

**UBE INDUSTRIES, LTD.**

**Notice of the 112th Ordinary General Meeting of Shareholders**

**This document is an abridged translation of the Japanese original. It is for reference purposes for shareholders living outside Japan, and does not constitute a formal translation of the original notice. Certain information, including the Company's business report and account documents, both consolidated basis and non-consolidated basis, has been intentionally omitted from the translation.**

June 8, 2018

Dear Shareholder:

You are cordially invited to attend the 112th Ordinary General Meeting of Shareholders of Ube Industries, Ltd., to be held in **the conference room, 3rd floor, Ube Kosan Building**, 8-1, Aioicho, Ube City, Japan on **June 28, 2018 at 10 o'clock in the morning**.

If you do not expect to attend the meeting, we request that you review the accompanying reference documents at the 112th General Meeting of Shareholders and exercise your voting right by way of the enclosed Voting Card or electric methods such as internet, with reference to Voting Information as described below .

Sincerely,

Yuzuru Yamamoto  
President and Representative Director  
Ube Industries, Ltd.  
1978-96, O-Aza Kogushi,  
Ube-shi, Yamaguchi-ken  
755-8633,  
Japan

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**Notes :**

- (1) If attending the meeting in person, please remember to bring the Voting Card enclosed with these materials and hand it to a receptionist. The reception for the meeting starts at 9:00 a.m.
- (2) Any revisions to the reference documents for the Ordinary General Meeting of Shareholders, Annual Reports, Consolidated Account Documents, and Non-Consolidated Account Documents shall be posted on the Company's website at <http://www.ube.co.jp> (Japanese) and <http://www.ube-ind.co.jp/english/index.htm> (English).

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**Notes:**

**1. DATE and TIME** 10:00 a.m. Thursday June 28, 2018

**2. PLACE** The conference room, 3rd floor, Ube Kosan Building  
8-1, Aioicho, Ube City, Japan

**3. OBJECTIVES OF THE MEETING:**

**MATTERS TO BE REPORTED:**

1. Reports on the Annual Reports, and the Consolidated Account Documents for 112th fiscal year (from April 1, 2017 to March 31, 2018) as well as the Audit Reports on Consolidated Account Documents by Independent Auditors and the Board of Auditors
2. Reports on the Non-Consolidated Account Documents for 112th fiscal year (from April 1, 2017 to March 31, 2018)

**PROPOSALS :**

- Proposal 1: Disposition of Retained Earning  
Proposal 2: Amendment of a part of the Articles of Incorporation  
Proposal 3: Election of eight Directors  
Proposal 4: Election of one alternate outside Auditor

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**Notes for disclosure of Company's information through internet :**

The following items are not contained within the documentation accompanying this Notice of the 112th Ordinary General Meeting of Shareholders. In accordance with relevant laws and regulations and with Article 16 of the Company's Articles of Incorporation, this information has been published separately on the Company's website at <http://www.ube-ind.co.jp> (Japanese) and <http://www.ube-ind.co.jp/english/index.htm> (English).

- ① Matters related to the Stock Acquisition Rights, etc.
- ② Consolidated Statements of Changes in Net Asset and Notes to Consolidated Account Documents
- ③ Non-Consolidated Statements of Changes in Net Asset and Notes to Non-Consolidated Account Documents

The Reports on the Annual Reports, The Consolidated Account Documents and Non-Consolidated Account Documents which have been audited by Auditors shall include not only the attached documents of this Notice of the 112th Ordinary General Meeting of Shareholders, but also the No.①, ② and ③ of the items mentioned above, which published on the Company's website at <http://www.ube-ind.co.jp> (Japanese) and <http://www.ube-ind.co.jp/english/index.htm> (English).

The Consolidated Account Documents and Non-Consolidated Account Documents which have been audited by Independent Auditor shall include not only the attached documents of this Notice of the 112th Ordinary General Meeting of Shareholders, but also the No.② and ③ of the items mentioned above, which published on the Company's website at <http://www.ube-ind.co.jp> (Japanese) and <http://www.ube-ind.co.jp/english/index.htm> (English).

**Notes for notice of Resolution of General Meeting of Shareholders :**

Please be advised that a written notice of the resolutions at General Meeting of Shareholders will no longer be send to shareholders for resource-saving, instead, it will be posted on the Company's website above after the meeting.

End of document

## Guide to the Exercise of the Voting Rights

You may exercise your voting rights by following three methods.

### 1. Attending the General Meeting of Shareholders

If you attend the General Meeting of Shareholders to exercise your voting right, please submit the enclosed Voting Card at the reception . In order to conserve resources, please bring this Notice with you to the meeting place.

You can exercise your voting rights by designating a shareholder who has voting rights and will attend the General Meeting of Shareholders as your delegate. In such case, a Power of Attorney will need to be submitted in accordance with the provisions of the Article of Incorporation.

We sincerely ask you to come to the meeting place a little early as the reception will be extremely crowded immediately before the opening of the meeting..

Date and Time of the General Meeting of Shareholders	10:00 a.m. Thursday June 28, 2018 (The reception is scheduled to open at 9:00 a.m.)
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### 2. Exercising the Voting Rights by Mail

If you exercise your voting right by mail, please indicate your approval or disapproval of each of the proposals in the space provided on the enclosed Voting Card, affix your signature or registered seal, and return the Voting Card to the Company.

Exercise Due Date	Received by 5:30 p.m., Wednesday June 27, 2018 (Japan Time)
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### 3. Exercising the Voting Rights via Internet

If you exercise your voting right via Internet, Please access the Company's designated the Voting Web Site (<http://www.evvote.tr.mufig.jp/>) to exercise your voting rights online, and enter your vote of approval or disapproval for each proposal by following on-screen guidance.

For details, please follow the notes below.

Exercise Due Date	Input by 5:30 p.m., Wednesday June 27, 2018 (Japan Time)
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## Guide to the Exercise of the Voting Rights via Internet

### (1) Voting Web Site

Voting web site designated by the Company : <http://www.evotetr.mufig.jp/>

- (i) Voting from personal computer or smartphone may not be made depending on your internet using environment such as firewall in access to internet, anti-virus software, proxy server, or or lack of designating TLS-encrypted transmissions, etc...
- (ii) Voting from cell phone shall be made through the service of i mode, EZweb or Yahoo ! Keitai. For security purpose, the service is not usable by the cell phone which may not send TLS-encrypted transmissions (SSL transmissions) or call phone information.

### (2) Way of Voting

- (i) Once you have accessed the Voting Web Site (<http://www.evotetr.mufig.jp/>), click the “Next Screen”.
- (ii) Please enter your “Login ID” and “Temporary Password” shown on the bottom right of the your Voting card, then click the “Login”.
- (iii) Please enter your “Present Password”, “New Password” and “New Password” (for confirmation), then click the “Send”.
- (iv) Please cast your vote by following the directions on the screen.

### (3) Voting Right Exercised in Plural Times

- (i) Please be noted in case that a voting right is exercised in both by mail and internet, only internet voting is treated as effective voting.
- (ii) In case that a voting right is exercised by internet more than one time, last voting is treated as effective voting.

### (4) Cost of Access to Voting Web Site

Any cost incurred in accessing to voting web site (such as internet access charge and phone charge) shall be borne and paid by shareholders. Packet communication charge and other charge incurred to use of a cell phone shall also be borne and paid by shareholders.

#### CONTACT ON SYSTEM INFORMATION

Help Desk : Security Agency, Mitsubishi UFJ Trust & Banking Corporation  
Tel 0120-173-027 (9:00 – 21:00, toll free) (Japan Time)

#### [For Institutional Investors]

Nominal shareholders such as trust banks acting as administrator (including standing proxies) can also use the electronic voting platform as an electromagnetic means to exercise their voting rights at the General Meeting of Shareholders of the Company, in addition to the exercising of voting rights via Internet above, if they apply in advance for the use of the electronic voting platform operated by ICJ Inc.

## Reference Documents for Ordinary General Meeting of Shareholders

Proposals and Related Matters:

### Proposal 1: Disposition of Retained Earning

The Company proposes to distribute the year-end dividend for this fiscal year as stated below, carefully considering our business performance for this fiscal year and future business development in a comprehensive manner.

- (1) Type of Dividend: Cash
- (2) Appropriation of Dividends to Shareholders and Total Amount of Dividend:  
¥75 per common share  
Total amount ¥7,893,333,000
- (3) Effective Date of the Distribution of the Year-End Dividend: June 29, 2018

## Proposal 2: Amendment of a part of the Articles of Incorporation

### 1) Reasons for amendment

In order to specify the responsibilities and authority of Executive Officers, current Article 26 of the Articles of Incorporation of the Company shall be changed.as follows:

### 2) Contents of the amendment

Proposed amendments are set out below:

(Amendments shown by underlines)	
(Present Articles)	(Proposed Amendments)
<b>Article 26. (Executive Officers)</b> By a resolution of the Board of Directors, Executive Officers may be appointed to execute the operations of this Company. Executive Officer can concurrently serve as Director. By a resolution of the Board of Directors, one President, <u>several number of Vice Presidents,</u> <u>Senior Managing Executive Officers and</u> <u>Managing Executive Officers</u> may be appointed.	<b>Article 26. (Executive Officers)</b> By a resolution of the Board of Directors, Executive Officers may be appointed to execute the operations of this Company. Executive Officer can concurrently serve as Director. By a resolution of the Board of Directors, one President <u>may be appointed, and also Vice</u> <u>President, Senior Managing Executive Officer,</u> <u>Managing Executive Officer and others senior</u> <u>Executive Officer may be appointed.</u>

### Proposal 3: Election of eight Directors.

The term of office of all eight Directors will expire at the close of this Ordinary General Meeting of Shareholders in accordance with Article 20 of the Article of Incorporation,. Accordingly, shareholders are requested to elect eight (8) Directors, increased by one.

The candidates for Director positions are as follows:

Candidate No.	Name (Age)	Title, and Area(s) of Responsibility, and Important Concurrent Positions in other organization.	Attendance at the meetings of Board of Directors in 112th fiscal year	Years in office (at the close of this Ordinary General Meeting of Shareholders)
1	Michio Takeshita (67)	Chairman of the Board of Directors	<Re-elected> 13/13 100%	10 years
2	Yuzuru Yamamoto (65)	President & Representative Director, President & Executive Officer, and Group CEO	<Re-elected> 13/13 100%	5 years
3	Tadashi Matsunami (63)	Representative Director, Senior Managing Executive Officer and Company President of Cement & Construction Materials Company with responsibility for Energy & Environment Division	<Re-elected> 13/13 100%	3 years
4	Masato Izumihara (57)	Senior Managing Executive Officer and Company President of Chemicals Company	<Newly-elected> —	—
5	Takashi Kusama (69)	Outside Director Outside Auditor, WOWOW Inc.	<Re-elected> Outside Director candidate Independent Director candidate 12/13 92.3%	5 years
6	Keikou Terui (64)	Outside Director Outside Director, Bridgestone Corporation Outside Director, Organo Corporation	<Re-elected> Outside Director candidate Independent Director candidate 13/13 100%	4 years
7	Takashi Shoda (70)	Outside Director Outside Director, Daito Trust Construction Co., Ltd.	<Re-elected> Outside Director candidate Independent Director candidate 13/13 100%	3 years
8	Mahito Kageyama (69)	Outside Director	<Re-elected> Outside Director candidate Independent Director candidate 13/13 100%	3 years

Candidate No.	Name (Date of Birth)	Summary of career, Title, Area(s) of Responsibility, and Important Concurrent Positions in other organization.	
1	Michio Takeshita (Dec. 16, 1950)	Apr. 1973	Joined the Company
		Jun. 2001	Executive Officer
		Apr. 2005	Executive Officer, General Manager of Energy & Environment Div. and Procurement & Logistics Div.
	<to be re-elected>	Jun. 2005	Managing Executive Officer, General Manager of Energy & Environment Div. and Procurement & Logistics Div.
		June 2008	Director
		Apr. 2009	Senior Managing Executive Officer, Group CFO, and General Manager of Corporate Planning & Administration Office, with responsibility for UBE Group Shared Service Center
		Apr. 2010	President & Representative Director, President & Executive Officer, and Group CEO
		Apr. 2015	Chairman of the Board of Directors & Representative Director
		Jun. 2015	Chairman of the Board of Directors (current position)
		[Shares of the Company's stock owned] 13,600	
		[Attendance at the meetings of Board of Directors in 112th fiscal year] 13/13 (100%)	
		[Years in office (at the close of this Ordinary General Meeting of Shareholders)] 10 years	
		[Special interests between the Candidate and the Company] There is no special interest between Mr. Michio Takeshita and the Company.	
		[Important concurrent positions] None	
		[Reason for the nomination as a candidate for Director] Mr. Michio Takeshita has wide experience in the business of chemicals, construction materials, and energy & environment division, and has held President & Representative Director (Group CEO), Chairman of the Board of Directors successively since 2010. He has extensive knowledge and experience as chief executive, and has been served Chairman of the Board of Directors with deep knowledge and understanding of the Company group, and promoted the strengthening of corporate governance of the Company group, and the improvement in the effectiveness of the Board of Directors. Based on his extensive experience, the Board of Directors has decided to re-nominate him as director because the Board of Directors determined that he will continuously play a full role as director in deciding important matters of, supervision of management execution, and the strengthening of corporate governance of the Company group, taking advantage of his knowledge and business management career.	



Candidate No.	Name (Date of Birth)	Summary of career, Title, Area(s) of Responsibility, and Important Concurrent Positions in other organization.
2	Yuzuru Yamamoto (Mar. 8, 1953)  <to be re-elected>	<p>Apr. 1977    Joined the Company</p> <p>Jun. 2001    Executive Officer, Ube Machinery Corporation, Ltd.</p> <p>Jun. 2003    Executive Officer, General Manager of Machinery Div., Machinery &amp; Metal Products Company, Ube Industries, Ltd., and Representative Director, Ube Machinery Corporation, Ltd.</p> <p>Apr. 2007    Managing Executive Director, Company Vice President of Machinery &amp; Metal Products Company, and General Manager of Machinery Div., Ube Industries, Ltd.</p> <p>Apr. 2010    Senior Managing Executive Officer and Company President of Machinery &amp; Metal Products Company, Ube Industries, Ltd.</p> <p>Jun. 2010    Chairman of the Board, Ube Machinery Corporation, Ltd. Resigned (June 2013)</p> <p>Apr. 2013    Senior Managing Executive Officer, Special Assistant to the President, Group CCO, and General Manager of Procurement &amp; Logistic Div., with the responsibility for General Affairs &amp; Human Resources Office</p> <p>Jun. 2013    Representative Director</p> <p>Apr. 2015    President &amp; Representative Director, President &amp; Executive Officer, and Group CEO (current position)</p>
		[Shares of the Company's stock owned]    14,400
		[Attendance at the meetings of Board of Directors in 112th fiscal year]    13/13 (100%)
		[Years in office (at the close of this Ordinary General Meeting of Shareholders)] 5 years
		[Special interests between the Candidate and the Company] There is no special interest between Mr. Yuzuru Yamamoto and the Company.
		[Important concurrent positions]    None
		[Reason for the nomination as a candidate for Director] Since joining the Company, Mr. Yuzuru Yamamoto has extensive experience in the business of machinery division, and also has rich experience and enough of a track record as chief executive, which he had served as Representative Director of Ube Machinery Corporation, Ltd., since 2003, and achieved to ensure constant profitability of machinery division's business. Furthermore, since 2013, he has been involved in the whole management of the Company group as Special Assistant to the President, and from 2015, he has been serving as President & Representative Director, and demonstrating with strong leadership to play a role in the company's group management to achieve a desirable form of the Company group that "generates overall expansion with differentiated chemical businesses driving growth and non-chemical business adding stability to earning." Based on his extensive experience, the Board of Directors has decided to re-nominate him as director because the Board of Directors determined that he is qualified for leader to carry out a new medium-term management plan named "Change & Challenge 2018", starting from fiscal year 2016, and to achieve what we want to become in 10 years, "An enterprise that continues to create value for customers."

Candidate No.	Name (Date of Birth)	Summary of career, Title, Area(s) of Responsibility, and Important Concurrent Positions in other organization.	
3	Tadashi Matsunami (Sep. 3, 1954)	Apr. 1979	Joined the Company
	<to be re-elected>	Apr. 2007	Executive Officer, General Manager of Production & Technology Div., Cement & Construction Materials Company, with responsibility for Material Recycle Div.
		Apr. 2009	Executive Officer, Company Vice President of Cement & Construction Materials Company and General Manager of Cement Dept., with responsibility for Group Company Dept., Resources & Products Div.
		Apr. 2011	Managing Executive Officer, Company President of Cement & Construction Materials Company and General Manager of Cement Dept.
		Apr. 2015	Senior Managing Executive Officer, Company President of Cement & Construction Materials Company
		Jun. 2015	Director, Senior Managing Executive Officer, Company President of Cement & Construction Materials Company
		Apr. 2016	Director, Senior Managing Executive Officer, Company President of Cement & Construction Materials Company and General Manager of Cement Dept.
		Apr. 2017	Director, Senior Managing Executive Officer, Company President of Cement & Construction Materials Company and General Manager of Cement Dept. with responsibility for Technical Development Center
		Apr. 2018	Representative Director, and Senior Managing Executive Officer, Company President of Cement & Construction Materials Company with responsibility for Energy & Environment Div.
			(current position)
[Shares of the Company's stock owned] 17,100			
[Attendance at the meetings of Board of Directors in 112th fiscal year] 13/13 (100%)			
[Years in office (at the close of this Ordinary General Meeting of Shareholders)] 3 years			
[Special interests between the Candidate and the Company] There is no special interest between Mr. Tadashi Matsunami and the Company.			
[Important concurrent positions] None			
[Reason for the nomination as a candidate for Director] Mr. Tadashi Matsunami has extensive experience in the business of construction materials division and also successively held important positions of construction materials division such as General Manager of Kanda Cement Factory, General Manager of Production & Technology Div., and has been serving as Company President of Cement & Construction Materials Company since 2011. He has been engaged in implementing a variety of measures, based on medium-term management plan, to “establish the strong business foundation through the enhancement of the Platform Businesses and expansion of the business areas and scope” in Cement & Construction Materials division. The Board of Directors has decided to re-nominate him as director because the Board of Directors determined that he can play a full role in deciding important matters and in the supervision of management execution of the Company group taking advantage of his extensive experience in the Company’s business.			

Candidate No.	Name (Date of Birth)	Summary of career, Title, Area(s) of Responsibility, and Important Concurrent Positions in other organization.	
4	Masato Izumihara (Jan. 8, 1961)	Apr. 1983	Joined the Company
	<to be newly elected>	Apr. 2010	Executive Officer, Group CFO, General Manager of Corporate Planning & Administration Office, and Manager of Corporate Planning Dept., with responsibility for UBE Group Shared Service Center
		May. 2010	Executive Officer, Group CFO, and General Manager of Corporate Planning & Administration Office, with responsibility for UBE Group Shared Service Center
		Jun. 2011	Director, Executive Officer, Group CFO, and General Manager of Corporate Planning & Administration Office, with responsibility for UBE Group Shared Service Center
		Jul. 2011	Director, Executive Officer, Group CFO, and General Manager of Corporate Planning & Administration Office
		Apr. 2013	Director, Managing Executive Officer, Group CFO, and General Manager of Corporate Planning & Administration Office
		Apr. 2015	Director, Managing Executive Officer, Vice President of Chemicals Company, with responsibility for Management Dept. and Strategic Operational Dept.
		Jun. 2015	Managing Executive Officer, Vice President of Chemicals Company, with responsibility for Management Dept. and Strategic Operational Dept. (Retired from the position of Director)
		Jun. 2016	Managing Executive Officer, Vice president of Chemicals Company
		Apr. 2018	Senior Managing Executive Officer, Company President of Chemicals Company (current position)
	[Shares of the Company's stock owned] 12,800		
	[Attendance at the meetings of Board of Directors in 112th fiscal year] —		
	[Years in office (at the close of this Ordinary General Meeting of Shareholders)] —		
	[Special interests between the Candidate and the Company] There is no special interest between Mr. Masato Izumihara and the Company.		
	[Important concurrent positions] None		
	[Reason for the nomination as a candidate for Director] Mr. Masato Izumihara has wide experience in the business of chemicals, and corporate business management section, and has held Group CFO, General Manager of Corporate Planning & Administration Office, and Vice president of Chemicals Company successively. He has been engaged in implementing a variety of measures for target achievement of medium-term management plan through establishing the foundation of stable profit of Chemicals and actualizing growth-driving products, and has been making efforts to achieve the full recovery of Chemicals and business growth as “An chemical company that create value for customers.” Based on his extensive experience, the Board of Directors has determined to nominate him as director because the Board of Directors determined that he can play a full role in deciding important matters and in the supervision of management execution of the Company group taking advantage of his knowledge and business management career.		

Candidate No.	Name (Date of Birth)	Summary of career, Title, Area(s) of Responsibility, and Important Concurrent Positions in other organization.	
5	Takashi Kusama (Jan. 8, 1949)	Apr. 1971	Joined The Industrial Bank of Japan, Limited
	<to be re-elected>	Jun. 1999	Executive Officer, The Industrial Bank of Japan, Limited
		Jun. 2000	Managing Director, Shinko Securities Co., Ltd.
	Outside Director candidate	Jun. 2003	President and Representative Director, Shinko Securities Co., Ltd.
		May 2009	Chairman of the Board, and Representative Director, Mizuho Securities Co., Ltd.
	Independent Director candidate	Jun. 2011	Advisor, Mizuho Securities Co., Ltd. (current position)
		Jun. 2012	Outside Auditor, WOWOW Inc. (current position)
		Jun. 2013	Outside Director of the Company (current position)
	[Shares of the Company's stock owned] 0		
	[Attendance at the meetings of Board of Directors in 112th fiscal year] 12/13 (92.3%)		
[Years in office (at the close of this Ordinary General Meeting of Shareholders)] 5 years			
[Special interests between the Candidate and the Company] There is no special interest between Mr. Takashi Kusama and the Company.			
[Important concurrent positions] Outside Auditor, WOWOW Inc.			
[Special relationship between the Company and entity where important concurrent positions are held, and matters regarding independency] There is no special relationship between WOWOW Inc., of which Mr. Takashi Kusama concurrently holds important position, and the Company. Mr. Kusama retired from office of Executing Officer (Executive Officer) of The Mizuho Bank, Ltd.. (then The Industrial Bank of Japan, Limited), one of Company's major lender, quite a few years ago (retired on March 2000). Therefore, there is no special relationship between Mizuho Securities and the Company. For the reasons stated above, Mr. Kusama has sufficient independence such that no potential conflict of interest could arise with general shareholders, and meets requirement for Independent Director as provided for the rules of Tokyo Stock Exchange, Inc., etc.			
[Reason for the nomination as a candidate for Director] Mr. Takashi Kusama has been engaged in corporate management in the financial business for many years, having an extensive experience and excellent judgement in corporate management, and heightened perspective for promoting business. At the meeting of The Board of Directors, he has played a role in supervising over decision making of important matters and entire management of the Company, through providing helpful advices and pertinent comments from a viewpoint of chief executive, taking advantage of his business management career. For the reasons stated above, The Board of Directors has decided to re-nominate him as outside director because the Board of Directors determined that he can effectively execute his duties as outside director and contribute sufficiently to the further enhancement of the entire business management system of the Company.			

Candidate No.	Name (Date of Birth)	Summary of career, Title, Area(s) of Responsibility, and Important Concurrent Positions in other organization.	
6	Keikou Terui (Jul. 23, 1953)	Apr. 1979	Joined Ministry of International Trade and Industry (current Ministry of Economy, Trade and Industry (METI))
	<to be re-elected>	Jul. 2008	Director-General for Technology Policy Coordination, Minister's Secretariat, METI
		Jan. 2011	Director-General, Kanto Bureau of Economy, Trade and Industry, METI
	Outside Director candidate	Apr. 2012	Director-General for Regional Economic and Industrial Policy, METI
		Aug. 2013	President, Japan Utility Telemetering Association. Non-Profit Organization (current position)
	Independent Director candidate	Oct. 2013	Senior Research Associate, Chemicals Evaluation and Research Institute Resigned (October 2016)
		Jun. 2014	Outside Director of the Company (current position)
		Mar. 2016	Outside Director, Bridgestone Corporation (current position)
		Jun. 2016	Outside Director, Organo Corporation (current position)
		[Shares of the Company's stock owned] 5,200	
		[Attendance at the meetings of Board of Directors in 112th fiscal year] 13/13 (100%)	
		[Years in office (at the close of this Ordinary General Meeting of Shareholders)] 4 years	
		[Special interests between the Candidate and the Company] There is no special interest between Mr. Keikou Terui and the Company.	
		[Important concurrent positions] Outside Director, Bridgestone Corporation Outside Director, Organo Corporation	
		[Special relationship between the Company and entity where important concurrent positions are held, and matters regarding independency] The company sells chemical products to Bridgestone Corporation ("Bridgestone"), of which Mr. Terui concurrently assumes the office of Outside Director, however, such sells represented less than 3% of the net sales of the Company for the fiscal year ended March 31, 2018. Therefore, there is no special relationship between Bridgestone the Company. The company sells chemical products to Organo Corporation ("Organo"), of which Mr. Terui concurrently assumes the office of Outside Director, however, such sells represented less than 1% of the net sales of the Company for the fiscal year ended March 31, 2018. Therefore, there is no special relationship between Organo and the Company. Mr. Terui concurrently serves as outside director of both Bridgestone and Organo without execution of operation of each company and therefore, the Company has decided his concurrent assumption of outside officer of both Bridgestone and Organo would not impair independence of outside director of the Company. For the reasons stated above, Mr. Terui has sufficient independence such that no potential conflict of interest could arise with general shareholders, and meets requirement for Independent Director as provided for the rules of Tokyo Stock Exchange, Inc., etc.	
		[Reason for the nomination as a candidate for Director] Mr. Keikou Terui successively held important posts related to chemical technologies in Ministry of Economy, Trade and Industry for many years and has engaged in product and environment safety of chemical material, and the development of domestic heavy chemical industries, having an comprehensive knowledge and experience in the field of industrial policy and industrial science technology. At the meeting of The Board of Directors, he has played a role in supervising over decision making of important matters and entire management of the Company, through providing helpful advices and pertinent comments taking advantage of his above career. Even though he has not been engaged in corporate management except for acting as outside director, the Board of Directors has decided to re-nominate him as outside director because the Board of Directors determined that since assuming the office of the	

	outside director of the Company, he has contributed sufficiently to the further functional enhancement of the Board of Directors, effectively executed his duties as outside director and can contribute sufficiently to the further enhancement of the entire business management system of the Company.
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Candidate No.	Name (Date of Birth)	Summary of career, Title, Area(s) of Responsibility, and Important Concurrent Positions in other organization.	
7	Takashi Shoda (Jun 21, 1948)	Apr. 1972	Joined Sankyo Co., Ltd.
	<to be re-elected>	Jun. 1999	Senior General Manager of International Pharmaceutical Division & General Manager of Europe Department, Sankyo Co., Ltd.
		Jun. 2001	Director, Sankyo Co., Ltd.
		Jun. 2002	Managing Director, Sankyo Co., Ltd.
	Outside Director candidate	Jun. 2003	President and Representative Director, Sankyo Co., Ltd.
		Sep. 2005	President & CEO, and Representative Director, Daiichi Sankyo Co., Ltd.
	Independent Director candidate	Jun. 2010	Representative Director and Chairman, Daiichi Sankyo Co., Ltd.
		Jun. 2014	Senior Corporate Adviser, Daiichi Sankyo Co., Ltd. (current position)
		Jun. 2015	Outside Director of the Company (current position)
		Jun. 2017	Outside Director, Daito Trust Construction Co., Ltd. (current position)
[Shares of the Company's stock owned] 3,900			
[Attendance at the meetings of Board of Directors in 112th fiscal year] 13/13 (100%)			
[Years in office (at the close of this Ordinary General Meeting of Shareholders)] 3 years			
[Special interests between the Candidate and the Company] There is no special interest between Mr. Takashi Shoda and the Company.			
[Important concurrent positions] Outside Director, Daito Trust Construction Co., Ltd.			
[Special relationship between the Company and entity where important concurrent positions are held, and matters regarding independency] The company sells pharmaceutical products to Daiichi Sankyo Co., Ltd. (“Daiichi Sankyo”), of which Mr. Takashi Shoda concurrently assumes the office of Senior Corporate Adviser, however, such sells represented less than 1% of the net sales of the Company for the fiscal year ended March 31, 2018. Therefore, there is no special relationship between Daiichi Sankyo and the Company. The company sells construction material products to Daito Trust Construction Co., Ltd. (“Daito Kentaku”), of which Mr. Takashi Shoda concurrently assumes the office of Outside Director, however, such sells represented less than 1% of the net sales of the Company for the fiscal year ended March 31, 2018. Therefore, there is no special relationship between Daito Kentaku and the Company. Mr. Shoda concurrently serves as both Senior Corporate Adviser of Daiichi Sankyo and Outside Director of Daito Kentaku without execution of operation of each company and therefore, the Company has decided his concurrent assumption of Senior Corporate Adviser of Daiichi Sankyo and Outside Director of Daito Kentaku would not impair independence of outside director of the Company. For the reasons stated above, Mr. Shoda has sufficient independence such that no potential conflict of interest could arise with general shareholders, and meets requirement for Independent Director as provided for the rules of Tokyo Stock Exchange, Inc., etc.			
[Reason for the nomination as a candidate for Director] Mr. Takashi Shoda has been engaged in the management of Daiichi Sankyo as chief executive for many years, and made a significant contribution to globalization of business of Daiichi Sankyo, having an extensive experience and excellent judgement in corporate management, and rich knowledge about global management of Japanese company. At the meeting of The Board of Directors, he has played a role in supervising over decision making of important matters and entire management of the Company, through providing helpful advices and pertinent comments from a viewpoint of chief executive, taking advantage of his business management career. For the reasons stated above, The Board of Directors has decided to re-nominate him as outside director because the Board of Directors determined that he can effectively execute his duties as outside director and contribute sufficiently to the further enhancement of the entire business management system of the Company.			

Candidate No.	Name (Date of Birth)	Summary of career, Title, Area(s) of Responsibility, and Important Concurrent Positions in other organization.	
8	Mahito Kageyama (Jan. 28, 1949)	Apr. 1972	Joined The Sanwa Bank, Ltd.
	<to be re-elected>	Jun. 1999	Executive Officer & Head of Investment Banking Group Global Finance & Investment Banking Division, The Sanwa Bank Ltd.
		Jan. 2002	Senior Executive Officer & Head of Global Banking & Trading Division, UFJ Bank Ltd. Resigned (February 2003)
	Outside Director candidate	Jun. 2003	Director and President, TOMEN Corporation
		Apr. 2006	Representative Director and Executive Vice President, Toyota Tsusho Corporation Resigned (June 2008)
	Independent Director candidate	Jun. 2008	Chairman of the Board, and Representative Director, TOMEN ELECTRONICS CORPORATION Resigned (June 2010)
		Jun. 2010	CORPORATE Auditor, Toyota Tsusho Corporation Resigned (June 2013)
		Jul. 2013	Advisor, Toyota Tsusho Corporation Resigned (June 2016)
		Jun. 2015	Outside Director of the Company (current position)
	[Shares of the Company's stock owned] 1,000		
	[Attendance at the meetings of Board of Directors in 112th fiscal year] 13/13 (100%)		
	[Years in office (at the close of this Ordinary General Meeting of Shareholders)] 3 years		
	[Special interests between the Candidate and the Company] There is no special interest between Mr. Mahito Kageyama and the Company.		
	[Important concurrent positions] None		
	[Special relationship between the Company and entity where important concurrent positions are held, and matters regarding independency] Mr. Mahito Kageyama retired from office of Executing Officer (Senior Executive Officer) of The Bank of Tokyo-Mitsubishi UFJ, Ltd. (then UFJ Bank Ltd.), one of Company's major lender, quite a few years ago (retired on February 2003), and had served the office of Advisor, Toyota Tsusho Corporation ("Toyota Tsusho") until June 2016. The company sells chemical products to Toyota Tsusho, however, such sells represented less than 1% of the net sales of the Company for the fiscal year ended March 31, 2018. Therefore, there is no special relationship between Toyota Tsusho and the Company. For the reasons stated above, Mr. Kageyama has sufficient independence such that no potential conflict of interest could arise with general shareholders, and meets requirement for Independent Director as provided for the rules of Tokyo Stock Exchange, Inc., etc.		
	[Reason for the nomination as a candidate for Director] Mr. Mahito Kageyama has been engaged in corporate management at both major financial institution and trading company as chief executive, having rich experience in wide range of business and an extensive experience as chief executive in corporate management. At the meeting of The Board of Directors, he has played a role in supervising over decision making of important matters and entire management of the Company, through providing helpful advices and pertinent comments from a viewpoint of chief executive, taking advantage of his business management career. For the reasons stated above, The Board of Directors has decided to re-nominate him as outside director because the Board of Directors determined that he can effectively execute his duties as outside director and contribute sufficiently to the further enhancement of the entire business management system of the Company.		



Notes:

1. The Company has entered into an agreement with Mr. Takashi Kusama, Mr. Keikou Terui, Mr. Takashi Shoda and Mr. Mahito Kageyama in which the liability for damages under Article 423, Paragraph 1 of the Companies Act is limited to the minimum amounts specified in each item of Article 427, Paragraph 1 of the Companies Act.
2. The Company has designated and registered Mr. Takashi Kusama, Mr. Keikou Terui, Mr. Takashi Shoda and Mr. Mahito Kageyama as Independent Director with no potential conflict of interest with general shareholders, as provided in the rules of Tokyo Stock Exchange, Inc., etc.
3. In February 2018, during the terms of Mr. Takashi Kusama, Mr. Keikou Terui, Mr. Takashi Shoda, and Mr. Mahito Kageyama, the Company announced the fact that some quality inspections stipulated in the sales contract with customers had not been implemented in certain low-density polyethylene products for many years. They had not been aware of the problem until the internal report was submitted.  
They have made comments and suggestions regularly in the meetings of Board of Directors and other occasions from the viewpoint of ensuring compliance with laws and regulations etc. After they recognize the problem, they have fulfilled their responsibilities by requesting to set up the Investigation Committee with highly objectively conducting the investigation to identify the cause of the series of improprieties and confirmation the verification and validation of preventative measure, giving advice regarding the expansion of the coverage of investigation, including our group companies, by the Investigation Committee, and directions for enhancement of Company's quality control system and the governance system, etc.

#### Proposal 4: Election of one alternate outside Auditor.

In case that the Company lacks the necessary number of outside Statutory Auditors required by law or ordinance, shareholders are requested to elect one (1) alternate outside Auditor in advance.

This proposal is made with the consent of the Board of Auditors.

The candidate for alternate outside Auditor position is as follows:

Candidate No.	Name (Date of Birth)	Summary of career, Title, Area(s) of Responsibility, and Important Concurrent Positions in other organization.
1	Daisuke Koriya (Aug. 29, 1970)	Apr. 1993 Joined, Ministry of International Trade and Industries (current Ministry of Economy, Trade and Industry)
	<to be alternate auditor>	Apr. 1998 Assistant Manager, New Industries Dept., Industrial Policy Bureau of Ministry of International Trade and Industry
		Oct. 2000 Civil Affairs Bureau, the Ministry of Justice (in charge of Commercial Law and Company Act)
		Sep. 2007 Registered as an attorney (Daiichi Tokyo BAR Association), and joined Nishimura & Asahi
		Jan. 2011 Partner, Nishimura & Asahi (current position)
	Outside Auditor candidate	
	[Shares of the Company's stock owned] 0	
	[Special interests between the Candidate and the Company] There is no special interest between Daisuke Koriya and the Company.	
	[Important concurrent positions] Attorney at law	
	[Special relationship between the Company and entity where important concurrent positions are held, and matters regarding independency] There is no special relationship between the important concurrent positions of Mr. Daisuke Koriya and the Company, and no potential conflict of interest could arise with general shareholder.	
	[Reason for the nomination as a candidate for Director] The Board of Directors decided to nominate Mr. Daisuke Koriya as an alternate outside Auditor because the Company has determined that he is able to contribute sufficiently to the auditing of the Company taking advantage of his acquired knowledge and experiences through his professional career as attorney at law.	

Note:

1. In the event that Mr. Daisuke Koriya becomes an outside Auditor, the Company will enter into an agreement with him in which the liability for damages under Article 423, Paragraph 1 of the Companies Act is limited to the minimum amounts specified in each item of Article 427, Paragraph 1 of the Companies Act.

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