Note: This document has been translated from a part of the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

(Securities Code: 3103)
June 7, 2017

To our shareholders:

Hiroyuki Shime,
Representative Director and President
UNITIKA LTD.
1-50 Higashi-Honmachi, Amagasaki-shi, Hyogo
(Osaka Headquarters)
4-1-3 Kyutaro-machi, Chuo-ku, Osaka

Notice of the 207th Annual General Meeting of Shareholders

You are cordially invited to attend the 207th Annual General Meeting of Shareholders (the "Meeting") of UNITIKA LTD. (the "Company"), which will be held as indicated below.

If you are unable to attend the Meeting in person, you can exercise your voting rights using any of the following methods. Please review the attached Reference Documents for the General Meeting of Shareholders and exercise your voting right before Wednesday, June 28, 2017, at 6:00 p.m. (JST).

[Exercise of voting rights via postal mail]

Please indicate your approval or disapproval of the proposals on the enclosed voting form, and return it so that your vote is received by the aforementioned exercise deadline.

[Exercise of voting rights via the internet]

Please check the Guidance to the Exercise of Voting Rights via the Internet shown on pages 3 through 4 of this notice and access the website for the exercise of voting rights (http://www.evote.jp/) designated by the Company, then input your approval or disapproval of the proposals by the aforementioned exercise deadline.(in Japanese only)

1. **Date and Time:** Thursday, June 29, 2017, at 10:00 a.m. (JST) (Doors open at 9:00 a.m.)
2. **Venue:** Large meeting room, New building 7F, Nihon mengyo Club (Mengyo Kaikan) 2-5-8 Bingo-machi, Chuo-ku, Osaka
3. **Purpose of the Meeting**

Matters to be reported

1. The Business Report and the Consolidated Financial Statements for the 207th fiscal year (from April 1, 2016 to March 31, 2017), and the results of audits of the Consolidated Financial Statements by the Financial Auditor and the Audit & Supervisory Board
2. The Non-consolidated Financial Statements for the 207th fiscal year (from April 1, 2016 to March 31, 2017)

Matters to be resolved

Proposal No. 1: Dividends of Surplus

Proposal No. 2: Consolidation of Shares

Proposal No. 3: Partial Amendments to the Articles of Incorporation (1)

Proposal No. 4: Partial Amendments to the Articles of Incorporation (2)

Proposal No. 5: Election of Four (4) Directors

Proposal No. 6: Election of One (1) Audit & Supervisory Board Member

Proposal No. 7: Election of One (1) Substitute Audit & Supervisory Board Member

4. Matters relating to Exercise of Voting Rights

(1) Please note that your voting via the internet shall prevail, if you exercise your voting rights both via postal mail and via the internet.

(2) If you exercise your voting rights more than once via the internet, only the last vote shall be deemed effective. In addition, if you exercise your voting rights more than once using a PC, a smartphone and a mobile phone, only the last vote shall be deemed effective.

- Of the documents to be provided with this notice, the "Systems for Ensuring the Propriety of Business Activities," the "Consolidated Statement of Changes in Equity," the "Notes to the Consolidated Financial Statements," the "Statement of Changes in Equity" and the "Notes to the Non-consolidated Financial Statements" are not provided because they have been posted on the Company's website (https://www.unitika.co.jp/ir/stockholders/) (in Japanese only), pursuant to the provisions of laws and regulations and the Company's Articles of Incorporation.

  The Business Report audited by the Audit & Supervisory Board Members, the Consolidated Financial Statements and the Non-consolidated Financial Statements that were audited by Financial Auditor and the Audit & Supervisory Board Members consist of the documents stated in the documents attached to this notice, as well as the "Systems for Ensuring the Propriety of Business Activities," the "Consolidated Statement of Changes in Equity," the "Notes to the Consolidated Financial Statements," the "Statement of Changes in Equity" and the "Notes to the Non-consolidated Financial Statements" posted on the Company's website (in Japanese only).
- When you attend the Meeting in person, you are kindly requested to present the enclosed voting form at the reception.
- If any changes are made to items in the Business Report, Consolidated Financial Statements, Non-consolidated Financial Statements and the Reference Documents for the General Meeting of Shareholders, such changes will be posted on the Company's website (https://www.unitika.co.jp/ir/stockholders/) (in Japanese only).

Reference Documents for the General Meeting of Shareholders

Proposal No. 1: Dividends of Surplus

Although the Company worked hard to implement policies based on the Medium-Term Management Plan, which was initiated in fiscal year 2014, and was able to mostly finish structural restructuring set in the Plan, after comprehensive consideration of the Company's future business expansion, such as further developing and strengthening of its businesses as well as further enhancing of the management foundation, it has regretfully made the decision to not pay dividends for common shares. Dividends will be paid for preferred shares according to the calculation method prescribed at the time of issuance.
The payment of dividends for preferred shares will be carried out as follows, with other retained earnings as the source.

(1) Type of dividend property
To be paid in cash.

(2) Allotment of dividend property and their aggregate amount

i)	Class A shares:	¥12,000 per share	Total amount:	¥260,880,000
ii)	Class B shares:	¥23,740 per share	Total amount:	¥136,718,660
iii)	Class C shares:	¥60,000 per share	Total amount:	¥600,000,000

(3) Effective date of dividends of surplus
June 30, 2017

Proposal No. 2: Consolidation of Shares

1. Reason for Consolidation of Shares
Japanese stock exchanges are proceeding with the "Action Plan for Consolidating Trading Units" to standardize the trading unit (number of shares per unit) for common shares of all domestically listed companies at 100 shares with the objective of improving investor convenience. The deadline for the transition to 100 shares per unit is set for October 1, 2018. Based on this, effective October 1, 2017, the Company will change its number of shares per unit from 1,000 shares to 100 shares and consolidate shares to maintain an appropriate investment unit level (the level of minimum purchase price) considered desirable by stock exchanges subsequent to the change to the number of shares per unit.

2. Details of Consolidation of Shares
(1) Ratio of the consolidation
Regarding the Company's common shares, the Company hereby proposes to consolidate ten shares into one.
As a result of the consolidation of shares, if there incur fractions of less than one share, the Company shall dispose of all fractional shares together and distribute the revenue from the disposal to shareholders in proportion to their ratio of fractions, pursuant to the provisions of the Companies Act.

(2) Effective date of Consolidation of Shares
October 1, 2017

(3) Class of shares to be consolidated
Common shares

(4) Total number of shares authorized to be issued on the effective date
Total number of shares authorized to be issued 178,600,000 shares

3. Others
Any other procedural issues that may need to be addressed shall be entrusted to the Board of Directors.

Proposal No. 3: Partial Amendments to the Articles of Incorporation (1)

1. Reasons for Proposal

In accord with purchase and retirement of issued Class C Shares on June 30, 2017, it is requested that the Company delete provisions regarding Class C Shares, and make other necessary amendments.

The amendments may only take effect on June 30, 2017, on the condition that the Company purchase and retire all shares of Class C Shares.

2. Details of Amendments

Details of the amendments are as follows.

(Underlining denotes amendment)

Current Articles of Incorporation	Proposed amendments
Article 6 (Total Number of Authorized Shares to Be Issued and Total Number of Authorized Class Shares to Be Issued) The total number of shares of the Company authorized to be issued shall be 1,786,000,000 shares and the total number of each class of shares authorized to be issued by the Company shall be as follows. Common Shares 1,786,000,000 shares Class A Shares 21,740 shares Class B Shares 5,759 shares Class C Shares 10,000 shares Class D Shares 3,100 shares	Article 6 (Total Number of Authorized Shares to Be Issued and Total Number of Authorized Class Shares to Be Issued) The total number of shares of the Company authorized to be issued shall be 1,786,000,000 shares and the total number of each class of shares authorized to be issued by the Company shall be as follows. Common Shares 1,786,000,000 shares Class A Shares 21,740 shares Class B Shares 5,759 shares
Article 8 (Number of Shares of a Unit) The number of shares of a unit of Common Shares shall be 1,000 shares and the number of shares of a unit of Class A, B, C and D shares shall be one share.	Article 8 (Number of Shares of a Unit) The number of shares of a unit of Common Shares shall be 1,000 shares and the number of shares of a unit of Class A and B shares shall be one share.
Article 13-2 (Class A Shares) The content of Class A Shares issued by the Company shall be as follows. (Dividends of Surplus) 1. (1) If the Company is to pay dividends of surplus setting a day belonging to a certain business year as the record date, the Company shall pay to the shareholders holding Class A Shares who are entered or recorded in the final list of shareholders as of the record date (hereinafter referred to as "Class A Shareholders") or the registered pledgees of Class A Shares (hereinafter referred to as "Class A Shareholders, etc." together with Class A Shareholders) in accordance with the order of payment specified in Article 13-7, paragraph 1, dividends of surplus in money at the amount per Class A Share prescribed in the following item (such amount of money paid by payment of dividends shall be referred to as "Class A Preferred Dividend"). If the amount obtained by multiplying the Class A Preferred Dividend by the number of Class A Shares to which each	Article 13-2 (Class A Shares) The content of Class A Shares issued by the Company shall be as follows. (Dividends of Surplus) 1. (1) If the Company is to pay dividends of surplus setting a day belonging to a certain business year as the record date, the Company shall pay to the shareholders holding Class A Shares who are entered or recorded in the final list of shareholders as of the record date (hereinafter referred to as "Class A Shareholders") or the registered pledgees of Class A Shares (hereinafter referred to as "Class A Shareholders, etc." together with Class A Shareholders) in accordance with the order of payment specified in Article 13-5, paragraph 1, dividends of surplus in money at the amount per Class A Share prescribed in the following item (such amount of money paid by payment of dividends shall be referred to as "Class A Preferred Dividend"). If the amount obtained by multiplying the Class A Preferred Dividend by the number of Class A Shares to which each

Current Articles of Incorporation	Proposed amendments
Class A Shareholder, etc. has rights includes any fraction less than one yen, such fraction shall be rounded down.	Class A Shareholder, etc. has rights includes any fraction less than one yen, such fraction shall be rounded down.
(2) to (4) (Omitted)	(2) to (4) (Unchanged)
(Distribution of Residual Assets) 2. (1) If the Company distributes the residual assets, the Company shall pay the money at the amount equal to the paid-in amount per share of Class A Shares to Class A Shareholders, etc., plus the daily prorated unpaid Preferred Dividend amount specified in item (3) (hereinafter referred to as the "Class A Residual Assets Distribution Amount") in accordance with the order of payment specified in Article 13-7, paragraph 2. If the amount obtained by multiplying the Class A Residual Assets Distribution Amount by the number of Class A Shares to which each Class A Shareholder, etc. has rights includes any fraction, such fraction shall be rounded down.	(Distribution of Residual Assets) 2. (1) If the Company distributes the residual assets, the Company shall pay the money at the amount equal to the paid-in amount per share of Class A Shares to Class A Shareholders, etc., plus the daily prorated unpaid Preferred Dividend amount specified in item (3) (hereinafter referred to as the "Class A Residual Assets Distribution Amount") in accordance with the order of payment specified in Article 13-5, paragraph 2. If the amount obtained by multiplying the Class A Residual Assets Distribution Amount by the number of Class A Shares to which each Class A Shareholder, etc. has rights includes any fraction, such fraction shall be rounded down.
(2) to (3) (Omitted)	(2) to (3) (Unchanged)
3. to 4. (Omitted)	3. to 4. (Unchanged)
(Put Options, the Consideration for Which Is Money) 5. Class A Shareholders may claim to the Company to acquire all or part of Class A Shares held by the Shareholders in exchange for money (hereinafter referred to as the "Claim for Redemption" in this Article) upon giving prior written notice (irrevocable) to the Company at least 30 transaction days of the Date of Claim for Redemption (defined hereinafter) setting the 15th of every month (if the said date is not a trading day, the following trading day) as the effective date of claim for redemption (hereinafter referred to as the "Date of Claim for Redemption" in this Article), on or after July 31, 2018 (i) where the Date of Claim for Redemption (defined hereinafter) is set during the period from July 31, 2018 to July 30, 2020 (including the same day), only if issued shares do not exist for any of Class C Shares and Class D Shares as of the Date of Claim for Redemption (excluding those held by the issuing company), and (ii) where the date after July 31, 2020 is set as the date of claim for redemption, (a) the amount deducting from the distributable amount (refers to the distributable amount specified in the Companies Act, Article 461, paragraph 2. The same shall apply hereinafter) (b) the amount multiplying all Class C Shares issued as of the Date of Claim for Redemption (excluding those held by the issuing company)	(Put Options, the Consideration for Which Is Money) 5. Class A Shareholders may, at any time on or after July 31, 2018, claim to the Company to acquire all or part of Class A Shares held by the Shareholders in exchange for money (hereinafter referred to as the "Claim for Redemption" in this Article) upon giving prior written notice (irrevocable) to the Company at least 30 transaction days of the Date of Claim for Redemption (defined hereinafter) setting the 15th of every month (if the said date is not a trading day, the following trading day) as the effective date of claim for redemption (hereinafter referred to as the "Date of Claim for Redemption" in this Article). The Company shall deliver to the Class A Shareholders the money at the amount obtained by multiplying the number of Class A Shares related to the Claim for Redemption by the Class A Residual Assets Distribution Amount in exchange for acquisition of Class A Shares related to the Claim for Redemption to the extent permitted by laws and regulations. In this regard, under this paragraph, daily prorated unpaid preferred dividend amount shall be calculated by the "date of distribution of residual assets" and the "Distribution Date" specified in paragraph 2, item (3) in calculation of daily prorated unpaid preferred dividend amount being read as the "Date of Claim for Redemption,"; provided,

Current Articles of Incorporation	Proposed amendments
by the Class C Residual Asset Distribution Amount (defined in Article 13-4, paragraph 2, item (1). The same shall apply hereinafter) and (c) the amount deducting the amount obtained by multiplying all Class D Shares issued as of the same day (excluding those held by the issuing company) by the Class D Residual Asset Distribution Amount (defined in Article 13-5, paragraph 2, item (1). The same shall apply hereinafter) (Hereinafter referred to as the "Amount to Be Claimed for Redemption") is in positive figure. The Company shall deliver to the Class A Shareholders the money at the amount obtained by multiplying the number of Class A Shares related to the Claim for Redemption by the Class A Residual Assets Distribution Amount in exchange for acquisition of Class A Shares related to the Claim for Redemption to the extent permitted by laws and regulations. In this regard, under this paragraph, daily prorated unpaid preferred dividend amount shall be calculated by the "date of distribution of residual assets" and the "Distribution Date" specified in paragraph 2, item (3) in calculation of daily prorated unpaid preferred dividend amount being read as the "Date of Claim for Redemption,"; provided, however, that if the amount of money to be delivered in exchange for Class A Shares for which redemption claim was made on the Date of Claim for Redemption and acquisition of Class B Shares for which the redemption claim was exercised in exchange for money as of the same day exceeds the Distributable Amount as of the Date of Claim for Redemption (provided, however, that if the Date of Claim for Redemption is after July 31, 2020, the Amount to Be Claimed for Redemption. The same shall apply in this paragraph), the Company shall acquire Class A Shares and Class B Shares only to the extent the amount of money not exceeding the Distributable Amount by the method of proration according to the number of Class A Shares for which redemption claim was made and Class B Shares for which exercise of claim for acquisition was made and Class A Shares which were not acquired by the above method shall be deemed not to have been claimed for redemption.	however, that if the amount of money to be delivered in exchange for Class A Shares for which redemption claim was made on the Date of Claim for Redemption and acquisition of Class B Shares for which the redemption claim was exercised in exchange for money as of the same day exceeds the Distributable Amount as of the Date of Claim for Redemption, the Company shall acquire Class A Shares and Class B Shares only to the extent the amount of money not exceeding the Distributable Amount by the method of proration according to the number of Class A Shares for which redemption claim was made and Class B Shares for which exercise of claim for acquisition was made and Class A Shares which were not acquired by the above method shall be deemed not to have been claimed for redemption.
(Call Options, the Consideration for Which Is Money) 6. The Company may, at any time on or after the date of payment for Class A Shares, acquire all Class A Shares in exchange for money to the extent permitted by laws and regulations by	(Call Options, the Consideration for Which Is Money) 6. The Company may, at any time on or after the date of payment for Class A Shares, acquire all Class A Shares in exchange for money to the extent permitted by laws and regulations by

Current Articles of Incorporation	Proposed amendments
giving written notice (irrevocable) to Class A Shareholders, etc. at least 60 transaction days before the Redemption Date for Money (defined hereinafter), only if there are no issued shares (excluding the shares held by the issuing company) of Class B, Class C and Class D Shares at the time of commencement of the Redemption Date for Money (defined hereinafter) upon arrival of the date separately determined by the Board of Directors of the Company (hereinafter referred to as the "Redemption Date for Money" in this Article) (hereinafter referred to as the "Redemption for Money" in this Article) and the Company shall deliver the money at the amount obtained by multiplying the number of Class A Shares related to the Redemption for Money by the amount of Class A Residual Asset Distribution Amount to Class A Shareholders, etc. in exchange for acquisition of Class A Shares related to the Redemption for Money. In this regard, in this paragraph, the daily prorated unpaid preferred dividend amount shall be calculated by reading the "date of distribution of residual assets" and "Distribution Date" as the "Redemption Date for Money" in the calculation of the daily prorated unpaid preferred dividend specified in paragraph 2 , item (3). If there is any fraction less than one yen in the money delivered in exchange for acquisition of Class A Shares related to the Redemption for Money, it shall be rounded down.	giving written notice (irrevocable) to Class A Shareholders, etc. at least 60 transaction days before the Redemption Date for Money (defined hereinafter), only if there are no issued shares (excluding the shares held by the issuing company) of Class B Shares at the time of commencement of the Redemption Date for Money (defined hereinafter) upon arrival of the date separately determined by the Board of Directors of the Company (hereinafter referred to as the "Redemption Date for Money" in this Article) (hereinafter referred to as the "Redemption for Money" in this Article) and the Company shall deliver the money at the amount obtained by multiplying the number of Class A Shares related to the Redemption for Money by the amount of Class A Residual Asset Distribution Amount to Class A Shareholders, etc. in exchange for acquisition of Class A Shares related to the Redemption for Money. In this regard, in this paragraph, the daily prorated unpaid preferred dividend amount shall be calculated by reading the "date of distribution of residual assets" and "Distribution Date" as the "Redemption Date for Money" in the calculation of the daily prorated unpaid preferred dividend specified in paragraph 2 , item (3). If there is any fraction less than one yen in the money delivered in exchange for acquisition of Class A Shares related to the Redemption for Money, it shall be rounded down.
7. (Omitted)	7. (Unchanged)
Article 13-3 (Class B Shares) The content of Class B Shares issued by the Company shall be as follows.	Article 13-3 (Class B Shares) The content of Class B Shares issued by the Company shall be as follows.
(Dividends of Surplus) 1. (1) If the Company is to pay dividends of surplus setting a day belonging to a certain business year as the record date, the Company shall pay to the shareholders holding Class B Shares who are entered or recorded in the final list of shareholders as of the record date (hereinafter referred to as "Class B Shareholders") or the registered pledgees of Class B Shares (hereinafter referred to as "Class B Shareholders, etc." together with Class B Shareholders) in accordance with the order of payment specified in Article 13-7, paragraph 1, dividends of surplus in money at the amount per Class B Share prescribed in the following item (such amount of money paid by payment of dividends shall be referred to as "Class B Preferred Dividend"). If the amount obtained by	(Dividends of Surplus) 1. (1) If the Company is to pay dividends of surplus setting a day belonging to a certain business year as the record date, the Company shall pay to the shareholders holding Class B Shares who are entered or recorded in the final list of shareholders as of the record date (hereinafter referred to as "Class B Shareholders") or the registered pledgees of Class B Shares (hereinafter referred to as "Class B Shareholders, etc." together with Class B Shareholders) in accordance with the order of payment specified in Article 13-5, paragraph 1, dividends of surplus in money at the amount per Class B Share prescribed in the following item (such amount of money paid by payment of dividends shall be referred to as "Class B Preferred Dividend"). If the amount obtained by

Current Articles of Incorporation	Proposed amendments
multiplying the Class B Preferred Dividend by the number of Class B Shares to which each Class B Shareholder, etc. has rights includes any fraction less than one yen, such fraction shall be rounded down.	multiplying the Class B Preferred Dividend by the number of Class B Shares to which each Class B Shareholder, etc. has rights includes any fraction less than one yen, such fraction shall be rounded down.
(2) to (3) (Omitted)	(2) to (3) (Unchanged)
(4) If the total amount of dividends of surplus per share, which was paid to Class B Shareholders, etc., setting a date belonging to a certain business year as the record date (except for the distribution of the amount equal to the accumulated unpaid dividend (defined hereinafter) which have been accumulated for Class B Preferred Dividend in accordance with this item related to each of the business years before the business year. If Class B Preferred Dividend is calculate in accordance with item (2) (b), dividends of surplus equal to the amount of Class B Preferred Dividend shall be deemed to have been made) does not reach the amount of Class B Preferred Dividend for the business year (if it is assumed that dividends of surplus are paid, setting the end of the business year as the record date, it shall refer to the amount of Class B Preferred Dividend calculated in accordance with item (2) (a); provided, however, that in such calculation, it shall be calculated assuming that the proviso of item (2) (a) shall not apply), the shortage shall be accumulated in business years after the following year of the business year. The accumulated amount shall be the amount by adding the amount calculated by annual compound interest rate at 2.374% after the following day of the date of annual general meeting of shareholders concerning the business year (including the same day). The calculation shall be daily prorated, setting a year as 365 days and division shall lastly be made and up to the 2nd decimal point below yen and the 2nd decimal point shall be rounded off. The amount to be accumulated in accordance with this item (hereinafter referred to as the "Amount equal to the Accumulated Unpaid Class B Dividend") shall be paid to Class B Shareholders, etc. in accordance with the payment order specified in Article 13-7, paragraph 1).	(4) If the total amount of dividends of surplus per share, which was paid to Class B Shareholders, etc., setting a date belonging to a certain business year as the record date (except for the distribution of the amount equal to the accumulated unpaid dividend (defined hereinafter) which have been accumulated for Class B Preferred Dividend in accordance with this item related to each of the business years before the business year. If Class B Preferred Dividend is calculate in accordance with item (2) (b), dividends of surplus equal to the amount of Class B Preferred Dividend shall be deemed to have been made) does not reach the amount of Class B Preferred Dividend for the business year (if it is assumed that dividends of surplus are paid, setting the end of the business year as the record date, it shall refer to the amount of Class B Preferred Dividend calculated in accordance with item (2) (a); provided, however, that in such calculation, it shall be calculated assuming that the proviso of item (2) (a) shall not apply), the shortage shall be accumulated in business years after the following year of the business year. The accumulated amount shall be the amount by adding the amount calculated by annual compound interest rate at 2.374% after the following day of the date of annual general meeting of shareholders concerning the business year (including the same day). The calculation shall be daily prorated, setting a year as 365 days and division shall lastly be made and up to the 2nd decimal point below yen and the 2nd decimal point shall be rounded off. The amount to be accumulated in accordance with this item (hereinafter referred to as the "Amount equal to the Accumulated Unpaid Class B Dividend") shall be paid to Class B Shareholders, etc. in accordance with the payment order specified in Article 13-5, paragraph 1).
(Distribution of Residual Assets) 2. (1) Where the Company distributes the residual assets, the Company shall pay money to Class B Shareholders, etc., in accordance with the order of payment specified in Article 13-7, paragraph 2, the amount adding the amount equal to the Accumulated Unpaid Class B Dividend and the daily prorated unpaid preferred dividend specified in item (3) to the amount equal to paid-	(Distribution of Residual Assets) 2. (1) Where the Company distributes the residual assets, the Company shall pay money to Class B Shareholders, etc., in accordance with the order of payment specified in Article 13-5, paragraph 2, the amount adding the amount equal to the Accumulated Unpaid Class B Dividend and the daily prorated unpaid preferred dividend specified in item (3) to the amount equal to paid-

Current Articles of Incorporation	Proposed amendments
in amount per Class B Share (hereinafter referred to as the "Class B Residual Asset Distribution Amount"); provided, however, that if the date of distribution of residual assets (hereinafter referred to as the "Distribution Date" in this Article) is between the following day of the Distribution Record Date (including the same day) and the time of payment of dividends of surplus, setting the Distribution Record Date as the record date, the amount equal to the Accumulated Unpaid Class B Dividend shall be calculated, regarding as payment of dividends of surplus, setting the Distribution Record Date as the record date shall not be made. In this regard, if the amount obtained by multiplying the Class B Residual Asset Distribution Amount by the number of Class B Shares to which each Class B Shareholder, etc. has rights includes any fraction less than one yen, such fraction shall be rounded down.	in amount per Class B Share (hereinafter referred to as the "Class B Residual Asset Distribution Amount"); provided, however, that if the date of distribution of residual assets (hereinafter referred to as the "Distribution Date" in this Article) is between the following day of the Distribution Record Date (including the same day) and the time of payment of dividends of surplus, setting the Distribution Record Date as the record date, the amount equal to the Accumulated Unpaid Class B Dividend shall be calculated, regarding as payment of dividends of surplus, setting the Distribution Record Date as the record date shall not be made. In this regard, if the amount obtained by multiplying the Class B Residual Asset Distribution Amount by the number of Class B Shares to which each Class B Shareholder, etc. has rights includes any fraction less than one yen, such fraction shall be rounded down.
(2) to (3) (Omitted)	(2) to (3) (Unchanged)
3. (Omitted)	3. (Unchanged)
(Put Options, the Consideration for Which Is Common Shares) 4.	(Put Options, the Consideration for Which Is Common Shares) 4.
(1) i) On or after July 31, 2018 until July 30, 2020 (including the same day), only if there are no issued shares of Class C Shares and Class D Shares (except for those held by the issuing company) at the time of effect of claim for acquisition of common shares in exchange for consideration (defined hereinafter), Class B Shareholders may, ii) at any time on or after July 31, 2020, claim to the Company to acquire all or part of Class B Shares held by the Class B Shareholders (hereinafter referred to as the "Claim for Acquisition of Common Shares in Exchange for Consideration" in this Article) in exchange for delivery of the Common Shares in the number specified in the following item (hereinafter referred to as the "Common Shares subject to Claim")and the Company shall deliver the Common Shares subject to Claim to the Class B Shareholders in exchange for acquisition of Class B Shares subject to Claim for Acquisition of Common Shares in Exchange for Consideration to the extent permitted by laws and regulations.	(1) Class B Shareholders may, at any time on or after July 31, 2018, claim to the Company to acquire all or part of Class B Shares held by the Class B Shareholders (hereinafter referred to as the "Claim for Acquisition of Common Shares in Exchange for Consideration" in this Article) in exchange for delivery of the Common Shares in the number specified in the following item (hereinafter referred to as the "Common Shares subject to Claim") and the Company shall deliver the Common Shares subject to Claim to the Class B Shareholders in exchange for acquisition of Class B Shares subject to Claim for Acquisition of Common Shares in Exchange for Consideration to the extent permitted by laws and regulations.
(2) to (6) (Omitted)	(2) to (6) (Unchanged)
(Put Options, the Consideration for Which Is Money) 5.	(Put Options, the Consideration for Which Is Money) 5.
Class B Shareholders may claim to the Company to acquire all or part of Class B Shares held by	Class B Shareholders may, at any time on or after July 31, 2018, claim to the Company to

Current Articles of Incorporation	Proposed amendments
the Shareholders in exchange for money (hereinafter referred to as the "Claim for Redemption" in this Article) upon giving prior written notice (irrevocable) to the Company at least 30 transaction days before the Date of Claim for Redemption (defined hereinafter), setting the 15th of every month (if the said date is not a trading day, the following trading day) as the effective date of Claim for Redemption (hereinafter referred to as the "Date of Claim for Redemption" in this Article), on or after July 31, 2018 (i) where the Date of Claim for Redemption (defined hereinafter) is set during the period from July 31, 2018 to July 30, 2020 (including the same day), only if issued shares do not exist for any of Class C Shares and Class D Shares as of the Date of Claim for Redemption (excluding those held by the issuing company), and (ii) where the date after July 31, 2020 is set as the Date of Claim for Redemption, (a) the amount deducting from the distributable amount (b) the amount multiplying all Class C Shares issued as of the Date of Claim for Redemption (excluding those held by the issuing company) by the Class C Residual Asset Distribution Amount, and (c) the amount deducting the amount obtained by multiplying all Class D Shares issued as of the same day(excluding those held by the issuing company)by the Class D Residual Asset Distribution Amount (Hereinafter referred to as the "Amount to Be Claimed for Redemption") is in positive figure. The Company shall deliver to the Class B Shareholders the money at the amount obtained by multiplying the number of Class B Shares related to the Claim for Redemption by the Class B Residual Assets Distribution Amount in exchange for acquisition of Class B Shares related to the Claim for Redemption to the extent permitted by laws and regulations. In this regard, under this paragraph, daily prorated unpaid preferred dividend amount shall be calculated by the "date of distribution of residual assets" and the "Distribution Date" specified in paragraph 2, item (1) in calculation of Amount equal to the Accumulated Unpaid Class B Dividend and paragraph 2, item (3) in calculation of daily prorated unpaid preferred dividend amount being read as the "Date of Claim for Redemption,"; provided, however, that if the amount of money to be delivered in exchange for Class B Shares for which redemption claim was made on the Date of Claim for Redemption and acquisition of Class B Shares for which the redemption claim was exercised in exchange for money as of the same	acquire all or part of Class B Shares held by the Shareholders in exchange for money (hereinafter referred to as the "Claim for Redemption" in this Article) upon giving prior written notice (irrevocable) to the Company at least 30 transaction days before the Date of Claim for Redemption (defined hereinafter), setting the 15th of every month (if the said date is not a trading day, the following trading day) as the effective date of Claim for Redemption (hereinafter referred to as the "Date of Claim for Redemption" in this Article). The Company shall deliver to the Class B Shareholders the money at the amount obtained by multiplying the number of Class B Shares related to the Claim for Redemption by the Class B Residual Assets Distribution Amount in exchange for acquisition of Class B Shares related to the Claim for Redemption to the extent permitted by laws and regulations. In this regard, under this paragraph, daily prorated unpaid preferred dividend amount shall be calculated by the "date of distribution of residual assets" and the "Distribution Date" specified in paragraph 2, item (1) in calculation of Amount equal to the Accumulated Unpaid Class B Dividend and paragraph 2, item (3) in calculation of daily prorated unpaid preferred dividend amount being read as the "Date of Claim for Redemption,"; provided, however, that if the amount of money to be delivered in exchange for Class B Shares for which redemption claim was made on the Date of Claim for Redemption and acquisition of Class B Shares for which the redemption claim was exercised in exchange for money as of the same day exceeds the Distributable Amount as of the Date of Claim for Redemption, the Company shall acquire Class A Shares and Class B Shares only to the extent the amount of money not exceeding the Distributable Amount by the method of proration according to the number of Class A Shares for which redemption claim was made and Class B Shares for which exercise of claim for acquisition was made, and Class B Shares which were not acquired by the above method shall be deemed not to have been claimed for redemption.

Current Articles of Incorporation	Proposed amendments
day exceeds the Distributable Amount as of the Date of Claim for Redemption (provided, however, that if the Date of Claim for Redemption is after July 31, 2020, the Amount to Be Claimed for Redemption. The same shall apply in this paragraph), the Company shall acquire Class A Shares and Class B Shares only to the extent the amount of money not exceeding the Distributable Amount by the method of proration according to the number of Class A Shares for which redemption claim was made and Class B Shares for which exercise of claim for acquisition was made, and Class B Shares which were not acquired by the above method shall be deemed not to have been claimed for redemption.	
(Call Options, the Consideration for Which Is Money) 6. The Company may, at any time on or after the date of payment for Class B Shares, acquire all Class B Shares in exchange for money to the extent permitted by laws and regulations by giving written notice (irrevocable) to Class B Shareholders, etc. at least 60 transaction days before the Redemption Date for Money (defined hereinafter), only if there are no issued shares (excluding the shares held by the issuing company) of Class C and Class D Shares at the time of commencement of the Redemption Date for Money (defined hereinafter) upon arrival of the date separately determined by the Board of Directors of the Company (hereinafter referred to as the "Redemption Date for Money" in this Article) (hereinafter referred to as the "Redemption for Money" in this Article) and the Company shall deliver the money at the amount obtained by multiplying the number of Class A Shares related to the Redemption for Money by the amount of Class B residual asset distribution amount to Class B Shareholders, etc. in exchange for acquisition of Class B Shares related to the Redemption for Money. In this regard, in this paragraph, the daily prorated unpaid preferred dividend amount shall be calculated by reading the "date of distribution of residual assets" and "Distribution Date" as the "Redemption Date for Money" in the calculation of the daily prorated unpaid preferred dividend specified in specified in paragraph 2, item (1) in calculation of Amount equal to the Accumulated Unpaid Class B Dividend and paragraph 2, item (3). If there is any fraction less than one yen in the money delivered in exchange for acquisition of Class B Shares related to the Redemption for Money, it shall be rounded down.	(Call Options, the Consideration for Which Is Money) 6. The Company may, at any time on or after the date of payment for Class B Shares, acquire all Class B Shares in exchange for money to the extent permitted by laws and regulations by giving written notice (irrevocable) to Class B Shareholders, etc. at least 60 transaction days before the Redemption Date for Money (defined hereinafter), upon arrival of the date separately determined by the Board of Directors of the Company (hereinafter referred to as the "Redemption Date for Money" in this Article) (hereinafter referred to as the "Redemption for Money" in this Article) and the Company shall deliver the money at the amount obtained by multiplying the number of Class A Shares related to the Redemption for Money by the amount of Class B residual asset distribution amount to Class B Shareholders, etc. in exchange for acquisition of Class B Shares related to the Redemption for Money. In this regard, in this paragraph, the daily prorated unpaid preferred dividend amount shall be calculated by reading the "date of distribution of residual assets" and "Distribution Date" as the "Redemption Date for Money" in the calculation of the daily prorated unpaid preferred dividend specified in specified in paragraph 2, item (1) in calculation of Amount equal to the Accumulated Unpaid Class B Dividend and paragraph 2, item (3). If there is any fraction less than one yen in the money delivered in exchange for acquisition of Class B Shares related to the Redemption for Money, it shall be rounded down.

Current Articles of Incorporation	Proposed amendments
7. (Omitted)	7. (Unchanged)
Article 13-4 (Class C Shares) (Omitted)	(Deleted)
Article 13-5 (Class D Shares) (Omitted)	(Deleted)
Article 13-6 (Split or Reverse-split of Shares, Allotment of Shares for Subscription, etc.) The Company shall not make split or reverse-split of Class A Shares, Class B Shares, Class C Shares or Class D Shares. The Company shall not grant to Class A Shareholders, Class B Shareholders, Class C Shareholders or Class D Shareholders the right to be allotted shares for subscription or new share subscription rights for subscription. The Company shall not grant to Class A Shareholders, Class B Shareholders, Class C Shareholders or Class D Shareholders allotment of shares free of charge or new share subscription rights free of charge.	Article 13-4 (Split or Reverse-split of Shares, Allotment of Shares for Subscription, etc.) The Company shall not make split or reverse-split of Class A Shares and Class B Shares. The Company shall not grant to Class A Shareholders and Class B Shareholders the right to be allotted shares for subscription or new share subscription rights for subscription. The Company shall not grant to Class A Shareholders and Class B Shareholders allotment of shares free of charge or new share subscription rights free of charge.
Article 13-7 (Priority) 1. The order of payment of Class A Preferred Dividend, Class B Preferred Dividend, Class C Preferred Dividend, Class D Preferred Dividend, the amount equal to Accumulated Unpaid Class B Dividend, the amount equal to Accumulated Unpaid Class C Dividend, the amount equal to Accumulated Unpaid Class D Dividend, Class D Common Dividend and the amount of dividends of surplus to the shareholders holding Commons Shares or the Registered Pledgees of Common Shares (hereinafter collectively referred to as the "Common Shareholders, etc.") shall be as follows: the amount equal to Accumulated Unpaid Class C Dividend and the amount equal to Accumulated Unpaid Class D Dividend shall be the 1st order (pari pasu between them), Class C Preferred Dividend and Class D Preferred Dividend shall be the 2nd order (pari pasu between them), Class A Preferred Dividend, Class B Preferred Dividend and the amount equal to Accumulated Unpaid Class B Dividend shall be the 3rd order (pari pasu among them) and Class D Common Dividend and payment of dividends of surplus to Common Shareholders shall be the 4th order (pari pasu between them). 2. For payment order of the Residual Assets related to Class A Shares, Class B Shares, Class C	Article 13-5 (Priority) 1. The order of payment of Class A Preferred Dividend, Class B Preferred Dividend, the amount equal to Accumulated Unpaid Class B Dividend and the amount of dividends of surplus to the shareholders holding Commons Shares or the Registered Pledgees of Common Shares (hereinafter collectively referred to as the "Common Shareholders, etc.") shall be as follows: Class A Preferred Dividend, Class B Preferred Dividend and the amount equal to Accumulated Unpaid Class B Dividend shall be the 1st order (pari pasu among them) and payment of dividends of surplus to Common Shareholders shall be the 2nd order. 2. For payment order of the Residual Assets related to Class A Shares, Class B Shares and Common

Current Articles of Incorporation	Proposed amendments
Shares, Class D Shares and Common Shares, distribution of the Residual Assets related to Class C Shares and Class D Shares shall be the 1st order (pari pasu between them), distribution of the Residual Assets related to Class B Shares shall be the 2nd order and distribution of the Residual Assets related to Class A Shares shall be the 3rd order and distribution of the Residual Assets related to Common Shares shall be the 4th order.	Shares, distribution of the Residual Assets related to Class B Shares shall be the 1st order and distribution of the Residual Assets related to Class A Shares shall be the 2nd order and distribution of the Residual Assets related to Common Shares shall be the 3rd order.
3. (Omitted)	3. (Unchanged)

(Note) Some underlining does not coincide with the Japanese version because of translation adjustments.

Proposal No. 4: Partial Amendments to the Articles of Incorporation (2)

1. Reasons for Proposal

If Proposal No. 2 "Consolidation of Shares" is approved as proposed and the consolidation becomes effective, the total number of authorized shares stipulated in the Articles of Incorporation will be deemed to have been changed from 1,786,000,000 shares to 178,600,000 shares on October 1, 2017 (the "Deemed Change to the Articles of Incorporation") in accordance with the provision of Article 182, paragraph 2 of the Companies Act. At the same time, in order to have a proper number of authorized shares in a class, the number of authorized shares in a class stipulated in Article 6 (Total Number of Authorized Shares to Be Issued and Total Number of Authorized Class Shares to Be Issued) of the current Articles of Incorporation will be changed from 1,786,000,000 shares to 178,600,000 shares. In addition, the number of shares per unit of common shares stipulated in Article 8 (Number of Shares of a Unit) of the current Articles of Incorporation will be changed from 1,000 shares to 100 shares in order to transition to the trading unit of 100 shares as described in "1. Reason for Consolidation of Shares" of Proposal No. 2 "Consolidation of Shares."

These amendments shall become effective on October 1, 2017, the effective date of the consolidation of shares, subject to approval of Proposal No. 2 "Consolidation of Shares" as proposed.

2. Details of Amendments

Details of the amendments (including the Deemed Change to the Articles of Incorporation) are as follows.

(Underlining denotes amendment)

Articles of Incorporation after amendment by Proposal No. 3	Proposed amendments
Article 6 (Total Number of Authorized Shares to Be Issued and Total Number of Authorized Class Shares to Be Issued) The total number of shares of the Company authorized to be issued shall be <u>1,786,000,000</u> shares and the total number of each class of shares authorized to be issued by the Company shall be as follows. Common Shares <u>1,786,000,000</u> shares Class A Shares 21,740 shares Class B Shares 5,759 shares	Article 6 (Total Number of Authorized Shares to Be Issued and Total Number of Authorized Class Shares to Be Issued) The total number of shares of the Company authorized to be issued shall be <u>178,600,000</u> shares and the total number of each class of shares authorized to be issued by the Company shall be as follows. Common Shares <u>178,600,000</u> shares Class A Shares 21,740 shares Class B Shares 5,759 shares
Article 8 (Number of Shares of a Unit) The number of shares of a unit of Common Shares shall be <u>1,000</u> shares and the number of shares of a unit of Class A and B shares shall be one share.	Article 8 (Number of Shares of a Unit) The number of shares of a unit of Common Shares shall be <u>100</u> shares and the number of shares of a unit of Class A and B shares shall be one share.

Proposal No. 5: Election of Four (4) Directors

At the conclusion of this meeting, the terms of office of five Directors Masaaki Yasuoka, Seizo Sakata, Akira Enokida, Toru Hanbayashi and Katsuo Ko will expire. Therefore, the Company proposes the election of four Directors.

The candidates for Director are as follows:

<table>
<tr><th>Candidate No.</th><th>Name
(Date of birth)</th><th>Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company</th><th>Number of the Company's shares owned</th></tr>
<tr><td rowspan="2">1</td><td>Masaaki Yasuoka
(January 10, 1956)</td><td>Apr. 1979 Joined The Sanwa Bank, Limited (currently The Bank of Tokyo-Mitsubishi UFJ, Ltd.)
June 2008 Representative Director and President of Mobit Co., LTD.
June 2013 Standing Audit & Supervisory Board Member of Mitsubishi UFJ NICOS Co., Ltd.
Feb. 2015 Advisor of the Company
June 2015 Representative Director, Senior Managing Executive Officer (incumbent)
[Current Responsibility]
General Manager of Administration Division</td><td>20,844</td></tr>
<tr><td colspan="3"><u>Reasons for nomination as candidate for Director</u>
Masaaki Yasuoka has knowledge and experience in the fields of banking/finance, corporate management and risk management. Since June 2015, Mr. Yasuoka has pushed forward with efforts to improve the financial position as Representative Director, Senior Managing Executive Officer, and General Manager of the Administration Division of the Company.
The Company has nominated him as a candidate for Director for reelection because it expects him to continue to perform important roles in increasing the corporate value of the UNITIKA Group (the "Group") through management oversight and business execution relating to the Administration Division by leveraging his knowledge and experience in the aforementioned fields.</td></tr>
<tr><td rowspan="2">2</td><td>Akira Enokida
(January 8, 1956)</td><td>Apr. 1980 Joined the Company
June 2015 Director, Senior Executive Officer (incumbent)
[Current Responsibility]
General Manager of Polymers Sector, stationed in Tokyo</td><td>92,855</td></tr>
<tr><td colspan="3"><u>Reasons for nomination as candidate for Director</u>
Akira Enokida has business experience in and expert knowledge about film production technologies as well as global insights based on his experience working overseas. Since June 2015, Mr. Enokida has mainly pushed forward with efforts to strengthen the profitability and global strategies of the Films Division as Director and Senior Executive Officer of the Company.
The Company has nominated him as a candidate for Director for reelection because it expects him to continue to perform important roles in achieving sustainable growth of the Group through management oversight and business execution relating to the Polymers Sector by leveraging the aforementioned knowledge and experience.</td></tr>
</table>

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
3	Toru Hanbayashi (January 7, 1937)	Apr. 1959 Joined Nichimen Co., Ltd. (currently Sojitz Corporation) June 1989 Director of Nichimen Corporation June 1993 Representative Managing Director of Nichimen Corporation June 1995 Representative Senior Managing Director of Nichimen Corporation June 1999 Executive Vice President of Nichimen Corporation Oct. 2000 Representative Director and President of Nichimen Corporation Apr. 2003 Chairman of the Board and Co-CEO of Nissho Iwai-Nichimen Holdings Corporation (currently Sojitz Corporation) June 2004 Outside Audit & Supervisory Board Member of the Company Nov. 2005 Outside Director of FAST RETAILING CO., LTD. (incumbent) June 2007 Outside Director of MAEDA CORPORATION (incumbent) June 2011 Outside Director of DAIKYO INCORPORATED (incumbent) June 2015 Outside Director of the Company (incumbent) [Significant concurrent positions outside the Company] Outside Director of FAST RETAILING CO., LTD. Outside Director of MAEDA CORPORATION Outside Director of DAIKYO INCORPORATED	208,183
	Reasons for nomination as candidate for outside Director Toru Hanbayashi has abundant management experience. From June 2004, Mr. Hanbayashi served as outside Audit & Supervisory Board Member and later as outside Director of the Company, providing management oversight and useful recommendations to the management of the Company. The Company has nominated him as a candidate for Director for reelection because it expects him to continue to provide management oversight and recommendations to the management of the Company as an outside Director by leveraging his knowledge and experience.		

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
*4	Minoru Furukawa (June 13, 1943)	Apr. 1966 Joined Hitachi Zosen Corporation June 1998 Director and General Manager of Accounting & Finance Department of Hitachi Zosen Corporation June 2001 Representative Director, Senior Managing Director and General Manager of General Administration of Hitachi Zosen Corporation Apr. 2005 Representative Director, President of Hitachi Zosen Corporation June 2010 Representative Director, Chairman and President of Hitachi Zosen Corporation Apr. 2013 Representative Director, Chairman and Chief Executive Officer of Hitachi Zosen Corporation Apr. 2016 Representative Director, Chairman of Hitachi Zosen Corporation June 2016 Outside Director of The Senshu Ikeda Bank, Ltd. (incumbent) Apr. 2017 Director, Advisor of Hitachi Zosen Corporation (incumbent) [Significant concurrent positions outside the Company] Outside Director of The Senshu Ikeda Bank, Ltd. Director, Advisor of Hitachi Zosen Corporation	0
	Reasons for nomination as candidate for outside Director Minoru Furukawa has abundant experience and deep knowledge as a corporate manager, including the superior managerial capacity he demonstrated while leading a listed company as a representative director, particularly to achieve structural reforms. The Company has nominated him as a candidate for Director for reelection because it expects him to continue to provide management oversight and recommendations to the management of the Company as an outside Director by leveraging his knowledge and experience.		

Notes:
1. All of the Company's shares owned by each candidate are common shares.
2. The number of the Company's shares owned includes each candidate's shareholding under the officer stock ownership association.
3. The mark "*" indicates a new candidate for Director.
4. There are no special interests between any of the candidates and the Company.
5. The Company requests the election of Toru Hanbayashi and Minoru Furukawa as outside Directors.
6. The period of office of Toru Hanbayashi as outside Director will be two years at the close of this General Meeting of Shareholders. Mr. Hanbayashi served as outside Audit & Supervisory Board Member of the Company for 11 years prior to assuming the office of outside Director of the Company.
7. Pursuant to the provisions of Article 427, paragraph 1 of the Companies Act, the Company has entered into a limited liability agreement with Toru Hanbayashi to limit the liability for damages under Article 423, paragraph 1 of the Act. If his reelection is approved, the Company plans to renew this agreement with him. The maximum liability amount under the said agreement shall be an amount provided for by Article 425, paragraph 1 of the Companies Act. If the election of Minoru Furukawa is approved, the Company plans to enter into the same limited liability agreement with him.
8. On March 10, 2017, the Company received a cease and desist order and a surcharge payment order from the Japan Fair Trade Commission under the Anti-Monopoly Act in relation to bidding on textile products that use vinylon or fire-resistant vinylon as materials ordered by the Acquisition Technology & Logistics Agency. Mr. Toru Hanbayashi was not aware of the law violation before the fact but he regularly stated the importance of compliance with laws and regulations at meetings of the Board of Directors and other occasions and, after the revelation of the violation, checked the initiatives of the Company aimed at further strengthening and enhancing its compliance system and regaining trust.
9. The Company has submitted notification to Tokyo Stock Exchange, Inc. that Toru Hanbayashi has been designated as an independent officer as provided for by the aforementioned exchange. Furthermore, Minoru Furukawa satisfies the requirements for an independent officer as provided for by Tokyo Stock Exchange, Inc.,

and if his election is approved, the Company will submit notification to the aforementioned exchange concerning his designation as an independent officer.

Proposal No. 6: Election of One (1) Audit & Supervisory Board Member

At the conclusion of this meeting, Audit & Supervisory Board Member Yoshihisa Takeuchi will resign. Therefore, the Company proposes the election of one Audit & Supervisory Board Member.
The Company has obtained the consent of the Audit & Supervisory Board for this proposal.
The candidate for Audit & Supervisory Board Member is as follows:

Name (Date of birth)	Career summary, position in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
*Tetsuaki Fukuhara (October 29, 1947)	Apr. 1977 Registered as attorney at law (incumbent) June 1993 Outside Audit & Supervisory Board Member of TSUBAKI NAKASHIMA Co., Ltd. [Significant concurrent positions outside the Company] Co-partner of Mizuki Sogo Law Office	0
[Reasons for nomination as candidate for Audit & Supervisory Board Member] Tetsuaki Fukuhara has thorough knowledge of corporate legal affairs as an attorney as well as abundant experience and sufficient knowledge backed by his experience serving as an outside audit & supervisory board member of a listed company for many years. Mr. Fukuhara does not have experience being involved in corporate management, but the Company expects him to fulfill the role relating to further strengthening the corporate governance function, including auditing of the Company, as outside Audit & Supervisory Board Member by leveraging his knowledge and experience. Therefore, the Company nominated him as a candidate for Audit & Supervisory Board Member.		

Notes:
1. The mark "*" indicates a new candidate for Audit & Supervisory Board Member.
2. There are no special interests between the candidate and the Company.
3. The Company requests the election of Tetsuaki Fukuhara as outside Audit & Supervisory Board Member.
4. Pursuant to the provisions of Article 427, paragraph 1 of the Companies Act, the Company will enter into a limited liability agreement with Tetsuaki Fukuhara to limit the liability for damages under Article 423, paragraph 1 of the Act in the event his election is approved; provided, however, that the maximum liability amount under the said agreement shall be an amount provided for by Article 425, paragraph 1 of the Companies Act.
5. Tetsuaki Fukuhara satisfies the requirements for an independent officer as provided for by Tokyo Stock Exchange, Inc., and if his election is approved, the Company will submit notification to the aforementioned exchange concerning his designation as an independent officer.

Proposal No. 7: Election of One (1) Substitute Audit & Supervisory Board Member

The Company proposes the election of one substitute Audit & Supervisory Board Member, in preparation for a case where the number of the Company's Audit & Supervisory Board Members falls short of the number required by laws and regulations.

The Company has obtained the consent of the Audit & Supervisory Board for this proposal.

The candidate for substitute Audit & Supervisory Board Member is as follows:

Name (Date of birth)	Career summary, position in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
Jiro Kobayashi (June 4, 1945)	Apr. 1974 Registered as attorney at law (incumbent) [Significant concurrent positions outside the Company] President of Kobayashi Law Office	2,000
[Reasons for nomination as candidate for substitute Audit & Supervisory Board Member] Jiro Kobayashi has a wealth of legal knowledge he has built up as an attorney at law over many years. Mr. Kobayashi does not have experience in corporate management, but he has sufficient wisdom including his thorough knowledge about corporate legal affairs as an attorney. The Company has nominated him as a candidate for substitute Audit & Supervisory Board Member because it expects him to perform the duties of an outside Audit & Supervisory Board Member appropriately by leveraging his knowledge and experience.		

Notes:
1. All of the Company's shares owned by the candidate are common shares.
2. There are no special interests between the candidate and the Company.
3. The Company requests the election of Jiro Kobayashi as a substitute outside Audit & Supervisory Board Member. He satisfies the requirements for an independent officer as provided for by Tokyo Stock Exchange, Inc.
4. Pursuant to the provisions of Article 427 of the Companies Act, the Company will enter into a limited liability agreement with Jiro Kobayashi to limit the liability for damages under Article 423, paragraph 1 of the Act in the event he assumes the office of outside Audit & Supervisory Board Member; provided, however, that the maximum liability amount under the said agreement shall be an amount provided for by Article 425, paragraph 1 of the Companies Act.