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Securities code: 4078

June 3, 2019

To our shareholders:

Masaaki Yabe
President
Sakai Chemical Industry Co., Ltd.
5-2, Ebisujima-cho, Sakai-ku, Sakai-shi, Osaka

NOTICE OF THE 124TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

You are cordially invited to attend the 124th Ordinary General Meeting of Shareholders of Sakai Chemical Industry Co., Ltd. (the “Company”), which will be held as described below.

If you are unable to attend the Meeting, you may exercise your voting rights in writing or via the Internet. Please review the Reference Documents for the General Meeting of Shareholders and after referring to the “Information about Exercise of Voting Rights” (Japanese only), return the voting form by postal mail or fill out the online voting form to reach us no later than 5:40 p.m., Tuesday, June 25, 2019 (Japan Standard Time).

1. Date and Time: Wednesday, June 26, 2019 at 10:00 a.m. (Japan Standard Time)

2. Venue: Auditorium on the 3rd floor of the Company’s head office
5-2, Ebisujima-cho, Sakai-ku, Sakai-shi, Osaka

3. Purposes:

Items to be reported:

1. Business Report and Consolidated Financial Statements for the 124th Term (from April 1, 2018 to March 31, 2019), as well as the results of audit of the Consolidated Financial Statements by the Accounting Auditor and the Board of Corporate Auditor
2. Non-Consolidated Financial Statements for the 124th Term (from April 1, 2018 to March 31, 2019)

Items to be resolved:

- Proposal 1:** Election of Eleven (11) Directors
Proposal 2: Payment of Directors’ Bonuses

The Company’s website: <http://www.sakai-chem.co.jp>

- Notes to the Consolidated Financial Statements and Notes to the Non-Consolidated Financial Statements are posted on the above Company’s website in accordance with the provisions of laws and regulations as well as Article 14 of the Company’s Articles of Incorporation; therefore, they are not included in the documents attached to this Notice. The Consolidated Financial Statements and the Non-Consolidated Financial Statements audited by the Corporate Auditors and the Accounting Auditor consist of the Notes to the Consolidated Financial Statements and the Notes to the Non-Consolidated Financial Statements posted on the aforementioned website as well as each document provided in this Notice.
- If any modification is made to the Reference Documents for the General Meeting of Shareholders, the Business Report, the Consolidated Financial Statements, or the Non-Consolidated Financial Statements, the Company will post such modification on the Company’s website.

Reference Documents for the General Meeting of Shareholders

Proposals and Reference Information

Proposal 1: Election of Eleven (11) Directors

The terms of office of all twelve (12) Directors (including two (2) Outside Directors) in their present positions will expire upon the conclusion of this General Meeting. In that regard, the Company proposes the election of eleven (11) Directors (including two (2) Outside Directors). Director Akihiko Ide will retire from office upon the conclusion of this General Meeting.

The candidates for Directors are as follows:

No.		Name	Tenure	Current position and responsibilities in the Company
1	[Reappointment]	Masaaki Yabe	7 years	President Representative Director
2	[Reappointment]	Akira Yoshioka	5 years	Managing Director In charge of Group-wide Research & Development, Intellectual Property, Quality Assurance & Environmental Management, Safety & Health, Corporate Governance
3	[Reappointment]	Yoshiyuki Yoshikawa	6 years	Managing Director In charge of Group-wide Production Section, Onahama Manufacturing Site
4	[Reappointment]	Megumu Sado	5 years	Director In charge of Human Resources and General Affairs
5	[Reappointment]	Atsuya Nakanishi	4 years	Director In charge of Management Strategy, Overseas Business, New Business, Accounting & Finance, Information Systems
6	[Reappointment]	Yasuhiro Okamoto	4 years	Director In charge of Group-wide Production Technology, Sakai Manufacturing Site
7	[Reappointment]	Toshinori Yoshida	3 years	Director In charge of Sales & Marketing in general, Sales Management, Logistics
8	[Reappointment]	Masayuki Yagishita	3 years	Director In charge of Sales for Inorganic Chemicals, Purchasing
9	[Reappointment]	Toshiaki Sano	3 years	Director In charge of Compliance, Legal, Risk Management, Internal Control with respect to Financial Reports, Investor Relations, and Business Process Improvement
10	[Reappointment]	Kazumi Sasai	4 years	Outside Director Independent Officer
11	[Reappointment]	Yumi Sano	2 year	Outside Director Independent Officer

No.	Name (Date of birth)	Career summary, position, responsibilities and significant concurrent positions outside the Company	Number of the Company's shares owned
1	Masaaki Yabe (August 9, 1959) [Reappointment]	Apr. 1982 Joined the Company Sept. 2006 General Manager, Sales & Marketing Department, Inorganic Chemicals Operations Division Sept. 2009 General Manager, Sales & Marketing Department, Titanium Dioxide Operations Division Sept. 2010 General Manager, Head of Electronic Materials Operations Division and Sales & Marketing Department June 2012 Director June 2014 President Representative Director (to present)	17,319
<p>Reasons for nomination: Masaaki Yabe is familiar with the sales section and other sections and has a wealth of experience and a proven record of accomplishment. He assumed the position of Director of the Company in June 2012, and he has been carrying out business affairs inside and outside the Company as President since June 2014. He has great skills and knowledge especially in the marketing and management areas and has been in charge of the overall group management in the Company exhibiting strong leadership and decisiveness. Therefore, the Company determined that he should continue to be a candidate for Director.</p>			
2	Akira Yoshioka (November 23, 1957) [Reappointment]	Apr. 1982 Joined Mitsubishi Metal Corporation (Currently, Mitsubishi Materials Corporation) Apr. 2014 Adviser of the Company June 2014 Director Oct. 2014 Director; General Manager, Research & Development Division June 2015 Managing Director; General Manager, Research & Development Division (to present) Apr. 2019 Managing Director; General Manager, Corporate Governance Division (to present) Currently in charge of Group-wide Research & Development, Intellectual Property, Quality Assurance & Environmental Management, Safety & Health, Corporate Governance	6,725
<p>Reasons for nomination: Akira Yoshioka is involved in the decision making at the Board of Directors, properly supervises the duties of Directors and carries out business affairs for which he is responsible. In addition, he was involved mainly in the technology and research and development areas while he was working at a major material manufacturer, Mitsubishi Materials Corporation and gained a wealth of experience and has a proven record of accomplishments. After joining the Company, he has been taking the initiative in the product development with his extensive knowledge and skills. Therefore, the Company determined that he should continue to be a candidate for Director.</p>			

No.	Name (Date of birth)	Career summary, position, responsibilities and significant concurrent positions outside the Company	Number of the Company's shares owned
3	Yoshiyuki Yoshikawa (July 21, 1958) [Reappointment]	Apr. 1983 Joined the Company June 2008 General Manager, Semboku Factory, Catalysts Operations Division June 2012 President Representative Director of Kyodo Chemical Co., Ltd. June 2013 Director of the Company Oct. 2014 Director; General Manager, Onahama Manufacturing Site Jan. 2016 Director; General Manager, Onahama Manufacturing Site and Otsurugi Factory June 2016 Managing Director; General Manager, Onahama Manufacturing Site (to present) Currently in charge of Group-wide Production section, Onahama Manufacturing Site	7,225
	Reasons for nomination: Yoshiyuki Yoshikawa is involved in the decision making at the Board of Directors, properly supervises the duties of Directors and carries out business affairs for which he is responsible. He also has a wealth of experience and a proven record of accomplishments in the technology development and production areas. In addition, he has acquired knowledge and skills in the management strategies through his experience of serving as President Representative Director of Kyodo Chemical Co., Ltd., which is a subsidiary of the Company. Therefore, the Company determined that he should continue to be a candidate for Director.		
4	Megumu Sado (April 24, 1959) [Reappointment]	Apr. 1983 Joined the Company June 2008 General Manager, Administration & Management Department, Onahama Manufacturing Site Sept. 2008 General Manager, Onahama Manufacturing Site Sept. 2010 General Manager, Human Resources Department June 2014 Director Apr. 2019 Director; General Manager, Administration Division; Deputy General Manager, Corporate Governance Division; General Manager, Human Resources and General Affairs Department (to present) Currently in charge of Human Resources and General Affairs	6,144
	Reasons for nomination: Megumu Sado is involved in the decision making at the Board of Directors, properly supervises the duties of Directors and carries out business affairs for which he is responsible. In addition, he has a wealth of experience and a proven record of accomplishments in the general affairs and human resources areas, and has extensive knowledge and skills especially in the human resources area. Therefore, the Company determined that he should continue to be a candidate for Director.		

No.	Name (Date of birth)	Career summary, position, responsibilities and significant concurrent positions outside the Company	Number of the Company's shares owned
5	Atsuya Nakanishi (February 24, 1959) [Reappointment]	<p>Apr. 1982 Joined The Sanwa Bank, Ltd. (Currently, MUFG Bank, Ltd.)</p> <p>Sept. 2011 Manager, Corporate Planning Department of the Company</p> <p>Jan. 2013 General Manager, Overseas Sales & Marketing Department, Plastic Additives Operations Division</p> <p>June 2013 General Manager, Head of Plastic Additives Operations Division</p> <p>June 2015 Director</p> <p>June 2016 Director; General Manager, Corporate Strategy Division (to present)</p> <p>June 2017 Director; General Manager, Accounting & Finance Department (to present) Currently in charge of Management Strategy, Overseas Business, New Business, Accounting & Finance, Information Systems</p>	4,913
		<p>Reasons for nomination: Atsuya Nakanishi is involved in the decision making at the Board of Directors, properly supervises the duties of Directors and carries out business affairs for which he is responsible. In addition, he has a wealth of experience and a proven record of accomplishments with respect to finance, which he accumulated while he was working at a major bank, MUFG Bank, Ltd., as well as extensive knowledge and skills based on his experience in overseas business as General Manager, Head of Plastic Additives Operations Division. Therefore, the Company determined that he should continue to be a candidate for Director.</p>	
6	Yasuhiro Okamoto (June 30, 1963) [Reappointment]	<p>Apr. 1987 Joined the Company</p> <p>Dec. 2011 General Manager, Manufacturing Department, Inorganic Chemicals Operations Division</p> <p>Oct. 2014 General Manager, Production Department 2, Inorganic Chemicals Operations Division</p> <p>June 2015 Director; General Manager, Production Technology Division and Sakai Manufacturing Site (to present) Currently in charge of Group-wide Production Technology, Sakai Manufacturing Site</p>	5,613
		<p>Reasons for nomination: Yasuhiro Okamoto is involved in the decision making at the Board of Directors, properly supervises the duties of Directors and carries out business affairs for which he is responsible. In addition, he has a wealth of experience and a proven record of accomplishments in the technology development and production areas as well as extensive knowledge and skills as General Manager, Production Technology Division and Sakai Manufacturing Site. Therefore, the Company determined that he should continue to be a candidate for Director.</p>	

No.	Name (Date of birth)	Career summary, position, responsibilities and significant concurrent positions outside the Company	Number of the Company's shares owned
7	Toshinori Yoshida (June 4, 1959) [Reappointment]	<p>Apr. 1982 Joined the Company</p> <p>Sept. 2007 General Manager, Sales & Marketing Department, Plastic Additives Operations Division</p> <p>Oct. 2010 General Manager, Sales & Marketing Department and Overseas Sales & Marketing Department, Plastic Additives Operations Division</p> <p>June 2011 President Representative Director of SC Organic Chemical Co., Ltd.</p> <p>June 2016 Director; General Manager, Sales Promotion Division of the Company</p> <p>Sept. 2016 Director; General Manager, Sales Management Department</p> <p>May 2018 Director; General Manager, Head of Catalysts Operations Division</p> <p>Apr. 2019 Director; General Manager, Sales & Marketing Division (to present) Currently in charge of Sales & Marketing in general, Sales Management, Logistics</p>	4,013
<p>Reasons for nomination: Toshinori Yoshida is involved in the decision making at the Board of Directors, properly supervises the duties of Directors and carries out business affairs for which he is responsible. He also has a wealth of experience and a proven record of accomplishments in the sales section and other sections. In addition, he has acquired knowledge and skills in the management strategies through his experience of serving as the President Representative Director of SC Organic Chemical Co., Ltd., which is a subsidiary of the Company. Therefore, the Company determined that he should continue to be a candidate for Director.</p>			
8	Masayuki Yagishita (November 14, 1963) [Reappointment]	<p>Apr. 1986 Joined the Company</p> <p>Oct. 2011 General Manager, Sales & Marketing Department, Titanium Dioxide Operations Division</p> <p>Sept. 2013 General Manager, Head of Titanium Dioxide Operations Division and Sales & Marketing Department</p> <p>Oct. 2014 General Manager, Head of Inorganic Chemicals Operations Division</p> <p>Apr. 2016 General Manager, Head of Inorganic Chemicals Operations Division and Sales Planning Department, Sales Promotion Division</p> <p>June 2016 Director; General Manager, Sales Planning Department, Sales Promotion Division</p> <p>Sept. 2016 Director; General Manager, Sales Planning Department, Corporate Strategy Division</p> <p>June 2017 Director; General Manager, Head of Inorganic Chemicals Operations Division</p> <p>Apr. 2019 Director; Deputy General Manager, Sales & Marketing Division (to present) Currently in charge of Sales for Inorganic Chemicals, Purchasing</p>	4,913
<p>Reasons for nomination: Masayuki Yagishita is involved in the decision making at the Board of Directors, properly supervises the duties of Directors and carries out business affairs for which he is responsible. He also has a wealth of experience and a proven record of accomplishments in the sales section and other sections as well as extensive knowledge and skills cultivated through his experience of serving as the General Manager, Head of Inorganic Chemicals Operations Division and Sales Planning Department, Sales Promotion Division. Therefore, the Company determined that he should continue to be a candidate for Director.</p>			

No.	Name (Date of birth)	Career summary, position, responsibilities and significant concurrent positions outside the Company	Number of the Company's shares owned
9	Toshiaki Sano (December 4, 1963) [Reappointment]	<p>Apr. 1987 Joined the Company</p> <p>June 2011 General Manager, Accounting & Finance Department</p> <p>June 2016 Director; General Manager, Accounting & Finance Department</p> <p>June 2017 Director; Deputy General Manager, Corporate Strategy Division</p> <p>Apr. 2019 Director; Deputy General Manager, Corporate Governance Division; General Manager, Compliance and Risk Management Promotion Department (to present)</p> <p> Currently in charge of Compliance, Legal, Risk Management, Internal Control with respect to Financial Reports, Investor Relations, Business Process Improvement</p>	3,713
		<p>Reasons for nomination: Toshiaki Sano is involved in the decision making at the Board of Directors, properly supervises the duties of Directors and carries out business affairs for which he is responsible. He also has a wealth of experience and a proven record of accomplishments gained over many years in the accounting and finance sections and supports the sound management of the group companies mainly from a financial perspective. He has extensive knowledge and skills. Therefore, the Company determined that he should continue to be a candidate for Director.</p>	

Notes: On April 1, 2019, the Company changed its structure of organization from product oriented organization to function oriented organization. For changes of Directors associated with this reorganization, please refer to the “Changes of Directors Effective From the Current Fiscal Year” on page 23 (available in Japanese only).

No.	Name (Date of birth)	Career summary, position, responsibilities and significant concurrent positions outside the Company	Number of the Company's shares owned
	Kazumi Sasai (January 11, 1960) [Reappointment] [Outside] [Independent]	Apr. 2001 Associate Professor, Graduate School of Osaka Prefecture University Apr. 2007 Associate Professor, Graduate School of Osaka Prefecture University Apr. 2008 Professor, Graduate School of Osaka Prefecture University (to present) June 2011 Auditor, Osaka Prefecture Veterinary Medical Association (to present) Apr. 2012 Director of Academic Affairs, School of Veterinary Science, Osaka Prefecture University Apr. 2015 Professor in residence, Graduate School of Osaka University (to present) June 2015 Director of the Company (to present) May 2017 Technical Advisor, Osaka District Court and Osaka High Court (to present)	1,000
10	<p>Matters related to his candidacy for Outside Director</p> <p>Reasons for nomination as candidate for Outside Director: Although Kazumi Sasai has never been engaged in managing a company except as an Outside Director of the Company, he proactively addresses his opinions in the Board of Directors by utilizing his wealth of experience and broad knowledge he gained at Graduate School of Osaka Prefecture University, Graduate School of Osaka University and other entities and properly fulfills his role to give accurate advice on and supervise the management of the Company from an independent viewpoint. Therefore, the Company determined that he should continue to be a candidate for Outside Director.</p> <p>Information on independent officer: The Company designated him as an independent officer specified by the Tokyo Stock Exchange and registered him with the stock exchange, based on the judgment that no issue regarding conflict of interests is unlikely to occur with the general shareholders in accordance with the standards for independence prescribed by the Tokyo Stock Exchange and Standards for Selecting Independent Outside Directors specified by the Company.</p> <p>If his reappointment is approved, the Company plans for his appointment as an independent officer to continue.</p> <p>Outline of terms and conditions of limited liability agreement: The Company has, in accordance with the provisions of Article 427, Paragraph 1 of the Companies Act, concluded with him an agreement to limit his liability for damages as set forth in Article 423, Paragraph 1 of the same Act. In this case, the maximum amount of liability for damages under the said agreement will be the minimum amount set forth in Article 425, Paragraph 1 of the Companies Act. If his reappointment is approved, the said agreement will continue to be in effect.</p>		

No.	Name (Date of birth)	Career summary, position, responsibilities and significant concurrent positions outside the Company	Number of the Company's shares owned
	Yumi Sano (August 20, 1961) [Reappointment] [Outside] [Independent]	Apr. 1984 Joined Shikishima Boseki Ltd. (Currently, Shikibo Ltd) Apr. 1997 Joined Kansai Employers' Association (Currently, Kansai Economic Federation) Apr. 2004 General Manager, Membership Administration of Kansai Employers' Association (Currently, Kansai Economic Federation) Apr. 2013 Joined Japan Institute for Women's Empowerment & Diversity Management Apr. 2014 Head of Kansai Office, Japan Institute for Women's Empowerment & Diversity Management (to present) June 2017 Director of the Company (to present)	300
11	<p>Matters related to her candidacy for Outside Director</p> <p>Reasons for nomination as candidate for Outside Director: Although Yumi Sano has never been engaged in managing a company except as an Outside Director of the Company, she has extensive expertise and experience related to finance, economy, industry and social working gained through her career and offers opinions concerning the overall group management based on her expertise and experience. She properly fulfills her role to give accurate advice on and supervise the management of the Company from an independent viewpoint. Therefore, the Company determined that she should continue to be a candidate for Outside Director.</p> <p>Information on independent officer: The Company designated her as an independent officer specified by the Tokyo Stock Exchange and registered her with the stock exchange, based on the judgment that no issue regarding conflict of interests is unlikely to occur with the general shareholders in accordance with the standards for independence prescribed by the Tokyo Stock Exchange and Standards for Selecting Independent Outside Directors specified by the Company.</p> <p>If her reappointment is approved, the Company plans for her appointment as an independent officer to continue.</p> <p>Outline of terms and conditions of limited liability agreement: The Company has, in accordance with the provisions of Article 427, Paragraph 1 of the Companies Act, concluded with her an agreement to limit her liability for damages as set forth in Article 423, Paragraph 1 of the same Act. In this case, the maximum amount of liability for damages under the said agreement will be the minimum amount set forth in Article 425, Paragraph 1 of the Companies Act. If her reappointment is approved, the said agreement will continue to be in effect.</p>		

- Notes:
1. There are no special interests between any of the above candidates and the Company.
 2. Kazumi Sasai and Yumi Sano are candidates for Outside Director.
 3. Kazumi Sasai's term of office as Outside Director will be four (4) years at the conclusion of this General Meeting.
 4. Yumi Sano's term of office as Outside Director will be two (2) years at the conclusion of this General Meeting.

(Reference)

<Standards for Selecting Independent Outside Directors>

In principle, if an Outside Director of the Company does not correspond to any of the following persons, said Outside Director shall be deemed to be an independent person.

1. A person who is currently or in the past ten (10) years has been an Executive Director or employee (hereinafter referred to as “Executive”) of the Company or one of its subsidiaries (hereinafter referred to as the “Group”)
2. A current major shareholder of the Company (meaning a shareholder directly or indirectly holding five percent (5%) or more of voting rights) or its Executive
3. A major partner company of the Company (meaning a partner company for which transactions with the Group in the latest fiscal year provided two percent (2%) or more of the consolidated net sales of the Group or such partner company), or its Executive
4. A financial institution or any other major creditor that the Group requires for its fundraising and that the Group relies on and is irreplaceable for the Group or its Executive
5. The Executive of a corporation or any other entity that has received a donation of ten million (10,000,000) yen or more in the past three (3) years from the Group on average
6. A consultant, accounting specialist, or legal specialist (including a person who belongs to a corporation or entity if such consultant or specialist is a corporation or entity) who has received money or any other asset of ten million (10,000,000) yen or more in the past three (3) years from the Group on average, in addition to the officers’ remuneration
7. A person holding an executive position of a company that has appointed Executive of the Group as its Director
8. A spouse or relative (up to second degree) of any of the persons described in 1 to 7 above

Proposal 2: Payment of Directors' Bonuses

We wish to pay Directors' bonuses of fifty four million four hundred eighty thousand (54,480,000) yen in total (including two million two hundred ten thousand (2,210,000) yen for two (2) Outside Directors) to the twelve (12) Directors (two (2) of which are Outside Directors) incumbent at the end of the fiscal year ended March 31, 2019, taking into account the business results and other factors in the fiscal year ended March 31, 2019.

With respect to the amount to be paid to each Director and the timing and method of payment thereof, we request that it be left to the discretion of the Board of Directors.