

In order to prepare for cases where a vacancy results in a shortfall in the number of Corporate Auditors prescribed by laws and regulations, we propose the election of one Substitute Corporate Auditor, since validity of the election of Mr. Yoshihiro Nishi as Substitute Corporate Auditor elected at the 109th Annual General Meeting of Shareholders held on June 27, 2018 will expire at the commencement of this year's Annual General Meeting of Shareholders.

Validity of the election of Substitute Corporate Auditor can be cancelled only before the assumption of office, subject to the consent of the Board of Corporate Auditors, and by the resolution of the Board of Directors.

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

The candidate is as follows:

Name (Date of birth) (Age)	Past experience, positions and responsibilities	Number of shares of the Company held
 Yoshihiro Nishi (May 4, 1972) (48)  [External Corporate Auditor] [Independent Corporate Auditor]	December 2008 Registered as an attorney-at-law (Dai-Ichi Tokyo Bar Association) January 2009 Joined Daiichi Kyodo Law Office (to present) June 2016 Substitute Corporate Auditor, the Company (to present)  [Significant concurrent positions] Attorney-at-law	0
[Reason for nomination as candidate] Although Mr. Yoshihiro Nishi has not been involved in corporate management as a director or corporate auditor of a company, the Company nominated him as a candidate for Substitute Corporate Auditor because we considered that he can perform his duties appropriately as External Corporate Auditor since he has expertise and abundant experience as an attorney-at-law.		

(Notes)

1. There are no special interests between the candidate and the Company.
2. Mr. Yoshihiro Nishi is a candidate for External Corporate Auditor.
3. If the election of Mr. Yoshihiro Nishi is approved, the Company intends to enter into an agreement with him to limit his liability pursuant to Article 423, Paragraph 1 of the Companies Act in accordance with the provisions of Article 427, Paragraph 1 of the Companies Act. The maximum amount of liability pursuant to the agreement is the amount stipulated by laws and regulations if he has performed his duties in good faith and without gross negligence.
4. The Company has registered Mr. Yoshihiro Nishi as Independent Director/Auditor with the Tokyo Stock Exchange, Inc. and Fukuoka Stock Exchange. Mr. Yoshihiro Nishi will serve as Independent Auditor, if he assumes office as External Corporate Auditor due to a shortfall in the number of Corporate Auditors prescribed by laws and regulations after his election has been approved as proposed in this Proposal.