N.B. This is a summary translation of a notice in Japanese addressed to shareholders and is provided merely for the convenience and reference of our international shareholders.

(Securities Identification Code : 5195)
June 2, 2016

Dear Shareholders:

Mitsutaka Yoshii, President
Bando Chemical Industries, Ltd.
6-6, Minatojima Minamimachi 4-chome,
Chuo-ku, Kobe, 650-0047 Japan

NOTICE OF GENERAL MEETING OF SHAREHOLDERS

We take pleasure in inviting you to attend Bando Chemical Industries, Ltd.'s 93rd Ordinary General Meeting of Shareholders to be held as outlined below.

If you are unable to attend, you may exercise your voting rights by either of the following methods. Please review the Referential Documents for Exercising Your Voting Rights attached hereto and exercise your voting rights by 5:30 p.m., June 22, 2016 (Wednesday):

Exercise of voting rights in written form:
Please indicate your approval or disapproval on the enclosed Exercise of Voting Rights Form and return it so that it will arrive at the Company by the exercise time limit as described above.

Exercise of voting rights via Internet:
Please access the website for the exercise of voting rights designated by the Company (http://www.evote.jp/) and exercise your voting rights by the exercise time limit as described above.

1. Date and Time : June 23, 2016 (Thursday) - 10:00 a.m.

2. Place : Head Office, 6-6, Minatojima Minamimachi 4-chome, Chuo-ku, Kobe, 650-0047 Japan

3. Agenda

Reports :

1. Business report and financial statements for the 93rd business term (from April 1, 2015 to March 31, 2016).
2. Auditing results of the consolidated financial statements for the 93rd business term (from April 1, 2015 to March 31, 2016) by the Accounting Auditor and the Corporate Auditors.

Proposals :

No.1 : Approval of the proposed appropriation (dividend) of retained earnings for the 93rd business term (from April 1, 2015 to March 31, 2016)
No.2 : Share Consolidation
No.3 : Partial amendments to the Articles of Incorporation

No.4： Election of four (4) Directors who are not Audit and Supervisory Committee Members
No.5： Election of three (3) Directors who are Audit and Supervisory Committee Members
No.6： Remuneration for Directors who are not Audit and Supervisory Committee Members
No.7： Remuneration for Directors who are Audit and Supervisory Committee Members
No.8： Performance-linked Stock Remuneration for Directors

4. Information on Exercising Your Voting Rights：

(1) Exercising your voting rights by proxy

In the event that you are unable to attend the General Meeting of Shareholders, you may appoint another shareholder of the Company to act as proxy and attend on your behalf. Please note, however, that any delegation of your voting rights to a proxy must be presented to the Company in writing.

(2) Treatment of multiple exercise of voting rights

In the event that votes both in written form and via Internet are received from the same shareholder, the Internet vote will be considered as valid. When exercising voting rights via Internet, if multiple votes are made from the same shareholder, the last vote will be considered as valid.

(3) Announcement regarding modifications to financial statements and General Meeting documentation

Necessary notices of modifications to financial statements and documentation in relation to the General Meeting of Shareholders, if any, will be made available on the Company's homepage (http://www.bando.co.jp).

－END－

Referential Documents for Exercising Your Voting Rights

1. Total number of voting rights held by shareholders:
   93,065
2. Proposals and referential matters

Proposal 1: Approval of the proposed appropriation (dividend) of retained earnings for the 93rd business term (from April 1, 2015 to March 31, 2016)

Our policy is to make stable dividend payments, considering our profit position, and to reinforce the return of profits. For this term, considering the amount of earnings, we propose that the dividends be 6.00 yen per share (a total of 12.00 yen for the year, including the intermediate dividends).

Our proposal for the dividends for this business term is as follows;

(1) The dividends will be made in cash.

(2) The amount of dividends will be 6.00 yen per share and the total amount of dividends will be 563,016,252 yen.

(3) The effective date of payment of dividends shall be June 24, 2016.

Proposal 2: Share Consolidation

1. The reason for share consolidation

Stock exchanges of Japan have announced the “Action Plan for Consolidating Units” and seek to unify minimum trading units of shares of all listed domestic corporations at 100 shares by October 1, 2018.

As a company listed on the Tokyo Stock Exchange, the Company has decided to change the number of shares constituting one trading unit of shares from 1,000 shares to 100 shares on October 1, 2016 by the resolution of the Board of Directors.

Along with the change in the number of shares constituting one trading unit of shares, the Company will also consolidate its shares (at a consolidation ratio of one share for every two shares) in order to allow the share price to be at a level set forth by the stock exchanges as a desirable level for an investment unit (50,000 yen or more and less than 500,000 yen).

Subject to the approval of this proposal, the aforementioned change in the number of shares constituting one unit of shares will take effect.

2. Ratio of Consolidation

Every two shares of the Company’s common stock will be consolidated into one share.

If any fractional shares less than one share are created as a result of the share consolidation, such shares will be sold in a lump by the Company, pursuant to the provisions of the Companies Act. The proceeds from the sale will be distributed to the shareholders of the fractional shares in proportion to the numbers of their fractional shares.

3. Effective date of share consolidation

October 1, 2016

4. Total number of authorized shares as of the effective date of share consolidation
187,000,000 shares

(Reference)
Subject to the approval of this proposal, the Articles of Incorporation of the Company will be partially amended as follows on October 1, 2016.

(Amendments are underlined)

Current Articles of Incorporation	Proposed Amendment
(Total Number of Authorized Shares) Article 5 The total number of shares authorized to be issued by the Company shall be three hundred and seventy eight million five hundred thousand (378,500,000).	(Total Number of Authorized Shares) Article 5 The total number of shares authorized to be issued by the Company shall be one hundred and eighty seven million (187,000,000).
(Share Unit) Article 7 The number of shares constituting one unit of shares of the Company shall be one thousand (1,000).	(Share Unit) Article 7 The number of shares constituting one unit of shares of the Company shall be one hundred (100).

Proposal 3: Partial amendments to the Articles of Incorporation

1. The reason for the amendments

(1) Changes due to the Transition to a Company with an Audit and Supervisory Committee

In order to further strengthen audit and supervisory functions to improve the corporate value of the Company, the Company will transition to a Company with an Audit and Supervisory Committee.

As a result of this, the provisions regarding an Audit and Supervisory Committee and Audit and Supervisory Committee Members will be newly added to the Articles of Incorporation, and the provisions regarding Corporate Auditors and the Board of Corporate Auditors will be deleted from the articles of Incorporation. As part of strengthening the audit and supervisory functions, a provision which allows the delegation of decisions on part or all of the execution of important business to Directors, by the resolutions of a meeting of the Board of Directors, will be newly adopted. (Proposed amendment in Article 26).

(2) Changes apart from above (1)

I. Objects will be arranged to conform with the current business situation of the Company and our subsidiary companies, as well as changed to manage the development of new business in the future (Proposed amendment in Article 2).

II. Considering widespread access to the internet, to improve accessibility of viewing public notices and rationalization of the public notice procedure, the method of public notification by the Company will be changed from publication in the Nihon Keizai

Shimbun and the Kobe Shimbun to electronic public notices, and in addition to that, measures will be available when electronic public notice is not able to be made due to unavoidable circumstances. (Proposed amendment in Article 4).

III. Where the convener or chairman of the Board of Directors is not specified or in their absence or disability, to clarify how to cover their duty, the required amendment will be made (Proposed amendment in Article 23).

IV. Due to "the Act for Partial Revision of the Companies Act" (Act No. 90 of 2014), it has become possible to enter into the Limitation of Liability Agreement with non-Executive Directors. Therefore, the content of the agreement will be changed for Non-Executive Directors (Proposed amendment in Article 29). The Board of Corporate Auditors has consented to the proposed amendment in Article 29.

(3) Other

Due to the above changes, required amendments such as the change of Article number, etc. will be made.

The resolution of this proposal will take effect at the end of this meeting.

2. Description of changes

The following proposed amendments will be made to the current Articles of Incorporation.

(Amendments are underlined)

Current Articles of Incorporation	Proposed Amendment
Article 1 (Omitted)	Article 1 (Unchanged)
(Purposes) Article 2 The purposes of the Company shall be to carry out the following businesses; 1. Manufacture, sell and install rubber belts, various rubber products and their accessories; 2. Manufacture and sell recycled rubber; 3. Manufacture and sell synthetic resins, and manufacture, sell and install synthetic resin products; 4. Design, manufacture, sell and install machinery and tools, such as conveying equipment, power transmission devices and their accessories; 5. Design, manufacture, sell and install equipment related to information processing and industrial machinery, its components and their accessories; 6. Manufacture, process and sell materials related to construction, civil engineering machinery and devices, and sell interior goods; 7. Facilities management, such as those related to sports, culture and health;	(Purposes) Article 2 The purposes of the Company shall be to carry out the following businesses; 1. Manufacture, sell and install rubber belts, various rubber products and their accessories; 2. Manufacture and sell recycled rubber; 3. Manufacture and sell synthetic resins, and manufacture, sell and install synthetic resin products; 4. Design, manufacture, sell and install machinery and tools, such as conveying equipment, power transmission devices and their accessories; 5. Design, manufacture, sell and install equipment related to information processing and industrial machinery, its components and their accessories; 6. Manufacture, process and sell materials related to construction, civil engineering machinery and devices, and sell interior goods; 7. Facilities management, such as those related to sports, culture and health;

8. Real estate sales, leasing, brokerage, management, and building service and landscaping; 9. Business related to non-life and life insurance agency; 10. Business related to labor dispatch services, market research, advertising, and promotion; <New addition> <New addition> 11. Sell technology, know-how and software related to the foregoing items; 12. Invest in related businesses, etc.; and 13. Business incidental to the foregoing items.	8. Real estate sales, leasing, brokerage, management, and building service and landscaping; 9. Business related to non-life and life insurance agency; 10. Business related to labor dispatch services, market research, advertising, and promotion; 11. Manufacturing, sales and lending of medical devices, assistive products and nursing care products. 12. Electricity generation business using natural energy, maintain and run that business, and supply and sales of electricity. 13. Sell technology, know-how and software related to the foregoing items; 14. Invest in related businesses, etc.; and 15. Business incidental to the foregoing items.
Article 3 (Omitted)	Article 3 (Unchanged)
(Method of Public Notice) Article 4 Public notices of the Company shall be made in the Nihon Keizai Shimbun and in the Kobe Shimbun.	(Method of Public Notice) Article 4 Public notices of the Company shall be made electronically. However, where electronic public notification is not able to be made due to accidents or other unavoidable circumstances, public notices shall be published in the Nihon Keizai Shimbun and in the Kobe Shimbun.
Article 5 – Article 18 (Omitted)	Article 5 – Article 18 (Unchanged)
(Number) Article 19 The number of Directors of the Company shall not exceed ten (10).	(Number) Article 19 The number of Directors who are not Audit and Supervisory Committee Members of the Company shall not exceed ten (10), and the number of Directors who are Audit and Supervisory Committee Members shall not exceed five (5).
(Election) Article 20 1. Directors shall be elected at the General Meeting of Shareholders. 2. The resolution of election prescribed in	(Election) Article 20 1. Directors who are not Audit and Supervisory Committee Members and Directors who are Audit and Supervisory Committee Members shall be elected separately at the General Meeting of Shareholders. 2. The resolution of election prescribed in

the preceding paragraph shall be adopted by a majority of the votes at the General Meeting of Shareholders at which shareholders holding one third (1/3) or more of the total number of voting rights of all shareholders who are entitled to exercise their voting rights at such meetings are present. 3. Cumulative voting shall not be used in the election of Directors.	the preceding paragraph shall be adopted by a majority of the votes at the General Meeting of Shareholders at which shareholders holding one third (1/3) or more of the total number of voting rights of all shareholders who are entitled to exercise their voting rights at such meetings are present. 3. Cumulative voting shall not be used in the election of Directors.
(Term of Office) Article 21 1. The term of office of Directors shall expire at the close of the Ordinary General Meeting of Shareholders for the last business year ending within one (1) year from their assumption of office. <New addition> 2. The term of office of a Director elected as the substitute for a Director who retired from office before the expiration of the term of office, or in the case where there is a vacancy which results in a shortfall in the number of Directors prescribed in the Companies Act, shall expire at the time the term of office of the Director who retired from office expires.	(Term of Office) Article 21 1. The term of office of Directors who are not Audit and Supervisory Committee Members shall expire at the close of the Ordinary General Meeting of Shareholders for the last business year ending within one (1) year from their assumption of office. 2. The term of office of Directors who are Audit and Supervisory Committee Members shall expire at the close of the Ordinary General Meeting of Shareholders for the last business year ending within two (2) years from their assumption of office. 3. The term of office of a Director elected as the substitute for a Director who is an Audit and Supervisory Committee Member and who retired from office before the expiration of the term of office shall expire at the time the term of office of the Director who retired from office expires.
(Representative Directors and Directors with Specific Titles) Article 22 1. The Company shall appoint Representative Director(s) by resolution of the Board of Directors. 2. The Company may appoint one each of Chairman, Vice Chairman and President by resolution of the Board of Directors.	(Representative Directors and Directors with Specific Titles) Article 22 1. The Company shall appoint Representative Director(s) from Directors who are not Audit and Supervisory Committee Members by resolution of the Board of Directors. 2. The Company may appoint one each of Chairman, Vice Chairman and President from Directors who are not Audit and Supervisory Committee Members by resolution of the Board of Directors.

3. The President shall preside over the operations of the Company. Should the President be unable to act, other Director shall act on behalf of the President in accordance with the order predetermined by the Board of Directors.	3. The President shall preside over the operations of the Company. Should the President be unable to act, other Director shall act on behalf of the President in accordance with the order predetermined by the Board of Directors.
(Convener and Chairman of Board of Directors) Article 23 1. Except as otherwise provided for in laws and regulations, the meeting of the Board of Directors shall be convened by and presided over by the Chairman. 2. Should no Chairman of the Board of Directors have been appointed, or should the Chairman of the Board of Directors be unable to act, another Director shall act as Chairman in accordance with the order predetermined by the Board of Directors.	(Convener and Chairman of Board of Directors) Article 23 1. Except as otherwise provided for in laws and regulations, the meeting of the Board of Directors shall be convened by and presided over by the Chairman. 2. Should no Chairman of the Board of Directors have been appointed, or should the Chairman of the Board of Directors be unable to act, the President shall act as Chairman. Should the President be unable to act, then another Director shall act as President in accordance with the order predetermined by the Board of Directors.
(Notice of Convocation of Meetings of Board of Directors) Article 24 1. Notice of convocation of a meeting of the Board of Directors shall be sent to each Director and Corporate Auditor three (3) days before the meeting date. In case of urgency, however, such period may be shortened. 2. If all Directors and Corporate Auditors consent to the holding of a meeting of the Board of Directors, the meeting may be held without such notice.	(Notice of Convocation of Meetings of Board of Directors) Article 24 1. Notice of convocation of a meeting of the Board of Directors shall be sent to each Director three (3) days before the meeting date. In case of urgency, however, such period may be shortened. 2. If all Directors consent to the holding of a meeting of the Board of Directors, the meeting may be held without such notice.
(Resolutions of Board of Directors, etc.) Article 25 1. Resolutions of the Board of Directors shall be made by a majority of votes of the Directors present at the meeting where the majority of the Directors entitled to participate in the vote are present. 2. The Company may deem that matters to be resolved by the Board of Directors are adopted by a resolution of the Board of Directors, if all Directors (limited to those who are entitled to participate in votes with respect to	(Resolutions of Board of Directors, etc.) Article 25 1. Resolutions of the Board of Directors shall be made by a majority of votes of the Directors present at the meeting where the majority of the Directors entitled to participate in the vote are present. 2. The Company may deem that matters to be resolved by the Board of Directors are adopted by a resolution of the Board of Directors, if all Directors (limited to those who are entitled to participate in votes with respect to

such matters) manifest their intention to agree to such matters in writing or by means of Electromagnetic Records; provided, however, that any of the Corporate Auditors do not state their objections to such matters.	such matters) manifest their intention to agree to such matters in writing or by means of Electromagnetic Records.
<New addition>	(Delegating Decisions on the Execution of Important Business) Article 26 The Company may delegate decisions on part or all of the execution of important business (except each item provided in Article 399, Paragraph 5 of the Companies Act) to Directors, by the resolutions of a meeting of the Board of Directors pursuant to Article 399-13, Paragraph 6 of the Companies Act.
(Minutes of the Meeting of Board of Directors) Article 26 1. A summary of the proceedings at the meeting of the Board of Directors and the results thereof, as well as other matters provided for in laws and regulations, shall be recorded in the minutes of the meeting of the Board of Directors, and the Directors and Corporate Auditors present shall sign or affix their names and seals thereon, or take actions in lieu of the signing or the affixing of their names and seals in accordance with laws and regulations. 2. The minutes of the meeting of the Board of Directors shall be kept at the head office for ten (10) years from the date of resolution.	(Minutes of the Meeting of Board of Directors) Article 27 1. A summary of the proceedings at the meeting of the Board of Directors and the results thereof, as well as other matters provided for in laws and regulations, shall be recorded in the minutes of the meeting of the Board of Directors, and the Directors present shall sign or affix their names and seals thereon, or take actions in lieu of the signing or the affixing of their names and seals in accordance with laws and regulations. 2. The minutes of the meeting of the Board of Directors shall be kept at the head office for ten (10) years from the date of resolution.
(Remuneration) Article 27 1. The remunerations, bonuses and other financial benefits in consideration of the execution of duties (hereinafter referred to as "Remunerations") shall be fixed by resolution of the General Meeting of Shareholders.	(Remuneration) Article 28 1. The remunerations, bonuses and other financial benefits in consideration of the execution of duties (hereinafter referred to as "Remunerations") shall be fixed separately for Directors who are not Audit and Supervisory Committee Members and Directors who are Audit and Supervisory Committee Members by resolution of the General Meeting of Shareholders.
(Agreements for Limitation of Liability with Outside Directors) Article 28	(Agreements for Limitation of Liability with Directors) Article 29

The Company may enter into agreements with Outside Directors to limit their liability provided for in Article 423, Paragraph 1 of the Companies Act to the extent of the amount determined by the Companies Act.	The Company may enter into agreements with Directors (except Executive Directors, etc.) to limit their liability provided for in Article 423, Paragraph 1 of the Companies Act to the extent of the amount determined by the Companies Act.
CHAPTER V. CORPORATE AUDITORS AND BOARD OF CORPORATE AUDITORS	CHAPTER V. AUDIT AND SUPERVISORY COMMITTEE
(Corporate Auditors and Board of Corporate Auditors) Article 29 1. The Company shall have Corporate Auditors and a Board of Corporate Auditors.	(Audit and Supervisory Committee) Article 30 1. The Company shall have an Audit and Supervisory Committee.
(Number) Article 30 1. The number of Corporate Auditors of the Company shall not exceed five (5).	<Deleted>
(Election) Article 31 1. Corporate Auditors shall be elected at the General Meeting of Shareholders. 2. The resolution of election prescribed in the preceding paragraph shall be adopted by a majority of the votes at the General Meeting of Shareholders at which shareholders holding one third (1/3) or more of the total number of voting rights of all shareholders who are entitled to exercise their voting rights at such meeting are present.	<Deleted>
(Term of Office) Article 32 1. The term of office of Corporate Auditors shall expire at the close of the Ordinary General Meeting of Shareholders for the last business year ending within four (4) years from their assumption of office. 2. The term of a Corporate Auditor elected as a substitute for a Corporate Auditor who retired from office before the expiration of the term or in case where there is a vacancy which results in a shortfall in the number of Corporate Auditors prescribed in the Companies Act shall expire at the time the term of office of the	<Deleted>

Corporate Auditor who retired from office expires.	
(Full-Time Corporate Auditors) Article 33 The Board of Corporate Auditors shall appoint full-time Corporate Auditors among the Corporate Auditors.	<Deleted>
(Notice of Convocation of Meetings of Board of Corporate Auditors) Article 34 1. Notice of convocation of a meeting of the Board of Corporate Auditors shall be sent to each Auditor three (3) days before the meeting date. In case of urgency, however, such period may be shortened. 2. If all Corporate Auditors consent to the holding of a meeting of the Board of Corporate Auditors, the meeting may be held without such notice.	(Notice of Convocation of Meetings of the Audit and Supervisory Committee) Article 31 1. Notice of convocation of a meeting of the Audit and Supervisory Committee shall be sent to each Audit and Supervisory Committee Member three (3) days before the meeting date. In case of urgency, however, such period may be shortened. 2. If all Audit and Supervisory Committee Members consent to the holding of a meeting of the Audit and Supervisory Committee, the meeting may be held without such notice.
(Resolutions of Board of Corporate Auditors) Article 35 Unless otherwise provided for in laws and regulations, the resolution of the Board of Corporate Auditors shall be made by a majority of votes of the Corporate Auditors.	(Resolutions of Audit and Supervisory Committee) Article 32 Unless otherwise provided for in laws and regulations, the resolution of the Audit and Supervisory Committee shall be made by a majority of votes of the Audit and Supervisory Committee Members present at the meeting where the majority of the Audit and Supervisory Committee Member entitled to participate in the vote are present.
(Minutes of the Meeting of Board of Corporate Auditors) Article 36 1. A summary of the proceedings at the meeting of Board of Corporate Auditors and the results thereof, as well as other matters provided for in laws and regulations, shall be recorded in the minutes of the meeting of Board of Corporate Auditors, and the Corporate Auditors present shall sign or affix their names and seals thereon, or take actions in lieu of the signing or the affixing of their names and seals in	(Minutes of the Meeting of Audit and Supervisory Committee) Article 33. 1. A summary of the proceeding at the meeting of Audit and Supervisory Committee and the results thereof, as well as other matters provided for in laws and regulations, shall be recorded in the minutes of the meeting of Audit and Supervisory Committee, and the Audit and Supervisory Committee Members present shall sign or affix their names and seals thereon, or take actions in lieu of the signing or the affixing

accordance with laws and regulations. 2. The minutes of the meeting of Board of Corporate Auditors shall be kept at the head office for ten (10) years from the date of resolution.	of their names and seals in accordance with laws and regulations. 2. The minutes of the meeting of Audit and Supervisory Committee shall be kept at the head office for ten (10) years from the date of resolution.
(Remuneration) Article 37 The remunerations for the Corporate Auditors shall be fixed by resolution of the General Meeting of Shareholders.	<Deleted>
(Agreements for Limitation of Liability with Outside Corporate Auditor) Article 38 The Company may enter into agreements with Outside Corporate Auditor to limit their liability provided for in Article 423, Paragraph 1 of the Companies Act to the extent of the amount determined by the Companies Act.	<Deleted>
Article 39 – Article 41 (Omitted)	Article 34 – Article 36 (Unchanged)
(Remuneration) Article 42 The remunerations for the Accounting Auditor shall be fixed by the Representative Directors with consent of the Board of Auditors.	(Remuneration) Article 37 The remunerations for the Accounting Auditor shall be fixed by the Representative Directors with consent of the Audit and Supervisory Committee.
Article 43 – Article 46 (Omitted)	Article 38 – Article 41 (Unchanged)

Proposal 4: Election of four (4) Directors who are not Audit and Supervisory Committee Members

At the end of this meeting, the term of office of all six (6) Directors will expire. Also, subject to approval of Proposal 3, "Partial amendments to the Articles of Incorporation" at this meeting, the Company will transition to a Company with an Audit and Supervisory Committee. As a result of this, the Company asks shareholders to elect four (4) Directors who are not Audit and Supervisory Committee Members separately from Directors who are Audit and Supervisory Committee Members.

The resolution of this proposal will take effect subject to effectuation of Proposal 3, "Partial amendments to the Articles of Incorporation".

The candidates for Directors who are not Audit and Supervisory Committee Members are as follows:

No.	Name (birth date)	Brief career summary, position, responsibilities in the Company and important current duties	Number of Company shares owned
1	Mitsutaka Yoshii (August 18, 1958) [Reelection] 	Apr. 1981 Joined the Company Apr. 1999 General Manager, Automotive Parts Marketing Department, Power Transmission Belt Division May. 2003 President, Bando Europe GmbH Apr. 2007 General Manager, Procurement Department Apr. 2009 General Manager, Corporate Planning Department Apr. 2011 General Manager, Industrial Products Division President and Director (Representative Director), Bando-Scholtz Corporation Jun. 2011 Director Apr. 2013 President and Director (Representative Director) (Present)	77,000
The reason for nominating as a candidate for Director While Mr. Mitsutaka Yoshii has been serving as President and Director since April 2013, he demonstrated strong leadership to promote medium- to-long-term management plan, and as a chairman of Board of Directors, Mr. Yoshii has been striving to establish the corporate culture which sets a high value on freewheeling and constructive discussion and exchange of opinion. To realize sustainable growth and improvement of medium-to-long term corporate value of the Company group, his experience and insight are required. Therefore, he is nominated continuously as a Director candidate.			

<table>
<tr><th>No.</th><th>Name
(birth date)</th><th colspan="2">Brief career summary, position, responsibilities in the Company and important current duties</th><th>Number of Company shares owned</th></tr>
<tr><td>2</td><td>Yoshihisa Tamagaki
(February 16, 1952)

[Reelection]
</td><td colspan="2">Apr. 1974 Joined the Company
Apr. 2007 General Manager, Tokyo Branch Office, Marketing Division
Mar. 2010 General Manager, Marketing Department
Apr. 2013 General Manager, Belt Business Administrative Headquarters
Apr. 2014 Senior Executive Officer (Present)
Jun. 2014 Director (Representative Director) (Present)</td><td>37,000</td></tr>
<tr><td colspan="5">The reason for nominating as a candidate for Director
While Yoshihisa Tamagaki has been serving as Representative Director since June 2014, he has performed his roles and responsibilities as a Director properly promoting global market strategy, etc., based on his broad experience and insight regarding sales and marketing, etc. To realize sustainable growth and improvement of the medium-to-long term corporate value of the Company group, his experience and insight are required. Therefore, he is nominated continuously as a Director candidate.</td></tr>
<tr><td>3</td><td>Kyosuke Nakamura
(March 26, 1956)

[Reelection]
</td><td colspan="2">Apr. 1981 Joined the Company
Dec. 2003 General Manager, Personnel and General Affairs Department
Apr. 2011 General Manager, Corporate Information Systems Department
Apr. 2013 General Manager, Corporate Planning Department
Apr. 2014 Senior Executive Officer (Present)
Jun. 2014 Director (Present)</td><td>33,000</td></tr>
<tr><td colspan="5">The reason for nominating as a candidate for Director
While Mr. Kyosuke Nakamura has been serving as Director, he has performed his roles and responsibilities as a Director properly based on his broad experience and insight regarding corporate planning, human resources and administration, etc. To realize sustainable growth and improvement of medium-to-long term corporate value of the Company group, his experience and insight are required. Therefore, he is nominated continuously as a Director candidate.</td></tr>
</table>

No.	Name (birth date)	Brief career summary, position, responsibilities in the Company and important current duties	Number of Company shares owned
4	Shinji Kashiwada (February 27, 1962) [Reelection] 	Apr. 1985 Joined the Company Nov. 2002 General Manager, Automotive Parts Marketing Department, Tokyo Branch Office, Marketing Division Apr. 2007 General Manager, Osaka Branch Office, Marketing Division Apr. 2009 General Manager, Power Transmission Belt Division Jun. 2011 Director (Present) Apr. 2013 General Manager, Mid-Term Plan Promotion Department and Tokyo Branch Office Apr. 2016 Senior Executive Officer (Present)	15,000
The reason for nominating as a candidate for Director While Mr. Shinji Kashiwada has been serving as a Director, he has performed his roles and responsibilities as a Director properly based on his broad experience and insight regarding transmission belt business and new business development, etc. To realize sustainable growth and improvement of medium-to-long term corporate value of the Company group, his experience and insight are required. Therefore, he is nominated continuously as a Director candidate.			

Note: There is no special interest between the Company and the candidates.

Proposal 5: Election of three (3) Directors who are Audit and Supervisory Committee Members

Subject to approval of Proposal 3, "Partial amendments to the Articles of Incorporation" at this meeting, the Company will transition to a Company with an Audit and Supervisory Committee. As a result of this, the term of office of all four (4) Corporate Auditors will expire at the end of this meeting, therefore the Company asks shareholders to elect three (3) Directors who are Audit and Supervisory Committee Members.

The resolution of this proposal will take effect subject to effectuation of Proposal 3, "Partial amendments to the Articles of Incorporation".

The candidates for Directors who are Audit and Supervisory Committee Members are as follows:

No.	Name (birth date)	Brief career summary, position, responsibilities in the Company and important current duties	Number of Company shares owned
1	Takahiro Matsusaka (August 11, 1950) **New candidate** **Candidate for Outside Director** **Candidate for Independent Officer** 	Apr. 1974 Joined Taiyo-Kobe Bank Oct. 2000 Sannomiya Corporate Marketing Manager, Sakura Bank Jun. 2002 Executive Officer and Himeji Corporate Marketing Manager, Mitsui-Sumitomo Bank Jun. 2004 Senior Executive Officer, Ginsen Co., Ltd. Jun. 2012 Representative Secretary, Kobe Association of Corporate Executives Jun. 2014 Corporate Auditor (full-time) of the Company (Present) (Important current duties) Corporate Auditor, Fukui Belt Industries Ltd.	1,000

The reason for nominating as a candidate for Outside Director

While Mr. Takahiro Matsusaka has served as Corporate Auditor since June 2014, he has been auditing from a comprehensive and specialist perspective based on his longstanding work experience at financial institutions and insight cultivated as being a manager. He is an appropriate person to fulfill his role and take responsibility from an independent standpoint from Executive Directors, as an Audit and Supervisory Committee Member. Therefore, he is nominated as a candidate for Outside Director who is an Audit and Supervisory Committee Member.

No.	Name (birth date)	Brief career summary, position, responsibilities in the Company and important current duties	Number of Company shares owned
2	Takashi Shigematsu (November 3, 1949) **New candidate** **Candidate for Outside Director** **Candidate for Independent Officer** 	Apr. 1975 Joined Toyota Motor Co., Ltd. (Current Toyota Motor Corporation) Jun. 2004 Managing Officer Jun. 2005 Outside Director, Fujitsu Ten Limited Jun. 2010 President and Director, Fujitsu Ten Limited (Representative Director) Jun. 2014 Chairman and Director, Fujitsu Ten Limited (Representative Director) (Present) Jun. 2015 Director of the Company (Present) Jun. 2015 Outside Director, Murata Manufacturing Co., Ltd. (Present) (Important current duties) Chairman and Director, Fujitsu Ten Limited (Representative Director) Outside Director, Murata Manufacturing Co., Ltd.	0
The reason for nominating as a candidate for Outside Director While Mr. Takashi Shigematsu has been serving as a Director since June 2015, he has provided valuable candid opinions from an independent standpoint from Executive Directors based on his insight cultivated as an engineer and manager over many years. He is an appropriate person to fulfill his role and take responsibility from an independent standpoint from Executive Directors, as an Audit and Supervisory Committee Member. Therefore, he is nominated as a candidate for Outside Director who is an Audit and Supervisory Committee Member.			

No.	Name (birth date)	Brief career summary, position, responsibilities in the Company and important current duties	Number of Company shares owned
3	Haruo Shimizu (January 7, 1947) **New candidate** **Candidate for Outside Director** **Candidate for Independent Officer** 	Feb. 1970 Joined Daikin Mfg. Co., Ltd. (Current Exedy Corporation) Jun. 1994 Director Jun. 1996 General Director, Sales Division Jun. 2006 President and Chief Executive Officer Apr. 2015 Chairman (Present)	0
The reason for nominating as a candidate for Outside Director Mr. Haruo Shimizu has broad experience and insight cultivated as a manager over many years. He is an appropriate person to fulfill his role and take responsibility from an independent standpoint from Executive Directors, as an Audit and Supervisory Committee Member. Therefore, he is nominated as a candidate for Outside Director who is an Audit and Supervisory Committee Member.			

Notes:

1. There is no special interest between the Company and the candidates.

2. Mr. Takahiro Matsusaka, Mr. Takashi Shigematsu and Mr. Haruo Shimizu are candidates for Outside Directors.

3. Mr. Takahiro Matsusaka is a current Outside Corporate Auditor of the Company and his term in office since he took this position is two years.

4. Mr. Takashi Shigematsu has been in the position of Outside Director of the Company for one year.

5. Mr. Haruo Shimizu intends to resign as Chairman of the Board of Directors of Exedy Corporation at the end of the General Meeting of Shareholders of Exedy to be held in June 2016, and become an advisor of Exedy.

6. We have concluded a Limitation of Liability Agreement with Outside Directors to limit their liabilities set forth in Article 423, Paragraph 1 of the Companies Act pursuant to Article 427, Paragraph 1 of the Companies Act, to the minimum liability amount stated in the Companies Act. If Mr. Takahiro Matsusaka and Mr. Takashi Shigematsu's elections are approved, the Company intends to enter into Limitation of Liability Agreement with both of them again. If Mr. Haruo Shimizu's election is approved, the Company intends to enter into a Limitation of Liability Agreement with

him.

7. Mr. Takahiro Matsusaka and Mr. Takashi Shigematsu are Independent Officers as stipulated by the Securities Listing Regulations of Tokyo Stock Exchange, Inc. We consider Mr. Haruo Shimizu meets the requirements of Independent Officer as stipulated in the Securities Listing Regulations of Tokyo Stock Exchange, Inc. Subject to approval of election of Mr. Takahiro Matsusaka and Mr. Haruo Shimizu, the Company intends to register Mr. Takahiro Matsusaka as an Independent Officer who is an Outside Director and Mr. Haruo Shimizu as a new Independent Officer at Tokyo Stock Exchange, Inc. If Mr. Takashi Shigematsu's election is approved, he will continue to be an Independent Officer.

Proposal 6: Remuneration for Directors who are not Audit and Supervisory Committee Members

Subject to approval of Proposal 3, "Partial amendments to the Articles of Incorporation" at this meeting, the Company will transition to a Company with an Audit and Supervisory Committee. The amount of remuneration paid to Directors by the Company has been below 240 million yen per annum since it was approved at the 83rd General Meeting of Shareholders held on June 23, 2006, until today. However, due to the transition to a Company with an Audit and Supervisory Committee, we will abolish this to set a new amount of remuneration for Directors who are not Audit and Supervisory Committee Members. This new amount will be up to 190 million yen, by deducting 50 million yen from 240 million yen, in consideration of Proposal 8 "Performance-linked Stock Remuneration for Directors" which suggests the payment of a performance-linked stock remuneration of 50 million yen to Directors in addition to the annual remuneration.

The remuneration excludes employee-director percentage salaries as in the past.

The current number of Directors is six (6) (including two (2) Outside Directors). If Proposal 3, "Partial amendments to the Articles of Incorporation" and Proposal 4. "Election of four (4) Directors who are not Audit and Supervisory Committee Members" are approved, the number of Directors who are not Audit and Supervisory Committee will be four (4) (with no Outside Director).

The resolution of this proposal will take effect subject to effectuation of Proposal 3, "Partial amendments to the Articles of Incorporation".

Proposal 7: Remuneration for Directors who are Audit and Supervisory Committee Members

Subject to approval of Proposal 3, "Partial amendments to the Articles of Incorporation" at this meeting, the Company will transition to a Company with an Audit and Supervisory Committee. As a result of this transition, we will set the amount of annual remuneration for Directors who are Audit and Supervisory Committee Members up to 84 million yen in consideration of having set the monthly remuneration being paid to auditors at 7 million yen or less.

If Proposal 3, "Partial amendments to the Articles of Incorporation" and Proposal 5. "Election of three (3) Directors who are Audit and Supervisory Committee Members" are approved, the number of Directors who are Audit and Supervisory Committee Members will be three (3) (with three (3) Outside Directors).

The resolution of this proposal will take effect subject to effectuation of Proposal 3, "Partial amendments to the Articles of Incorporation".

Proposal 8: Performance-linked Stock Remuneration for Directors

This proposal suggests the adoption of a Performance-linked Stock Remuneration System (hereinafter: "the System") which will grant the Company shares to our Directors (except Directors who are not Executive Directors nor overseas residents. Hereinafter the same) depending on the performance level achieved by the Company, in order to clarify the relationship between remuneration for Directors and value of the Company shares to foster a willingness to contribute to the improvement of medium-to-long term performance as well as corporate value.

1. The amount of remuneration under the System and details

(1) Outline of the System

This system is a Performance-linked Stock Remuneration System, under which the Company contributes funds to a Trust and the Trust uses this fund to purchase the Company shares to grant them to our Directors depending on the performance level achieved by the Company.

(2) Period subject to the System

The period subject to the System shall be seven years in total comprising the two years of the remaining period of the first stage of the medium-to-long term management plan “Breakthroughs for the future” and five years of the second stage (seven years from the fiscal year ending March 2017 until the fiscal year ending March 2023).

(3) Upper limit of funds contributed by the Company

The upper limit of funds contributed by the Company for remuneration to Directors shall be 50 million yen per year during the period subject to the System. The Company shall contribute a total of 350 million yen, which is calculated by multiplying this annual limit by the 7 years of the subject period, to the Trust set up to hold “stock-based remuneration” for the Directors who satisfy the requirements as beneficiaries (hereinafter: “the Trust”).

This upper limit of 50 million yen per year for remuneration to Directors is equivalent to the deducted amount of remuneration mentioned in Proposal 6, therefore the total amount of remuneration for Directors will be the same as before. The Trust will purchase the Company shares from the Company (disposition of Treasury Shares) or through the share markets using the entrusted money as underlying funds, in accordance with instructions given by the custodian of the Trust.

If the Trust remains effective, at the maturity of the Trust, the Trust may be renewed by contributing additional funds. In that case, considering the period of the subsequent medium-to-long term management plan, the Trust period shall be extended for a further five years, and total funds up to 250 million yen will be contributed to the Trust per Trust period.

(4) Calculation method and upper limit of the number of the Company shares granted to Directors

The number of the Company shares granted to Directors shall be determined each year based on the granted stock issuance points depending on “the performance level achieved using the current consolidated net profit as an indicator” and “by job title" using a certain calculation method (however, the stock issuance points will be granted on condition that the current consolidated net profit should be 3 billion yen or more and non-consolidated net profit does not result in loss).

The stock issuance points shall be granted each year during the Trust period, and each Director will receive one class company share for each stock issuance point depending on the accumulated

value of stock issuance points (hereinafter: accumulated points) at the time of their resignation.

The maximum number of the Company shares which can be granted to Directors from the Trust per year shall be 108 thousand shares. The total number of the Company shares granted to Directors from the Trust shall be up to 756 thousand shares for the period subject to the System (seven years) and 540 thousand shares for the extended Trust period (five years).

If the number of the Company shares kept in the Trust changes due to a Stock Split, Allotment of Shares without Contribution or Share Consolidation, the Company will adjust the number of the Company shares to be granted taking into consolidation stock issuance point in accordance with the rate of the change. (If Proposal 2. “Share Consolidation” is approved at the meeting in its original form, the 1-for-2 share consolidation will take place on the effective date, October 1 2016. However, in this proposal, the number of shares before the Share Consolidation takes place, is described.)

(5) The application of the System for Executive Officers

Executive Officers who entered into the delegation agreement with the Company (except overseas residents, hereinafter the same) shall also be subject to the System. In that case, the upper limit of funds contributed by the Company for remuneration to Executive Officers shall be up to 25 million yen per year during the period subject to the System, and the maximum number of the Company shares which can be granted to Executive Officers from the Trust per year shall be 54 thousand shares.

The upper limit of funds contributed by the Company for remuneration to Directors and Executive Officers (Directors, etc.) shall be 525 million yen for the period subject to the System (seven years), and the maximum number of the Company shares which can be granted to Directors, etc. from the Trust shall be 1.134 million shares for the period subject to the System.

For each extended Trust period (five years), the total amount of funds contributed to the Trust from the Company as remuneration to Directors, etc. shall be limited to 375 million yen, and the total number of the Company shares which can be granted to Directors, etc. from the Trust shall be limited to 810 thousand shares.

The amount of funds contributed to the Trust shall be the total amount of the funds to purchase shares and the cost of adopting the Trust System.

(6) How and when to grant the Company shares to Directors, etc.

When the Company’s Directors, etc. who meet the requirements as beneficiaries, resign their positions, they will receive the number of the Company shares which is equivalent to the accumulated points.

(7)Voting rights of the Company shares kept in the Trust

The voting rights of the Company shares kept in the Trust shall not be exercised during the Trust period in order to provide neutrality to management.

(8) Other details of the System

Other details of the System shall be determined by the Board of Directors when setting up the Trust and contributing additional funds.

2. The number of Directors subject to the System

At the start of the System, the number of Directors subject to the System shall be four (4) if Proposal 4 “Election of four (4) Directors who are not Audit and Supervisory Committee Members" is approved in its original form, and the remuneration for Directors shall consist of “basic remuneration”, “profit -based remuneration” and “stock-based remuneration”.

－END –

CONSOLIDATED FINANCIAL STATEMENTS

These Consolidated Financial Statements were publicly released in the Japanese language on May 12, 2016.

(1)Consolidated balance sheet (Yen millions)

	2015/3/31	2016/03/31
Assets		
Current assets		
Cash and deposits	16,199	16,980
Notes and accounts receivable - trade	18,357	16,731
Electronically recorded monetary claims - operating	965	1,617
Merchandise and finished goods	7,308	6,460
Work in process	1,535	1,541
Raw materials and supplies	2,956	2,505
Deferred tax assets	605	458
Other	1,221	1,262
Allowance for doubtful accounts	-30	-38
Total current assets	49,119	47,520
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	11,048	10,337
Machinery, equipment and vehicles, net	10,642	9,867
Land	6,767	6,507
Construction in progress	1,348	1,508
Other, net	1,282	1,266
Total property, plant and equipment	31,089	29,486
Intangible assets		
Goodwill	101	82
Software	881	875
Other	391	230
Total intangible assets	1,374	1,188
Investments and other assets		
Investment securities	11,528	10,327
Deferred tax assets	207	965
Net defined benefit asset	2	1
Other	1,491	1,409
Allowance for doubtful accounts	-114	-134
Total investments and other assets	13,115	12,568
Total non-current assets	45,580	43,244
Total assets	94,699	90,765
Liabilities		
Current liabilities		
Notes and accounts payable - trade	11,254	9,907
Electronically recorded obligations - operating	3,034	2,767
Short-term loans payable	4,717	2,047
Current portion of bonds	-	3,000
Income taxes payable	431	438
Provision for loss on liquidation of subsidiaries and associates	-	30
Other	6,533	6,788
Total current liabilities	25,971	24,980
Non-current liabilities		
Long-term loans payable	6,769	7,513
Bonds payable	3,000	-
Net defined benefit liability	2,058	2,917
Other	124	148

Total non-current liabilities	11,952	10,580
Total liabilities	37,923	35,560
Net assets		
Shareholders' equity		
Capital stock	10,951	10,951
Capital surplus	2,968	2,970
Retained earnings	38,739	42,090
Treasury shares	-114	-256
Total shareholders' equity	52,544	55,756
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,060	1,431
Deferred gains or losses on hedges	-0	0
Foreign currency translation adjustment	2,171	-1,169
Remeasurements of defined benefit plans	-503	-1,232
Total accumulated other comprehensive income	3,728	-970
Non-controlling interests	502	418
Total net assets	56,776	55,204
Total liabilities and net assets	94,699	90,765

(2)Consolidated statement of income (Yen millions)

	2014/04/01 2015/03/31	2015/04/01 2016/03/31
Net sales	95,395	93,272
Cost of sales	69,996	66,096
Gross profit	25,399	27,175
Selling, general and administrative expenses	20,601	21,214
Operating income	4,797	5,960
Non-operating income		
Interest and dividend income	219	259
Share of profit of entities accounted for using equity method	645	509
Foreign exchange gains	222	-
Other	326	490
Total non-operating income	1,415	1,259
Non-operating expenses		
Interest expenses	320	288
Foreign exchange losses	-	147
Loss on retirement of non-current assets	41	212
Other	120	208
Total non-operating expenses	482	856
Ordinary income	5,730	6,363
Extraordinary income		
Extraordinary losses		
Impairment loss	409	91
Loss on retirement of non-current assets	-	93
Provision for loss on liquidation of subsidiaries and associates	-	92
Total extraordinary losses	409	277
Profit before income taxes	5,320	6,086
Income taxes - current	1,503	1,598
Income taxes - deferred	△33	30
Total income taxes	1,470	1,628
Profit	3,849	4,457
Profit attributable to non-controlling interests	91	71
Profit attributable to owners of parent	3,758	4,386

(3)Consolidated statement of cash flows (Yen millions)

	2014/04/01 2015/03/31	2015/04/01 2016/03/31
Cash flows from operating activities		
Profit before income taxes	5,320	6,086
Depreciation	4,385	4,321
Amortization of goodwill and negative goodwill	3	9
Impairment loss	409	91
Increase (decrease) in allowance for doubtful accounts	-5	30
Increase (decrease) in provision for loss on liquidation of subsidiaries and associates	―	31
Increase (decrease) in net defined benefit liability	24	-144
Interest and dividend income	-219	-259
Interest expenses	320	288
Foreign exchange losses (gains)	-25	55
Share of (profit) loss of entities accounted for using equity method	-645	-509
Loss (gain) on sales and retirement of non-current assets	14	256
Decrease (increase) in notes and accounts receivable - trade	558	-8
Decrease (increase) in inventories	-281	633
Increase (decrease) in notes and accounts payable - trade	-557	-810
Other, net	1,143	317
Subtotal	10,444	10,391
Interest and dividend income received	421	554
Interest expenses paid	-332	-293
Income taxes paid	-2,479	-1,847
Income taxes refund	8	233
Net cash provided by (used in) operating activities	8,061	9,038
Cash flows from investing activities		
Decrease (increase) in time deposits	-142	-94
Purchase of property, plant and equipment	-2,944	-3,882
Proceeds from sales of property, plant and equipment	67	108
Purchase of intangible assets	-501	-407
Purchase of investment securities	-15	-18
Proceeds from sales of investment securities	12	34
Purchase of shares of subsidiaries	-240	―
Other, net	-164	75
Net cash provided by (used in) investing activities	-3,931	-4,184
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	-762	-1,049
Proceeds from long-term loans payable	1,500	1,383
Repayments of long-term loans payable	-2,231	-2,049
Purchase of treasury shares	-11	-141
Cash dividends paid from parent company	-941	-1,035
Dividends paid to non-controlling interests	-4	-105
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	―	-26
Other, net	-20	-25
Net cash provided by (used in) financing activities	-2,472	-3,049
Effect of exchange rate change on cash and cash equivalents	1,053	-1,066
Net increase (decrease) in cash and cash equivalents	2,711	738
Cash and cash equivalents at beginning of period	12,981	15,697
Increase (decrease) in the cash and the cash equivalent accompanying accounting period change of a consolidated subsidiary	4	―
Cash and cash equivalents at end of period	15,697	16,435

(4)Consolidated statement of comprehensive income (Yen millions)

	2014/04/01 2015/03/31	2015/04/01 2016/03/31
Profit	3,849	4,457
Other comprehensive income		
Valuation difference on available-for-sale securities	567	-635
Deferred gains or losses on hedges	-1	0
Foreign currency translation adjustment	3,378	-3,062
Remeasurements of defined benefit plans, net of tax	545	-728
Share of other comprehensive income of entities accounted for using equity method	218	-292
Total other comprehensive income	4,708	-4,719
Comprehensive income	8,557	-262
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	8,408	-312
Comprehensive income attributable to non-controlling interests	149	50

(5)Consolidated Statements of Change in Net Assets

(Yen millions)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	10,951	2,968	38,739	-114	52,544
Changes of items during period					
Dividends of surplus			-1,035		-1,035
Profit attributable to owners of parent			4,386		4,386
Purchase of treasury shares				-142	-142
Disposal of treasury shares		0		0	0
Change in treasury shares of parent arising from transactions with non-controlling shareholders		1			1
Net changes of items other than shareholders' equity					
Total changes of items during period	-	1	3,351	-141	3,211
Balance at end of current period	10,951	2,970	42,090	-256	55,756

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	2,060	-0	2,171	-503	3,728	502	56,776
Changes of items during period							
Dividends of surplus							-1,035
Profit attributable to owners of parent							4,386
Purchase of treasury shares							-142
Disposal of treasury shares							0
Change in treasury shares of parent arising from transactions with non-controlling shareholders							1
Net changes of items other than shareholders' equity	-629	0	-3,340	-728	-4,698	-84	-4,782
Total changes of items during period	-629	0	-3,340	-728	-4,698	-84	-1,571
Balance at end of current period	1,431	0	-1,169	-1,232	-970	418	55,204