[Translation: Please note that this is an English translation of the Japanese Notice of the 7th Ordinary General Meeting of Shareholders of KH Neochem Co., Ltd. prepared for your reference and convenience only and without any warranty as to its accuracy or otherwise.]

Securities code: 4189
March 8, 2017

To our shareholders,

Keiichi Asai
President & Chief Executive Officer
KH Neochem Co., Ltd.
1-6-5, Nihonbashi-Honcho, Chuo-ku, Tokyo

Notice of the 7th Ordinary General Meeting of Shareholders

You are cordially invited to attend the 7th Ordinary General Meeting of Shareholders of KH Neochem Co., Ltd. (the "Company"), which will be held as described below.

If you are unable to attend the Meeting in person, you may exercise your voting rights in writing. Please review the attached Reference Documents for the General Meeting of Shareholders and indicate your approval or disapproval of the proposals in the enclosed Voting Card, and then return the card to the Company so that your vote is received by 5:40 p.m. on Thursday, March 23, 2017 (JST).

1. **Date and Time:** Friday, March 24, 2017, at 10:00 a.m. (JST)

2. **Venue:** 5F Conference Center, Bellesalle Tokyo Nihonbashi,
Tokyo Nihonbashi Tower, 2-7-1, Nihonbashi, Chuo-ku, Tokyo

3. **Proposes:**

Items to be reported:

1. Business Report and Consolidated Financial Statements for the 7th term (from January 1, 2016 to December 31, 2016), as well as the results of audits of the Consolidated Financial Statements by the Independent Auditor and the Audit & Supervisory Board
2. Financial Statements for the 7th term (from January 1, 2016 to December 31, 2016)

Items to be resolved:

Proposal No. 1: Appropriation of Surplus
Proposal No. 2: Election of Nine Directors
Proposal No. 3: Election of One Audit & Supervisory Board Member and One Substitute Audit & Supervisory Board Member
Proposal No. 4: Payment of Retirement Benefits to a Retiring Audit & Supervisory Board Member

[When Attending the Meeting]
If you attend the Meeting in person, please submit the enclosed Voting Card at the venue's reception.

[Exercising Voting Rights by Proxy]
If you are unable to attend the Meeting in person, you may exercise your voting rights by a proxy who is also a shareholder with voting rights. Please be aware that a written statement attesting to the right of proxy must be submitted.

Reference Documents for the General Meeting of Shareholders

Proposal No. 1: Appropriation of Surplus

The Company's basic policy is to strive to return profits to our shareholders in comprehensive consideration of factors such as the consolidated financial results and the necessity of retained earnings to prepare for future business development.

Also, the Company was listed on the first section of the Tokyo Stock Exchange on October 12, 2016. We are grateful that this is all because of the warm support from our shareholders and stakeholders.

In order to express our sincere gratitude to the shareholders, the Company proposes to pay ¥50.00 per share as the year-end dividend for the 7th term, adding a dividend to commemorate the Company's listing of ¥3.50 to an ordinary dividend of ¥46.50, which is based on the consolidated financial results for the fiscal year under review.

Year-end dividends

(1) Type of dividend property

Cash

(2) Allotment of dividend property and their aggregate amount

Dividends per common share of the Company	¥50.00
Breakdown of dividends:	
Ordinary dividend:	¥46.50
Dividend to commemorate the Company's listing:	¥3.50
Total dividends:	¥1,837,470,000

(3) Effective date of dividends of surplus

March 27, 2017

Proposal No. 2: Election of Nine Directors

The terms of office of all seven current Directors will expire at the conclusion of this Ordinary General Meeting of Shareholders. At this juncture, with the addition of two Directors to enhance the management structure, the Company proposes the election of nine Directors, including three Outside Directors.

The candidates for Director are as follows:

No.	Name (Date of birth)	Career summary, position and responsibility in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares owned
1	<Reelection> **Keiichi Asai** (September 29, 1954)	Apr. 1978 Joined Mitsubishi Corporation Apr. 2009 Executive Officer of Mitsubishi Corporation Apr. 2013 Executive Officer of Mitsubishi Corporation Executive Vice President of Lithium Energy Japan Jul. 2014 Director and Executive Officer of the Company Sep. 2014 President & Chief Executive Officer of the Company (to present)	135,000 shares
		[Reason for nomination as candidate for Director] The Company deems that Mr. Keiichi Asai is a skilled individual that is appropriate for the sustained improvement of the Company's corporate value because he aims to improve corporate value as a President, and has a track record of leading the entire group with his strong leadership as well as extensive insight and work experience as a manager. Accordingly, the Company proposes the election of Mr. Keiichi Asai as a Director.	Attendance at Board of Directors meeting during the fiscal year 100% (18 of 18 meetings)
2	<Reelection> **Michio Takahashi** (February 15, 1965)	Apr. 1987 Joined Kyowa Hakko Kogyo Co., Ltd. Jul. 2011 President of Basic Chemicals Division of Kyowa Hakko Chemical Co., Ltd. (now the Company) Mar. 2013 Director and Executive Officer of the Company Mar. 2016 Managing Director and Executive Officer of the Company (to present) [Current responsibility] General Manager of Administrative Office In charge of Corporate Planning Office	100 shares
		[Reason for nomination as candidate for Director] The Company deems that Mr. Michio Takahashi is a skilled individual that is appropriate for the sustained improvement of the Company's corporate value because he has extensive experience, achievements, and insight related to management gained while he was in charge of the business office, corporate planning office, and administrative office. Accordingly, the Company proposes the election of Mr. Michio Takahashi as a Director.	Attendance at Board of Directors meeting during the fiscal year 100% (18 of 18 meetings)

No.	Name (Date of birth)	Career summary, position and responsibility in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares owned
3	<Reelection> **Kazuya Sato** (July 11, 1956)	Apr. 1981 Joined Kyowa Hakko Kogyo Co., Ltd. Jan. 2008 Yokkaichi Plant Manager of Kyowa Hakko Chemical Co., Ltd. (now the Company) Jun. 2009 Director of the Company Jun. 2011 Managing Director of the Company Mar. 2013 Managing Director and Executive Officer of the Company (to present) [Current responsibility] General Manager of Production & Technology Office	100 shares
		[Reason for nomination as candidate for Director] The Company deems that Mr. Kazuya Sato is a skilled individual that is appropriate for the sustained improvement of the Company's corporate value because he has extensive experience, achievements, and insight related to management gained while he was in charge of the production & technology office and the manufacturing office for many years. Accordingly, the Company proposes the election of Mr. Kazuya Sato as a Director.	Attendance at Board of Directors meeting during the fiscal year 100% (18 of 18 meetings)
4	<Reelection> **Toshihiro Matsuoka** (May 9, 1962)	Apr. 1987 Joined Kyowa Hakko Kogyo Co., Ltd. Apr. 2008 General Manager of Production Administration Division of Kyowa Hakko Chemical Co., Ltd. (now the Company) Jun. 2011 Yokkaichi Plant Manager of the Company Apr. 2013 Executive Officer of the Company Mar. 2014 Director and Executive Officer of the Company (to present) [Current responsibility] General Manager of R&D Office	100 shares
		[Reason for nomination as candidate for Director] The Company deems that Mr. Toshihiro Matsuoka is a skilled individual that is appropriate for the sustained improvement of the Company's corporate value because he has extensive experience, achievements, and insight related to the Group's product planning and development mainly from holding important positions in the manufacturing office and R&D office. Accordingly, the Company proposes the election of Mr. Toshihiro Matsuoka as a Director.	Attendance at Board of Directors meeting during the fiscal year 100% (18 of 18 meetings)

No.	Name (Date of birth)	Career summary, position and responsibility in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares owned
5	<Reelection> **Kenichi Hirai** (September 3, 1954)	Apr. 1978 Joined Nissan Diesel Motor Co., Ltd. (now UD Trucks Corporation) Jan. 2008 Vice President of Nissan Diesel Motor Co., Ltd. CFO of Volvo Powertrain Japan Apr. 2012 Vice President of UD Trucks Corporation Volvo Group Trucks Operations Japan Controlling Coordination Jan. 2016 Director & Chief Financial Officer of the Company (to present) [Current responsibility] General Manager of Finance Office and General Manager of Finance Division	100 shares
		[Reason for nomination as candidate for Director] The Company deems that Mr. Kenichi Hirai is a skilled individual that is appropriate for the sustained improvement of the Company's corporate value because he has extensive experience and achievements as a manager in the accounting and finance field. Accordingly, the Company proposes the election of Mr. Kenichi Hirai as a Director.	Attendance at Board of Directors meeting during the fiscal year 100% (18 of 18 meetings)
6	<New election> **Tatsuro Niiya** (June 1, 1964)	Apr. 1988 Joined Kyowa Hakko Kogyo Co., Ltd. Jul. 2013 General Manager of Chemical Sales & Marketing Division, Business Headquarters Office of the Company Jan. 2016 Executive Officer and General Manager of Chemical Sales & Marketing Division, Business Headquarters Office of the Company Mar. 2016 Executive Officer and General Manager of Business Headquarters Office of the Company (to present) [Current responsibility] General Manager of Business Headquarters Office	0 shares
		[Reason for nomination as candidate for Director] The Company deems that Mr. Tatsuro Niiya is a skilled individual that is appropriate for the sustained improvement of the Company's corporate value because he has extensive knowledge and experience gained while holding various important positions in the business office. Accordingly, the Company proposes the election of Mr. Tatsuro Niiya as a Director.	Attendance at Board of Directors meeting during the fiscal year –

No.	Name (Date of birth)	Career summary, position and responsibility in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares owned
7	<Reelection> Outside Director **Katsu Harashima** (September 20, 1966)	Apr. 1989 Joined The Industrial Bank of Japan, Limited. (now Mizuho Bank, Ltd.) Jun. 1996 Joined IBJ Securities Co., Ltd. (now Mizuho Securities Co., Ltd.) Aug. 2003 Joined Japan Industrial Partners, Inc. Apr. 2009 Managing Director of Japan Industrial Partners, Inc. (to present) Mar. 2011 Outside Director of Kyowa Hakko Chemical Co., Ltd. (now the Company) (to present) [Significant concurrent positions outside the Company] Managing Director of Japan Industrial Partners, Inc.	0 shares
		[Reason for nomination as candidate for Outside Director] The Company would like for Mr. Katsu Harashima to provide proactive opinions and recommendations from an objective viewpoint related to overall management and take on the role of supervising management, while making the most of his many years of experience and broad insight gained while working at financial institutions. Accordingly, the Company proposes the election of Mr. Katsu Harashima as an Outside Director.	Attendance at Board of Directors meeting during the fiscal year 100% (18 of 18 meetings)
8	<Reelection> Independent Outside Director **Manabu Fujise** (February 19, 1946)	Apr. 1968 Joined Mitsui Petrochemical Industries, Ltd. (now Mitsui Chemicals, Inc.) Jul. 2001 Director of Mitsui Chemicals, Inc. Jul. 2005 President of Mitsui Chemicals Asia Pacific, Ltd. Apr. 2008 President of Mitsui Chemicals Asia Pacific, Ltd. President of Mitsui Chemicals India PVT Ltd. Apr. 2011 Auditor of Kunitachi College of Music (to present) Jul. 2012 Outside Director of Torishima Pump Mfg. Co., Ltd. Jan. 2016 Outside Director of the Company (to present) [Significant concurrent positions outside the Company] Auditor of Kunitachi College of Music	0 shares
		[Reason for nomination as candidate for Outside Director] The Company would like for Mr. Manabu Fujise to provide proactive opinions and recommendations from an objective viewpoint related to overall management and take on the role of supervising management, while making the most of his many years of experience and broad insight gained while working at a major chemical company. Accordingly, the Company proposes the election of Mr. Manabu Fujise as an Outside Director.	Attendance at Board of Directors meeting during the fiscal year 100% (18 of 18 meetings)

No.	Name (Date of birth)	Career summary, position and responsibility in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares owned
9	<New election> Independent Outside Director **Mitsuhiro Nagata** (July 9, 1956)	Apr. 1981 Joined Saitama Bank, Ltd. (now Resona Bank, Limited) Jun. 1987 Joined Goldman Sachs Japan Co., Ltd. General Manager of Corporate Finance Division of Goldman Sachs Japan Co., Ltd. May 1996 Managing Director of Tokyo Branch of Union Bank of Switzerland Aug. 1996 Managing Director and General Manager of Financial Institution Department, Investment Banking Division of UBS Securities Japan Co., Ltd. May 1998 Managing Director and General Manager of Financial Institution Department, Investment Banking Division of Merrill Lynch Securities Co., Ltd. (now Merrill Lynch Japan Securities Co., Ltd.) Oct. 2006 Representative attorney at law of Yoyogi Uehara Law Office (to present) Jun. 2015 Outside Director of JIP CAPITAL INC. (to present) Dec. 2015 Outside Auditor of EduLab, Inc. (to present) Mar. 2016 Outside Corporate Auditor of SKYLARK CO., LTD (to present) [Significant concurrent positions outside the Company] Representative attorney at law of Yoyogi Uehara Law Office Outside Director of JIP CAPITAL INC. Outside Auditor of EduLab, Inc. Outside Corporate Auditor of SKYLARK CO., LTD	0 shares
		[Reason for nomination as candidate for Outside Director] The Company would like for Mr. Mitsuhiro Nagata to provide proactive opinions and recommendations from an objective viewpoint related to overall management and take on the role of supervising management, while making the most of his business experience gained while working at financial institutions and his extensive experience and broad insight as an attorney at law. Accordingly, the Company proposes the election of Mr. Mitsuhiro Nagata as an Outside Director.	Attendance at Board of Directors meeting during the fiscal year –

Notes:

1. There is no special interest between any of the candidates for Director and the Company.
2. Messrs. Katsu Harashima, Manabu Fujise, and Mitsuhiro Nagata are candidates for Outside Director.
3. Messrs. Katsu Harashima and Manabu Fujise are currently Outside Directors of the Company. At the conclusion of this Ordinary General Meeting of Shareholders, their term of office as Outside Directors will have been six years, and one year and three months, respectively.
4. The Company has entered into the liability limitation contract with Messrs. Katsu Harashima and Manabu Fujise in accordance with Article 427, Paragraph 1 of the Companies Act and the provisions of the Company's Articles of Incorporation to limit the liability for damages as provided for in Article 423, Paragraph 1 of the Companies Act. The maximum amount of liability for damages under said contract is the higher of either the predetermined amount of not less than ¥1 million or the amount provided for in the laws and regulations. If Messrs. Katsu Harashima and Manabu Fujise are elected as originally proposed, the Company plans to renew the aforementioned contracts with them. In addition, if Mr. Mitsuhiro Nagata is elected, the Company plans to enter into the liability limitation contract with him, under which the maximum amount of his liability for damages is limited to the amount provided for in the laws and regulations.

5. The Company has submitted notification to Tokyo Stock Exchange, Inc. that Mr. Manabu Fujise has been designated as independent officer as provided for by the aforementioned exchange. If this proposal is approved and adopted and Messrs. Manabu Fujise and Mitsuhiro Nagata are elected as Outside Directors, the Company will notify Tokyo Stock Exchange of their designation as independent officers.

Proposal No. 3: Election of One Audit & Supervisory Board Member and One Substitute Audit & Supervisory Board Member

Audit & Supervisory Board Member Hirotaka Iwata will retire from office at the conclusion of this Ordinary General Meeting of Shareholders due to his resignation. At this juncture, the Company proposes the election of one Audit & Supervisory Board Member as his substitute.

In addition, the Company also proposes the election of one substitute Audit & Supervisory Board Member in preparation for the case in which the number of Audit & Supervisory Board Members would fall short of the number stipulated by laws and regulations. Up until the time the elected substitute Audit & Supervisory Board Member assumes the post, the validity of election of the substitute Audit & Supervisory Board Member may be cancelled by a resolution of the Board of Directors with the consent from the Audit & Supervisory Board.

The Audit & Supervisory Board has given consent for this proposal.

The candidates for Audit & Supervisory Board Member and substitute Audit & Supervisory Board Member are as follows:

[Candidate for Audit & Supervisory Board Member]

No.	Name (Date of birth)	Career summary (Significant concurrent positions outside the Company)	Number of the Company's shares owned
1	<New election> **Tokuo Oodo** (August 11, 1959)	Apr. 1983 Joined Nissan Chemical Industries, Ltd. Jul. 1989 Transferred to Kyowa Hakko Kogyo Co., Ltd. Jul. 2013 General Manager of Accounting Division and Manager of Audit Department of the Company Oct. 2015 General Manager of Accounting Division of the Company (to present) [Reason for nomination as candidate for Audit & Supervisory Board Member] The Company deems that Mr. Tokuo Oodo will carry out appropriate audits of the Company's management, while making the most of his experience from being involved with accounting and finance duties for many years at Nissan Chemical Industries, Ltd., Kyowa Hakko Kogyo Co., Ltd., and the Company. Accordingly, the Company proposes the election of Mr. Tokuo Oodo as an Audit & Supervisory Board Member.	0 shares

Notes:

1. There is no special interest between Mr. Tokuo Oodo and the Company.
2. If Mr. Tokuo Oodo is elected as originally proposed, he will retire from the post of General Manager of Accounting Division of the Company when he assumes the post of Audit & Supervisory Board Member. In addition, the Company plans to enter into the liability limitation contract with him, under which the maximum amount of his liability for damages is limited to the amount provided for in the laws and regulations in accordance with Article 427, Paragraph 1 of the Companies Act and the provisions of the Company's Articles of Incorporation.
3. As provided for in the Company's Articles of Incorporation, if Mr. Tokuo Oodo is elected, his term of office will be until the conclusion of the Ordinary General Meeting of Shareholders to be held in March 2020, the expiration date of his predecessor's term of office.

[Candidate for Substitute Audit & Supervisory Board Member]

No.	Name (Date of birth)	Career summary (Significant concurrent positions outside the Company)	Number of the Company's shares owned
2	**Fukujiro Yamabe** (December 13, 1951)	Apr. 1975 Joined Mitsubishi Corporation Apr. 2007 President of Mitsubishi Company (Thailand) Ltd. President of Thai-MC Company Limited Jun. 2011 Managing Director of MEIWA CORPORATION Jun. 2012 President of MEIWA CORPORATION Jun. 2016 Advisor of MEIWA CORPORATION (to present) [Significant concurrent positions outside the Company] Advisor of MEIWA CORPORATION (to present) [Reason for nomination as candidate for substitute Audit & Supervisory Board Member] The Company deems that, based on his experience predominately in corporate management, Mr. Fukujiro Yamabe will provide useful advice to the Board of Directors and will carry out neutral audits regarding the legality of management execution, etc. Accordingly, the Company proposes the election of Mr. Fukujiro Yamabe as a substitute Outside Audit & Supervisory Board Member.	0 shares

Notes:

1. There is no special interest between Mr. Fukujiro Yamabe and the Company.
2. Mr. Fukujiro Yamabe is a candidate for substitute Outside Audit & Supervisory Board Member.
3. If Mr. Fukujiro Yamabe assumes the post of Audit & Supervisory Board Member, the Company plans to enter into the liability limitation contract with him, under which the maximum amount of his liability for damages is limited to the amount provided for in the laws and regulations in accordance with Article 427, Paragraph 1 of the Companies Act and the provisions of the Company's Articles of Incorporation.
4. The term of office for Mr. Fukujiro Yamabe, the substitute Audit & Supervisory Board Member, commences provided the number of Audit & Supervisory Board Members falls short of the number stipulated by laws and regulations, and will be until the expiration of the term of office of the retiring Audit & Supervisory Board Member. In addition, as provided for in the Company's Articles of Incorporation, the validity of the election of substitute Audit & Supervisory Board Member may not continue after the commencement of the Ordinary General Meeting of Shareholders for the last fiscal year that ends within four years after the resolution.

Proposal No. 4: Payment of Retirement Benefits to a Retiring Audit & Supervisory Board Member

Audit & Supervisory Board Member Hirotaka Iwata will retire from office at the conclusion of this Ordinary General Meeting of Shareholders due to his resignation. The Company would like to pay him a reasonable amount of retirement benefits to reward his services during his terms in accordance with the Company's internal rules.

It is the Company's intent to entrust the decisions regarding the specific amount, time of payment, method, etc., for said retirement benefits to the deliberation of the Audit & Supervisory Board Members.

The career summary of the retiring Audit & Supervisory Board Member is as follows:

Name	Career summary
Hirotaka Iwata	Jan. 2016 Audit & Supervisory Board Member of the Company (to present)