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(Security Code 4082)
June 6, 2017

To Shareholders with Voting Rights:

Tsuyoshi Inoue
President
Daiichi Kigenso Kagaku Kogyo Co., Ltd.
6-38 Hirabayashi Minami 1-Chome,
Suminoe-ku, Osaka

NOTICE OF
THE 61ST ANNUAL GENERAL MEETING OF SHAREHOLDERS

Dear Shareholders:

We would like to express our appreciation for your continued support and patronage.

You are cordially invited to attend the 61st Annual General Meeting of Shareholders of Daiichi Kigenso Kagaku Kogyo Co., Ltd. (the "Company"). The meeting will be held as described below.

If you are unable to attend the meeting, you can exercise your voting rights in writing by submitting the Voting Rights Exercise Form. If exercising your voting rights in writing, please review the attached Reference Documents for the General Meeting of Shareholders, indicate your vote for or against the proposals on the enclosed Voting Rights Exercise Form and return it so that it is received by 5:30 p.m. on Thursday, June 22, 2017, Japan time.

1. **Date and Time:** Friday, June 23, 2017 at 10:00 a.m. Japan time (reception starts at 9:30 a.m.)

2. **Place:** MyDome Osaka (Hall on the 8th floor)
2-5 Honmachi-bashi, Chuo-ku, Osaka

3. **Meeting Agenda:**

Matters to be reported:

1. The Business Report, Consolidated Financial Statements for the Company's 61st Fiscal Year (April 1, 2016 - March 31, 2017) and results of audits by the Accounting Auditor and the Audit & Supervisory Board of the Consolidated Financial Statements
2. Non-consolidated Financial Statements for the Company's 61st Fiscal Year (April 1, 2016 - March 31, 2017)

Proposals to be resolved:

Proposal 1: Appropriation of Surplus
Proposal 2: Partial Amendments to Articles of Incorporation
Proposal 3: Election of Five Directors

◎When attending the Meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk.

◎Should the Reference Documents for the General Meeting of Shareholders, the Business Report, Consolidated Financial Statements, or Non-consolidated Financial Statements require revisions, the revised versions will be posted on the Company's website (http://www.dkkk.co.jp/).

◎The Company, pursuant to the provisions of applicable laws and regulations and Article 15 of the Articles of Incorporation of the Company, has posted the following documents that should be provided in conjunction with this notice on the website of the Company (http://www.dkkk.co.jp/). Accordingly, they are not included in the documents attached to this notice:

(1) Consolidated Statements of Changes in Net Assets and Notes to Consolidated Financial Statements in the Consolidated Financial Statements.

(2) Non-consolidated Statements of Changes in Net Assets and Notes to Non-consolidated Financial Statements in the Non-consolidated Financial Statements.

The documents listed in (1) and (2) above are part of the Consolidated Financial Statements and Non-consolidated Financial Statements that were audited by Audit & Supervisory Board Member and the Accounting Auditor to prepare the respective audit report.

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal 1: Appropriation of Surplus

The Company regards the return of profit to shareholders as one of the most important management policies and has made it a basic principle to pay stable and continuous dividends to shareholders. At the same time, the Company intends to reinforce its financial foundation for future business development.
Furthermore, by considering the Company's dividend scale and the financial performance for the fiscal year, the year-end dividends and other appropriation of surplus for the 61st fiscal year are proposed as follows.

1. Matters concerning the year-end dividends
   The Company proposes to pay a year-end dividend of 35 yen per share, which is an increase of 10 yen per share from the previous fiscal year.

(1) Type of dividend assets
   Cash

(2) Matters concerning allocation of dividend assets and the total amount thereof
   35 yen per share of the Company's common stock
   Total amount: 169,232,840 yen

(3) Effective date of dividends of surplus
   June 26, 2017

2. Matters concerning other appropriation of surplus

(1) Surplus item to be decreased and the amount thereof
   Retained earnings brought forward: 3,000,000,000 yen

(2) Surplus item to be increased and the amount thereof
   General reserve: 3,000,000,000 yen

Proposal 2: Partial Amendments to Articles of Incorporation

1. Reasons for the proposal
   In consideration of the widespread use of the Internet, the Company proposes to change the method prescribed in Article 4 (Method of Public Notice) of the current Articles of Incorporation to electronic public notice to improve the convenience of the access to public notice and prescribe also the method of public method to be used in the case where electronic methods are unavailable in unavoidable circumstances.

2. Description of the amendments
   Description of the amendments is as follows:

(Amended parts are underlined.)

Current	Proposed amendments
(Method of Public Notice) Article 4. The method of public notice of the Company shall be performed by being published in the Nihon Keizai Shimbun.	(Method of Public Notice) Article 4. The method of public notice of the Company shall be performed <u>by way of electronic public notice; provided, however, that in the case where public notice cannot electronically given due to unavoidable circumstances including accidents or other problems, public notice shall be given</u> by being published in the Nihon Keizai Shimbun.

Proposal 3: Election of Five Directors

The terms of office of Directors Tsuyoshi Inoue, Isao Okazaki, Akito Kojima, Hiroshi Kokubu, and Akira Okumura will expire at the conclusion of this year's Annual General Meeting of Shareholders. Accordingly, the election of five Directors is proposed.

The candidates are as follows:

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
1	(Reappointment) Tsuyoshi Inoue (May 27, 1960) Term of office as Director: 10 years (at close of this meeting) Attendance at Board of Directors meetings: 19/19 (100%)	Apr. 1986 Joined Sumitomo Electric Industries, Ltd. Sep. 2000 Joined the Company Mar. 2005 General Manager, Equipment Division June 2007 Director, Member of the Board; General Manager, Equipment Division June 2008 Director, Member of the Board; General Manager, Corporate Planning Office Mar. 2010 Executive Vice President, Member of the Board June 2010 President, Chairman of the Board (to present)	153,000
	[Reason for nomination as candidate for Director] Tsuyoshi Inoue has been involved in the management of the Group as President of the Company since June 2010. Although the financial performance of the Group temporarily slowed down significantly in the difficult operating environment following the rare earth crisis during this period, he has promoted management structure reform and the improvement of the revenue base, etc. He has developed the Group's medium-term business plan "DK-ONE Project" and is working to strengthen and expand the Group's business from a global perspective. We nominate Tsuyoshi Inoue as a Director, Member of the Board of the Company for re-election because we expect that he can realize the management philosophy of the Company and contribute to the sustained enhancement of its corporate value, drawing on his extensive experience and track record.		

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
2	(Reappointment) Isao Okazaki (October 13, 1965) Term of office as Director: 6 years (at close of this meeting) Attendance at Board of Directors meetings: 19/19 (100%)	Apr. 1984 Joined the Company June 2005 Plant Manager (Newtechs), Production Division June 2008 General Manager, Equipment Division Mar. 2010 General Manager, Production Division Mar. 2011 General Manager, Production Division; Plant Manager (Osaka) June 2011 Director, Member of the Board; General Manager, Production Division; Plant Manager (Osaka) Apr. 2012 Director, Member of the Board; General Manager, Production Division and Responsible for Purchasing Division June 2012 Director, Member of the Board; General Manager, Production Division; General Manager, Purchasing Division Apr. 2013 Director, Member of the Board; General Manager, Production Division and Responsible for Purchasing Division June 2013 Director, Member of the Board; General Manager, Production Division Apr. 2016 Director, Member of the Board; General Manager, Production Division; General Manager, Manufacturing Technology Division Apr. 2017 Director, Member of the Board; Responsible for Production Division and Manufacturing Technology Division (to present) [Significant concurrent positions] ・Director, Member of the Board; Shandong Guangyin DKK New Materials Co., Ltd. ・Director, Member of the Board; Shandong Guangyin DKK Environment Technology Co., Ltd. ・Director, Member of the Board; Vietnam Rare Elements Chemical Joint Stock Company	7,882
	[Reason for nomination as candidate for Director] Isao Okazaki has many years of experience in the areas of manufacturing technology and factory management at the Company and has played a significant role in strengthening the production system of the Company through, among others, process renovation and productivity improvement. He has been working to improve the production system in Japan as well as to create and strengthen the production systems at overseas locations as a Director, Member of the Board since June 2011. We nominate Isao Okazaki as a Director, Member of the Board of the Company for re-election because we expect that he can realize the management philosophy of the Company and contribute to the sustained enhancement of its corporate value, drawing on his extensive experience and track record.		

No.	Name (Date of birth)	Past experience, positions and significant concurrent positions	Number of shares of the Company held
3	(Reappointment) Hiroshi Kokubu (February 26, 1972) Term of office as Director: 4 years (at close of this meeting) Attendance at Board of Directors meetings: 19/19 (100%)	Apr. 1995 Joined the Sanwa Bank, Ltd. (currently the Bank of Tokyo-Mitsubishi UFJ, Ltd.) Oct. 2004 Joined the Company June 2009 Branch Manager (Tokyo Sales Office), Sales and Marketing Division Mar. 2011 General Manager, Purchasing Division June 2013 Director, Member of the Board; General Manager, Purchasing Division Apr. 2016 Director, Member of the Board; General Manager, Sales and Marketing Division and Responsible for Purchasing Division (to present) [Significant concurrent positions] ・Vice President; Shandong Guangyin DKK New Materials Co., Ltd. ・Vice President; Shandong Guangyin DKK Environment Technology Co.,Ltd. ・Director, Member of the Board; Suihua Shanghai Trading Co.,Ltd. ・Director, Member of the Board; I.D.U. Co., Ltd.	14,657
	[Reason for nomination as candidate for Director] Hiroshi Kokubu has been involved in the sales and purchasing functions at the Company and has played a significant role in the sales promotion of the products of the Company and the stable procurement of raw materials from overseas suppliers, etc. He has been making efforts to ensure stable procurement of principal raw materials from overseas suppliers and to promote initiatives to realize global business expansion and profitability improvement as a Director, Member of the Board since June 2013.We nominate Hiroshi Kokubu as a Director, Member of the Board of the Company for re-election because we expect that he can realize the management philosophy of the Company and contribute to the sustained enhancement of its corporate value, drawing on his extensive experience and track record.		

No.	Name (Date of birth)	Past experience, positions and significant concurrent positions	Number of shares of the Company held
4	(New appointment) Masayuki Itahashi (December 22, 1966)	Apr. 1993 Joined the Company Apr. 2013 General Manager, Corporate Planning Division (to present)	1,180
	[Reason for nomination as candidate for Director] Masayuki Itahashi has been involved in the materials and corporate planning functions at the Company and has played a significant role in the procurement of raw materials from overseas suppliers as well as research and studies on overseas production base, etc. As the General Manager of Corporate Planning Division, he has worked on the development and promotion of the Group's medium-term business plan "DK-ONE Project" focusing particularly on the start-up of overseas businesses. We nominate Masayuki Itahashi as a Director, Member of the Board of the Company because we expect that he can realize the management philosophy of the Company and contribute to the sustained enhancement of its corporate value, drawing on his extensive experience and track record.		

No.	Name (Date of birth)	Past experience, positions and significant concurrent positions	Number of shares of the Company held
5	(Reappointment) Akira Okumura (October 26, 1948) Term of office as Director: 2 years (at close of this meeting) Attendance at Board of Directors meetings: 19/19 (100%)	Apr. 1973 Joined BASF Dyes & Chemicals Co., Ltd. (currently BASF Japan Ltd.) Jan. 1998 Managing Director July 1999 President, BASF INOAC Polyurethanes Ltd. Jan. 2011 President, N.E. CHEMCAT CORPORATION July 2012 Advisor, INOAC CORPORATION June 2015 Director, Member of the Board (to present)	597
	[Reason for nomination as candidate for Outside Director] Akira Okumura has worked for BASF Japan Ltd. for many years including the years he has served as a Director. He has also served as the president of N.E. CHEMCAT CORPORATION. He has been actively providing opinions and suggestions on the management of the Group in general including group business operations and investment projects at Board of Directors meetings, drawing on his extensive experience and broad insight accumulated through his career history. We nominate Akira Okumura him as an Outside Director, Member of the Board of the Company because we expect him to continue to guide, advise on and supervise the management of the Company.		

(Notes)

1. No conflict of interest exists between the Company and any of the above Director candidates.
2. The number of shares of the Company held includes the number of shares held through the Officers Stock Ownership Plan and the Employee Stock Ownership Plan.
   Also, the number of shares of the Company held is as of March 31, 2017, which is based on the number of shares before the completion of the stock split whose base date is April 21, 2017.
3. Akira Okumura is a candidate for Outside Director. Pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, the Company entered into an agreement with Akira Okumura to limit his liability for damages prescribed in Article 423, Paragraph 1 of the same Act. The amount of his total maximum liability for damages under the said agreement is the higher of 5,000,000 yen or the minimum liability amount prescribed in Article 425, Paragraph 1 of the same Act. The Company plans to continue the said agreement with Akira Okumura if he is reelected as proposed. The Company has designated Akira Okumura as an independent officer of the Company pursuant to the rules of the Tokyo Stock Exchange with appropriate filings of the designation with the exchange.