

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 8, 2018

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 208th Annual General Meeting of Shareholders

You are cordially invited to attend the 208th 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 27, 2018, 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 access the website for the exercise of voting rights (<https://evote.tr.mufg.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 28, 2018, 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 208th fiscal year (from April 1, 2017 to March 31, 2018), 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 208th fiscal year (from April 1, 2017 to March 31, 2018)

Matters to be resolved

Proposal No. 1: Appropriation of Surplus

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

Proposal No. 3: Election of Two (2) Directors

Proposal No. 4: Election of One (1) Audit & Supervisory Board Member

Proposal No. 5: 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: Appropriation of Surplus

Although the Company has steadily worked to create a foundation aimed at further strengthening its management foundation and driving business growth since the launch of its new Medium-Term Management Plan titled “*G*” round 20~to *The Next Stage* in this fiscal year, after comprehensive consideration of the Company’s future business expansion, it has regretfully made the decision not to 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
- (3) Effective date of dividends of surplus
June 29, 2018

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

1. Reasons for Proposal

With regard to issued Class A Shares and Class B Shares, for the purpose of making the acquisition of class shares more agile and flexible under Company’s own judgement, it is requested that the Company make changes to the provision in the Call Options, the Consideration for Which Is Money so that the Company can acquire also part of class shares, and make other necessary amendments.

The amendments are subject to the consent of the holders of Class A Shares and the holders of Class B Shares.

2. Details of Amendments

Details of the amendments are as follows.

(Underlining denotes amendment)

Current Articles of Incorporation	Proposed amendments
<p>Article 13-2 (Class A Shares) The content of Class A Shares issued by the Company shall be as follows. 1. to 5. (Omitted) (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 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.</p>	<p>Article 13-2 (Class A Shares) The content of Class A Shares issued by the Company shall be as follows. 1. to 5. (Unchanged) (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 <u>or part of</u> Class A Shares in exchange for money to the extent permitted by laws and regulations by 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. <u>Any partial acquisition of Class</u></p>

Current Articles of Incorporation	Proposed amendments
<p>7. (Omitted)</p> <p>Article 13-3 (Class B Shares) The content of Class B Shares issued by the Company shall be as follows.</p> <p>1. to 5. (Omitted) (Call Options, the Consideration for Which Is Money)</p> <p>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.</p> <p>7. (Omitted)</p>	<p><u>A Shares shall be carried out by the method of proration.</u></p> <p>7. (Unchanged)</p> <p>Article 13-3 (Class B Shares) The content of Class B Shares issued by the Company shall be as follows.</p> <p>1. to 5. (Unchanged) (Call Options, the Consideration for Which Is Money)</p> <p>6. The Company may, at any time on or after the date of payment for Class B Shares, acquire all <u>or part of</u> 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. <u>Any partial acquisition of Class B Shares shall be carried out by the method of proration.</u></p> <p>7. (Unchanged)</p>

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

Proposal No. 3: Election of Two (2) Directors

At the conclusion of this meeting, the terms of office of three Directors Hiroyuki Shime, Shuji Ueno and Hiroshi Hasegawa will expire. Therefore, the Company proposes the election of two Directors.

The candidates for Director are as follows:

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
1	Hiroyuki Shime (February 10, 1952)	Apr. 1975 Joined the Company June 2008 Director, Senior Executive Officer July 2012 Director, Managing Executive Officer June 2014 Representative Director and President, Chief Executive Officer (incumbent)	24,671
		[Current Responsibility] Audit office	
<u>Reasons for nomination as candidate for Director</u> Hiroyuki Shime has exerted his strong leadership in achieving structural reforms and the restructuring of business portfolio under the previous Medium-Term Management Plan, as well as in steadily implementing the new Medium-Term Management Plan. The Company has nominated him as a candidate for Director for reelection because it recognized his accomplishments and judged that it is essential to continue to have his leadership in promoting the new Medium-Term Management Plan and addressing issues such as strengthening the function of decision making of the Board of Directors.			
2	Shuji Ueno (December 8, 1957)	Apr. 1983 Joined the Company June 2012 Director, Executive Officer July 2012 Director, Senior Executive Officer Apr. 2015 Director, Managing Executive Officer June 2015 Representative Director, Managing Executive Officer (incumbent)	9,740
		[Current Responsibility] General Manager of Technology Sector Corporate Planning Division	
<u>Reasons for nomination as candidate for Director</u> Shuji Ueno has contributed to achieving structural reforms and the restructuring of business portfolio under the previous Medium-Term Management Plan and steady implementation of the new Medium-Term Management Plan, and also worked to enhance the quality assurance system in the Technology Division. The Company has nominated him as a candidate for Director for reelection because it recognized his accomplishments and expects him to continue to perform important roles in making management decisions and promoting measures in terms of technology by leveraging his deep technological knowledge and management 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. There are no special interests between any of the candidates and the Company.

Proposal No. 4: Election of One (1) Audit & Supervisory Board Member

At the conclusion of this meeting, the term of office of Audit & Supervisory Board Member Naohiko Nagata will expire. 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
*Mitsuhiro Morikawa (January 12, 1958)	Apr. 1982 Joined the Company	7,689
	Jan. 2009 General Manager of Corporate Control Department, Corporate Planning Division	
	June 2009 General Manager of Corporate Control Department, Corporate Planning Division, and General Manager of Polymerization Planning Division	
	July 2011 Deputy General Manager of Corporate Planning Division, and General Manager of Polymerization Planning Division	
	July 2012 Executive Officer, General Manager of Corporate Planning Division	
	June 2014 Senior Executive Officer, General Manager of Corporate Planning Division, and In charge of Secretariat	
	Apr. 2015 Senior Executive Officer, Deputy General Manager of Administration Division, and General Manager of Personnel & General Affairs Department (incumbent)	
<p>[Reasons for nomination as candidate for Audit & Supervisory Board Member]</p> <p>Mitsuhiro Morikawa has thorough knowledge of Business Division and Administration Division of the Company as well as the Company's industry, having had business experience in the Industrial Fibers & Textiles of the Company and having served as General Manager of Corporate Planning Division and General Manager of Personnel & General Affairs Department.</p> <p>The Company has nominated him as a candidate for Audit & Supervisory Board Member because it expects him to provide accurate audits of overall corporate management, and Business and Administration Division based on his abundant experience and knowledge.</p>		

- Notes:
1. All of the Company's shares owned by the candidate are common shares.
 2. The number of the Company's shares owned includes the candidate's shareholding under the officer stock ownership association.
 3. The mark "*" indicates a new candidate for Audit & Supervisory Board Member.
 4. There are no special interests between the candidate and the Company.

Proposal No. 5: 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	200

[Reasons for nomination as candidate for substitute outside 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 knowledge including his thorough knowledge of corporate legal affairs as an attorney.
 The Company has nominated him as a candidate for substitute outside 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.