

March 9, 2015

DENKI KAGAKU KOGYO KABUSHIKI KAISHA
(DENKA)

Notice regarding Changes in Directors and Audit & Supervisory Board Members

DENKI KAGAKU KOGYO KABUSHIKI KAISHA (hereafter “DENKA” or the “Company”) hereby announces a decision made at the Board of Directors meeting held on March 9, 2015 regarding the structure of the board and candidates for new directors and Audit & Supervisory Board members. The board’s proposal of these candidates will be put to a vote at the 156th annual General Stockholders’ Meeting scheduled for June 2015. Details follow.

1. Directors

The Company has been implementing the DENKA100 management plan aimed at securing sustainable growth and greater corporate value. Since the term of office for DENKA’s current nine directors, including two outside directors, is set to expire at the close of the upcoming 156th annual General Stockholders’ Meeting, the Company has decided to restructure the board in order to strengthen corporate governance and enhance management transparency and soundness. Specifically, the board will be augmented by the addition of another outside director while the number of directors promoted from within the company will be decreased by two. The resulting board will thus consist of eight directors, including three outside directors. This is one example of the Company’s efforts to build a more robust management structure better suited for pursuing the goals set forth in the DENKA100 management plan.

Director Candidates Put forward for Approval by the Upcoming General Stockholders’ Meeting

Name	New Position	Current or Previous Position
Yasuo Sato	<u>Director (outside)</u>	Former President of Air Liquide Japan Ltd. President of I.B. Associates Co., Ltd.
Akio Yamamoto	<u>Director (outside)</u>	Former Executive Officer of MITSUI & CO., LTD., former President of MITSUI & CO. (THAILAND) LTD. Former President of Mitsui & Co. Plastics Ltd.

2. Audit & Supervisory Board Members

Candidates Put forward for Approval by the Upcoming General Stockholders’ Meeting

Name	New Position	Current Position
Shohei Tamaki	<u>Audit & Supervisory Board member</u>	Managing Executive Officer of DENKA, General Manager of Omi Plant
Masanori Sakamoto	<u>Audit & Supervisory Board member</u>	General Manager of DENKA’s Information System Dept.
Toshio Kinoshita	<u>Audit & Supervisory Board member (outside)</u>	Council member of The Japanese Institute of Certified Public Accountants Audit & Supervisory Board member of Panasonic Corporation etc.

3. Retiring Directors and Audit & Supervisory Board Members

(Whose term of office is set to expire at the close of the upcoming 156th annual General Stockholders' Meeting)

Director	Hitoshi Watanabe
Director	Shinji Sugiyama
Director (outside)	Kozo Tanaka
Audit & Supervisory Board member	Hideo Oishi
Audit & Supervisory Board member	Jiro Hiroe
Audit & Supervisory Board member (outside)	Toshiaki Tada