



June 12, 2017

To our shareholders,

Company name: C.Uyemura & Co., Ltd.  
Representative: Hiroya Uyemura, President  
(Code No.: 4966 TSE 2nd Section)  
Inquiries: Yoshitsugu Katayama, Managing  
Director, Head of Corporate Management Division  
(TEL +81-6-6202-8518)

**Supplementary Explanation Concerning the Proposal to the Company's 89th Annual General Meeting of Shareholders**

Thank you for your continued support of C.Uyemura & Co., Ltd.(the "Company")

We have received information that the proxy advisory firm, Institutional Shareholder Services Inc. ("ISS"), is recommending voting against Proposal 3-2, Proposal 3-3 and Proposal 4 of the proposals to be submitted to the 89th Annual General Meeting of Shareholders scheduled to be held on June 29, 2017.

The purpose of this letter is to provide you with a supplementary explanation on the Company's view to the proposals, and we ask that you read the content and understand our position.

1. Content of the ISS recommendation to vote against the proposal

Proposal 3-2: Recommendation to vote against the nomination of Tsuyoshi Kameoka as a candidate for Outside Audit & Supervisory Board Member due to lack of independence as a result of being a (past) interested party of a business partner.

Proposal 3-3: Recommendation to vote against the nomination of Toru Iijima as a candidate for Outside Audit & Supervisory Board Member due to lack of independence as a result of being an interested party of a business partner.

Proposal 4: Recommendation to vote against the granting of retirement benefits to retiring Audit & Supervisory Board Member Masayuki Somete due to the amount of the payment not being disclosed.

2. The Company's view and supplementary explanation

Proposal No. 3-2

Candidate for Audit & Supervisory Board Member: Tsuyoshi Kameoka

Tsuyoshi Kameoka has the background of serving as Audit & Supervisory Board Member of Kameoka Combination General Laboratory Ltd. in the past, however, he was not a person who executed the business of the said firm and does not violate the independence criteria of the Tokyo Stock Exchange. The candidate for Director, Akihiko Takahashi is also from Kameoka Combination General Laboratory Ltd. The relationship between the Company and the above mentioned firm is described by numbers in the “Independent Directors/Auditors Notification” and ISS has recommended the approval of his nomination as a candidate for Director. (The revenue ratio in the firm for the Company is 1.0%. ) This is applied to Tsuyoshi Kameoka as well. In view of these facts, it is our conclusion that there is no particular problem even under ISS independence criteria.

Proposal No. 3-3

Candidate for Audit & Supervisory Board Member: Toru Iijima

In the year ended March 2017, the Company’s payments to Sumitomo Metal Mining Co., Ltd. totaled 3.35 billion yen, accounting for only 0.5% revenue of that company. In view of this fact, we believe that there is no particular problem concerning independence.

Proposal No. 4

Disclosure of the Amount of Retirement Benefits to be Paid

The amount of retirement benefits to be paid to retiring Audit & Supervisory Board Member Masayuki Somete is 3,500,000 yen based on an annual amount of 800,000 yen per year for the term of office and an additional career achievement bonus pursuant to the provisions of the Regulations on Retirement Benefits of Officers. A provision for these retirement benefits is allocated under directors’ compensations every year.

We appreciate all your understanding of the Company’s views, and that you vote accordingly in the Annual General Meeting of Shareholders.

End