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(Stock Exchange Code 9065)
June 5, 2018

To Shareholders with Voting Rights:

Kimihiro Nakamura
President (Representative Director)
Sankyu Inc.
6-7 Minatomachi, Moji-ku, Kitakyusyu-shi, Fukuoka
Head Office: 5-23, Kachidoki, 6-chome, Chuo-ku, Tokyo

NOTICE OF
THE 109th 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 109th Annual General Meeting of Shareholders of Sankyu Inc. (the "Company"). The meeting will be held for the purposes as described below.

If you are unable to attend the meeting, you can exercise your voting rights in writing or via the Internet. Please review the attached Reference Documents for the General Meeting of Shareholders, and exercise your voting rights by following the Instructions for the Exercise of Voting Rights, no later than 5:35 p.m. on Tuesday, June 26, 2018, Japan time.

1. **Date and Time:** Wednesday, June 27, 2018 at 10:00 a.m. Japan time (Reception starts at 9:00 a.m.)

2. **Place:** Conference room at the Company located at
5-23, Kachidoki, 6-chome, Chuo-ku, Tokyo, Japan
(Please see the map of the venue for the General Meeting of Shareholders at the end of this document (Japanese version).)

3. **Meeting Agenda:**

Matters to be reported:

1. The Business Report and Consolidated Financial Statements for the Company's 109th Fiscal Year (April 1, 2017 - March 31, 2018) and results of audits by the Accounting Auditor and the Board of Corporate Auditors of the Consolidated Financial Statements
2. Non-consolidated Financial Statements for the Company's 109th Fiscal Year (April 1, 2017 - March 31, 2018)

Proposals to be resolved:

Proposal 1: Distribution of Surplus
Proposal 2: Election of 7 Directors
Proposal 3: Election of 1 Substitute Corporate Auditor

4. Instructions for the Exercise of Voting Rights

(1) Method for exercising voting rights

You can exercise your voting rights through one of the following three means: by attending the meeting, mailing the Voting Rights Exercise Form, or via the Internet.

(2) Duplicate exercising of voting rights

If you have exercised your voting rights both by mailing the Voting Rights Exercise Form and via the Internet, only the exercise of voting rights via the Internet shall be deemed effective.
If you have exercised your voting rights more than once via the Internet, only the final execution shall be deemed effective.

(3) Exercising of voting rights by a proxy

If you are unable to attend the meeting, another shareholder with voting rights can attend the meeting as a proxy. However, please note that it is necessary to submit the written proof of the right of proxy.

(4) Disclosure via the Internet

Of the documents needed to be attached to this notice of convocation, the items 1) and 2) below are posted on the Company's website (http://www.sankyu.co.jp/), in accordance with laws and regulations as well as the provisions in Article 16 of the Company's Articles of Incorporation and are therefore not included in this attached document.

1) Notes to Consolidated Financial Statements
2) Notes to Non-consolidated Financial Statements

The Business Report, Non-consolidated Financial Statements and Consolidated Financial Statements that were audited by the Board of Corporate Auditors include the items 1) and 2) above in addition to those stated in this attached document. The Non-consolidated Financial Statements and Consolidated Financial Statements that were audited by the Accounting Auditor include the items 1) and 2) above in addition to those stated in this attached document.

· 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, the Non-consolidated Financial Statements and Consolidated Financial Statements require revisions, the revised versions will be posted on the Company's website (http://www.sankyu.co.jp).

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal 1: Distribution of Surplus

The Company has a basic policy that dividends shall be determined based on consideration of profit return to shareholders and enhancement of financial structure towards future business development.

The year-end dividend for this fiscal year shall be as follows, taking into consideration business results for this fiscal year and future enhancement of business competitiveness and financial structure.

1. Items related to the year-end dividend

(1) Items related to the allocation of dividend property to shareholders and its total amount
45 yen per common share of the Company
Total of 2,722,809,465 yen

(2) Date the distribution of surplus comes into effect:
June 28, 2018

2. Items related to the distribution of surplus

(1) Item and amount of increased surplus

Special reserves	7,000,000,000 yen

(2) Item and amount of decreased surplus

Retained earnings brought forward	7,000,000,000 yen

If this Proposal is approved as proposed, the annual dividend for this fiscal year will be 75 yen per share, including an interim dividend.

(Reference) If the effects of 5-to-1 common share consolidation with the effective date of October 1, 2017 are taken into consideration, the already paid interim dividend (6 yen per share) is equivalent to 30 yen per share. Therefore, the annual dividend will be 75 yen combined with a year-end dividend (45 yen per share).

Proposal 2: Election of 7 Directors

The terms of office of 5 Directors Takashi Ogawa, Yasuo Nakazato, Masao Inoue, Toshio Yuki and Terukazu Okahashi will expire at the conclusion of this year's Annual General Meeting of Shareholders. Accordingly, the election of 7 Directors is proposed by increasing 2 Directors including External Directors to further strengthen the management structure in the future.

The candidates are as follows:

No.	Name	Current positions	Responsibilities	Attendance at the Board of Directors' meetings
1	Takashi Ogawa [Reappointment]	Senior Executive Director (Representative Director)	Member of the Board Director, Administration	100% (15 out of 15 meetings)
2	Yasuo Nakazato [Reappointment]	Director & Executive Managing Officer	CFO, Director in charge of Finance	87% (13 out of 15 meetings)
3	Masao Inoue [Reappointment]	Director & Executive Managing Officer	Senior General Manager, Plant Engineering Services Division	93% (14 out of 15 meetings)
4	Toshio Yuki [Reappointment]	Director & Corporate Officer	Director in charge of Corporate Planning	100% (15 out of 15 meetings)
5	Terukazu Okahashi [Reappointment] [External Director]	Director		100% (15 out of 15 meetings)
6	Hiroshi Otobe [New appointment]	Corporate Officer	CTO and Senior General Manager, Technical Development & Administration Division	-
7	Masayuki Ikuta [New appointment] [External Director]			-

<table>
<tr><th>No.</th><th>Name
(Date of birth)</th><th>Past experience, positions
and responsibilities</th><th>Number of shares of the Company held</th></tr>
<tr><td rowspan="2">1</td><td>
Takashi Ogawa
(September 7, 1956)

[Reappointment]</td><td>April 1980 Joined the Company
July 2003 General Manager, Logistics Planning Dept.
April 2005 General Manager, Planning Dept., Logistics Solution Division
April 2008 General Manager, Corporate Planning Dept.
May 2011 Corporate Officer for Kansai Area
June 2011 Corporate Officer
April 2014 Executive Managing Officer in charge of Corporate Planning
June 2014 Director & Executive Managing Officer
April 2016 Senior Executive Director (Representative Director) (to present)
Member of the Board, Director, Administration (to present)

[Significant concurrent positions]
Not applicable</td><td>3,400</td></tr>
<tr><td colspan="3">[Reason for nomination as candidate]
Having served as General Manager of Planning Dept., Logistics Solution Division, General Manager, Corporate Planning Dept., and Corporate Officer for Kansai Area which is the head of regional business unit, Mr. Takashi Ogawa has abundant experience in business and corporate management of the Group. The Company nominated him as a candidate for Director because we expect that he will continue to fulfill a sufficient role of decision making on important matters in the administration section of the Company and supervision of management execution by making use of his experience.</td></tr>
<tr><td rowspan="2">2</td><td>
Yasuo Nakazato
(November 30, 1955)

[Reappointment]</td><td>April 1979 Joined The Mitsubishi Bank Ltd. (currently MUFG Bank, Ltd.)
May 2007 Head Office Manager
June 2008 Joined the Company
Corporate Officer
April 2009 Deputy Head in charge of Finance and General Manager,
Treasury Dept.
April 2012 Executive Managing Officer in charge of Finance,
CFO
June 2012 Director & Executive Managing Officer (to present)
April 2013 CFO, Director in charge of Finance and General Manager,
Treasury Dept.
April 2014 CFO, Director in charge of Finance (to present)

[Significant concurrent positions]
Not applicable</td><td>8,100</td></tr>
<tr><td colspan="3">[Reason for nomination as candidate]
Mr. Yasuo Nakazato, who was originally from The Mitsubishi Bank Ltd. (currently MUFG Bank, Ltd.), had served as a Corporate Officer in the finance section of the Company around for four years since joining the Company while making use of his abundant experience in the financial institution. Since assuming office as Director in June 2012, he has continued to perform his duties as CFO for six years. The Company nominated him as a candidate for Director because we expect that he will continue to fulfill a sufficient role of decision making on important matters in the finance section of the Company and supervision of management execution.</td></tr>
</table>

<table>
<tr><th>No.</th><th>Name
(Date of birth)</th><th>Past experience, positions
and responsibilities</th><th>Number of shares of the Company held</th></tr>
<tr><td rowspan="2">3</td><td>
Masao Inoue
(December 9, 1956)

[Reappointment]</td><td>April 1981 Joined the Company
April 2005 General Manager, Chiba Branch
April 2009 General Manager, Kimitsu Branch
April 2012 Corporate Officer for Eastern Japan Area
June 2012 Corporate Officer
April 2016 Executive Managing Officer
Senior General Manager, Plant Engineering Services Division (to present)
June 2016 Director & Executive Managing Officer (to present)

[Significant concurrent positions]
Not applicable</td><td>2,200</td></tr>
<tr><td colspan="3">[Reason for nomination as candidate]
Since Mr. Masao Inoue has deeply engaged in our mainstay steel and chemical business as the head of the branches and served as Corporate Officer for Eastern Japan Area which is the head of regional business unit, he has abundant experience in business and corporate management of the Group. The Company nominated him as a candidate for Director because we expect that he will continue to fulfill a sufficient role of decision making on important matters in the business section of the Company and supervision of management execution by making use of his experience.</td></tr>
<tr><td rowspan="2">4</td><td>
Toshio Yuki
(June 10, 1959)

[Reappointment]</td><td>April 1983 Joined The Industrial Bank of Japan Limited (currently Mizuho Bank, Ltd.)
May 2009 General Manager, International Department, Mizuho Securities Co., Ltd. (seconded)
January 2012 Joined the Company
April 2012 Director, SANKYU SOUTHEAST ASIA HOLDINGS PTE. LTD. (Seconded overseas)
April 2016 Head in charge of Corporate Planning (to present)
June 2016 Director & Corporate Officer (to present)

[Significant concurrent positions]
Not applicable</td><td>2,200</td></tr>
<tr><td colspan="3">[Reason for nomination as candidate]
Mr. Toshio Yuki, who was originally from The Industrial Bank of Japan Limited (currently Mizuho Bank, Ltd.), had served as a Director at a holding company of the Company’s overseas subsidiaries for four years while making use of abundant experience in a global financial institution. The Company nominated him as a candidate for Director because we expect that he will continue to fulfill a sufficient role of decision making on important matters in the corporate planning section of the Company and supervision of management execution.</td></tr>
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<table>
<tr><th>No.</th><th>Name
(Date of birth)</th><th>Past experience, positions
and responsibilities</th><th>Number of shares of the Company held</th></tr>
<tr><td rowspan="2">5</td><td>
Terukazu Okahashi
(November 25, 1949)

[Reappointment]
[External Director]</td><td>April 1972 Joined MITSUI & CO., LTD.
April 2006 Executive Officer, Deputy General Manager, Osaka Office
April 2009 President, Mitsui & Co.(Canada) Ltd.
March 2011 Retired from Mitsui & Co.(Canada) Ltd.
May 2011 Advisor, Seiko Holdings Corporation (to present)
June 2014 External Director, the Company (to present)

[Significant concurrent positions]
Not applicable</td><td>0</td></tr>
<tr><td colspan="3">[Reason for nomination as candidate]
Mr. Terukazu Okahashi has abundant experience and excellent insights as a corporate manager and has provided valuable opinions and suggestions on the Company’s management as an External Director. The Company has concluded that he is well qualified to be an External Director going forward of decision making on important matters at the Company’s Board of Directors and supervision of management execution.
[Number of years after assumption of office as External Director] Four years (at the conclusion of this year’s Annual General Meeting of Shareholders)</td></tr>
<tr><td rowspan="2">6</td><td>
Hiroshi Otobe
(February 13, 1960)

[New appointment]</td><td>April 1983 Joined Sumitomo Metal Industries, Ltd. (currently NIPPON STEEL & SUMITOMO METAL CORPORATION)
October 2012 General Manager, Equipment & Maintenance Technology Center
April 2016 Joined the Company
Deputy General Manager, Technical Development & Administration Division
June 2016 Corporate Officer (to present)
April 2018 CTO and Senior General Manager, Technical Development & Administration Division (to present)

[Significant concurrent positions]
Not applicable</td><td>1,400</td></tr>
<tr><td colspan="3">[Reason for nomination as candidate]
Mr. Hiroshi Otobe, who was originally from Sumitomo Metal Industries, Ltd. (currently NIPPON STEEL & SUMITOMO METAL CORPORATION), has abundant experience in technologies for facilities and their maintenance in the steel and other industries. By making use of such experience, he had served as Deputy General Manager of Technical Development & Administration Division for two years. The Company nominated him as a candidate for Director because we expect that he will fulfill a sufficient role of decision making on important matters in the technical development section of the Company and supervision of management execution.</td></tr>
</table>

<table>
<tr><th>No.</th><th>Name
(Date of birth)</th><th>Past experience, positions
and responsibilities</th><th>Number of shares of the Company held</th></tr>
<tr><td rowspan="2">7</td><td>
Masayuki Ikuta
(July 31, 1957)

[New appointment]
[External Director]</td><td>April 1981 Joined Ministry of Labour (currently Ministry of Health, Labour and Welfare)
September 2012 Director-General for Policy Coordination, Ministry of Health, Labour and Welfare
July 2014 Director-General, Employment Security Bureau
July 2017 Retired

[Significant concurrent positions]
Not applicable</td><td>0</td></tr>
<tr><td colspan="3">[Reason for nomination as candidate]
Although Mr. Masayuki Ikuta who was originally from Ministry of Labour (currently Ministry of Health, Labour and Welfare) has not been involved in corporate management as a director or corporate auditor of a company, the Company has concluded that he is well qualified to be an External Director by taking into consideration that he will provide appropriate opinions and instructions regarding decision making on important matters at the Company’s Board of Directors and supervision of management execution across a wide range of fields in the Company including human resources, labor relations, safety, and health, by making use of abundant experience in labor administration.</td></tr>
</table>

(Notes)

1. There are no special interests between each candidate and the Company.
2. Matters regarding External Directors are as follows.
   (1) Liability limitation agreement with External Directors
   Mr. Terukazu Okahashi is currently External Director of the Company and the Company has entered into an agreement with him to limit his liability pursuant to Article 423, Paragraph 1 of the Companies Act in accordance with provisions of Article 427, Paragraph 1 of the Companies Act. If the election of Mr. Terukazu Okahashi and Mr. Masayuki Ikuta is approved, the Company intends to renew or newly enter into said agreement with them. The maximum amount of liability pursuant to the agreement is the amount stipulated by laws and regulations if they have performed their duties in good faith and without gross negligence.
   (2) The Company registered Mr. Terukazu Okahashi as Independent Director/Auditor with the Tokyo Stock Exchange, Inc. and Fukuoka Stock Exchange. If the election of Mr. Terukazu Okahashi and Mr. Masayuki Ikuta is approved, Mr. Terukazu Okahashi will continue to serve as Independent Director and Mr. Masayuki Ikuta will be newly appointed as Independent Director. .

Proposal 3: Election of 1 Substitute Corporate Auditor

In order to prepare for cases where a vacancy results in a shortfall in the number of Corporate Auditors prescribed by laws and regulations, we propose the election of one Substitute Corporate Auditor, since validity of the election of Mr. Yoshihiro Nishi as Substitute Corporate Auditor elected at the 107th Annual General Meeting of Shareholders held on June 28, 2016 will expire at the commencement of this year's Annual General Meeting of Shareholders.

Validity of the election of Substitute Corporate Auditor can be cancelled only before the assumption of office, subject to the consent of the Board of Corporate Auditors, and by the resolution of the Board of Directors.

The Board of Corporate Auditors has given its approval to this proposal.

The candidate is as follows:

Name (Date of birth)	Past experience, positions and responsibilities	Number of shares of the Company held
 Yoshihiro Nishi (May 4, 1972) [Reappointment] [External Corporate Auditor]	December 2008 Registered as an attorney-at-law (Dai-Ichi Tokyo Bar Association) January 2009 Joined Daiichi Kyodo Law Office (to present) June 2016 Substitute Corporate Auditor, the Company (to present) [Significant concurrent positions] Not applicable	0
[Reason for nomination as candidate] Although Mr. Yoshihiro Nishi has not been involved in corporate management as a director or corporate auditor of a company, the Company nominated him as a candidate for Substitute Corporate Auditor because we considered that he can perform his duties appropriately as External Corporate Auditor since he has expertise and abundant experience as an attorney-at-law.		

(Notes)

1. There are no special interests between the candidate and the Company.
2. Mr. Yoshihiro Nishi, who is a candidate for Substitute Corporate Auditor, is a candidate for External Corporate Auditor.
3. If Mr. Yoshihiro Nishi assumes office as External Corporate Auditor, the Company intends to enter into an agreement with him to limit his liability pursuant to Article 423, Paragraph 1 of the Companies Act in accordance with provisions of Article 427, Paragraph 1 of the Companies Act. The maximum amount of liability pursuant to the agreement is the amount stipulated by laws and regulations, if he has performed his duties in good faith and without gross negligence.
4. The Company registers External Corporate Auditors as Independent Directors/Auditors with the Tokyo Stock Exchange, Inc. and Fukuoka Stock Exchange. Mr. Yoshihiro Nishi will be appointed as Independent Auditor, if he assumes office as External Corporate Auditor due to a shortfall in the number of Corporate Auditors prescribed by laws and regulations after his election has been approved as proposed in this Proposal.