

Share Consolidation, Revision of Number of Shares Per Share Unit, and Partial Amendment of the Articles of Incorporation

Mitsui Chemicals, Inc. (Tokyo: 4183; President & CEO: Tsutomu Tannowa; the “Company”) has announced that it resolved at a meeting of its Board of Directors held today to submit a proposal for share consolidation, revision of number of shares per share unit, and partial amendment of the Articles of Incorporation to the Company’s 20th Ordinary General Meeting of Shareholders to be held on June 27, 2017, as described below.

1. Share Consolidation

(1) Purpose of share consolidation

As announced in the “Action Plan for Consolidating Trading Units,” the Japanese securities exchanges nationwide aim to consolidate the trading units for common shares of all domestically listed companies into 100 shares.

As an entity that is listed on the Tokyo Stock Exchange, the Company respects the intent of the action plan, and will accordingly revise the number of shares per share unit, which acts as the trading unit of the Company’s shares, to 100 shares, from 1,000 shares currently adopted. Furthermore, the Company will consolidate its shares in order to devise a unit of investment at a level deemed preferable by the stock exchange (at least 50,000 yen and less than 500,000 yen).

(2) Details of share consolidation

a. Type of shares to be consolidated: Common shares

b. Method of consolidation and consolidation ratio

The Company will conduct a 5-to-1 share consolidation on October 1, 2017, based on the number of shares held by shareholders recorded in the final shareholder registry as of September 30, 2017.

c. Decrease in number of shares due to share consolidation

Total number of shares issued before share consolidation (as of March 31, 2017)	1,022,020,076 shares
Decrease in number of shares due to share consolidation	817,616,061 shares
Total number of shares issued after share consolidation	204,404,015 shares

* Decrease in number of shares due to share consolidation and total number of shares issued after share consolidation are theoretical values calculated based on total number of shares issued before share consolidation, and the consolidation ratio.

d. Total number of authorized shares as of the effective date

At that ratio, the share consolidation will decrease the number of shares to 600,000,000 shares, from 3,000,000,000 shares currently.

e. Impact of consolidation

Although the number of shares issued will decrease to one-fifth the current number as a result of the share consolidation, net assets per share will increase five-fold given that the value of the Company's net assets remains unchanged. Accordingly, the asset value of the Company's shares will remain unchanged, with the exception of potential changes brought about by stock market fluctuations and other such factors.

(3) Decrease in number of shareholders due to share consolidation

The share consolidation will cause those 1,209 shareholders who each hold fewer than five shares (the total number of shares held by such shareholders is 2,184 shares) to forfeit their status as shareholders.

However, prior to the effective date of the share consolidation, such shareholders may invoke procedures either to purchase additional shares in order to bring odd-lot holdings up to a round lot, or otherwise to have odd-lot holdings purchased from them. For details in that regard, please contact either the securities company with which you do business, or the shareholder registry administrator.

■ Shareholders Composition as of March 31, 2017

	Total number of shareholders (%)	Number of shares held (%)
All shareholders	65,074 (100.00%)	1,022,020,076 shares (100.00%)
Shareholders holding less than 5 shares (1 to 4 shares)	1,209 (1.86%)	2,184 (0.00%)
Shareholders holding 5 shares or more	63,865 (98.14%)	1,022,017,892 (100.00%)

(4) Treatment of fractional shares

In accordance with Article 235 of the Companies Act of Japan, any fractional shares emerging as a result of the share consolidation will be collectively sold, and proceeds of the sale will be accordingly distributed to the shareholders thereof, in proportion to their fractional holdings.

(5) Conditions for share consolidation

The share consolidation is subject to approval at the 20th Ordinary General Meeting of Shareholders scheduled to be held on June 27, 2017, with respect to both the proposal regarding the share consolidation, and the proposal relating to Section 3, "Partial Amendment of the Articles of Incorporation," provided below.

2. Revision of Number of Shares per Share Unit

(1) Reason for revision

The revision is for the purpose of addressing the "Action Plan for Consolidating Trading Units" by the Japanese securities exchanges nationwide.

(2) Details for revision

The number of shares in a share unit of the Company's common shares will be changed from 1,000 shares to 100 shares.

(3) Date of revision

October 1, 2017

(4) Conditions for revision

The revision of number of shares per share unit is subject to approval at the 20th Ordinary General Meeting of Shareholders scheduled to be held on June 27, 2017, with respect to both the proposal relating to Section 1, “Share Consolidation,” previously, and the proposal relating to Section 3, “Partial Amendment of the Articles of Incorporation,” provided below.

[Reference]

October 1, 2017 is the effective date with respect to the aforementioned share consolidation and revision to the number of shares per share unit. However, due to transfer procedures subsequent to the share transactions, the change from a 1,000-share trading unit to a 100-share trading unit of the Company’s stock on the Tokyo Stock Exchange will take effect on September 27, 2017, at which time the share price will come to reflect effects of the share consolidation.

3. Partial Amendment of the Articles of Incorporation

(1) Purpose of amendment

- a. In light of the current conditions of the businesses of the Company and its subsidiaries, the Company changes to the business purposes in Article 2 (Purpose) of the current Articles of Incorporation in order to clarify its business lines.
- b. The Company will revise its number of authorized shares to 600,000,000 shares, from 3,000,000,000 previously, with respect to Article 6(Total Number of Authorized Shares) of the current Articles of Incorporation. This change is being made with the aim of ensuring a more optimal number of authorized shares as a result of decreasing the number of shares issued, subject to approval and implementation of proposals in relation to Section 1, “Share Consolidation,” previously.
- c. The Company will revise Article 8(Number of Shares per Unit) of the current Articles of Incorporation in order to change its number of shares per share unit to 100 shares, from 1,000 shares previously. This is being done out of respect for the intent of the “Action Plan for Consolidating Trading Units” released by the Japanese securities exchanges nationwide, and is subject to approval and implementation of proposals again relating to Section 1, “Share Consolidation,” previously.
- d. The Company will revise Article 18 (Voting Right by Proxy) of the current Articles of Incorporation in order to make it clear that a proxy in writing must be submitted to the Company in cases involving exercise of voting rights by proxy at a General Meeting of Shareholders.
- e. In order to facilitate flexible operations of the Board of Directors, the Company will establish new provisions of Article 24 (Omission of Resolutions of the Board of Directors) which will make it possible to regard a resolution item as having been resolved by the Board of Directors, as long as all Directors furnish their consent with respect to a resolution item in writing or by means of electromagnetic record, and as long as none of the corporate auditors raise objections in that regard. In the current Articles of Incorporation, the Articles from Article 24 onward will each be brought down one Article.

- f. The Company will revise Article 24 (Liability Exemption of Directors) and Article 31 (Liability Exemption of Auditors) of the current Articles of Incorporation, in accordance with changes with respect to the extent to which it is possible to enter into liability limitation contracts under the “Act for Partial Revision of the Companies Act” (Act No. 90 of 2014), in effect on May 1, 2015. Consent of all Corporate Auditors has been obtained with respect to revising Article 24 of the current Articles of Incorporation.
- g. The Company will establish supplementary provisions whereby the revisions of Article 6 (Total Number of Authorized Shares) and Article 8 (Number of Shares per Unit) of the current Articles of Incorporation take effect on October 1, 2017, the effective date of the share consolidation, and accordingly the supplementary provisions shall be deleted as of that same date.

(2) Details for Amendments

As per the attached document.

4. Schedule

- (1) Date of resolution of the Board of Directors: May 12, 2017
- (2) Date of resolution of the Ordinary General Meeting of Shareholders: June 27, 2017 (planned)
- (3) Effective date of share consolidation: October 1, 2017 (planned)
- (4) Effective date of partial amendment of the Articles of Incorporation
 - a. Article 6 (total number of authorized shares) and Article 8 (number of shares per share unit): October 1, 2017 (planned)
 - b. Other details for amendments: June 27, 2017 (planned)

Please note that this document has been translated from the original Japanese into English for the convenience of our stakeholders. The information was originally provided in Japanese. If there is any discrepancy, the Japanese language version is the official document and is available on our Japanese language website.

(Underlined parts are amended)

Current Articles of Incorporation	Proposed Amendments	Remarks
<p>(Purpose)</p> <p>Article 2.</p> <p>The purpose of the Company shall be to engage in the following business:</p> <p>2.(1) Manufacture, processing, sale and purchase of the following products:</p> <p>a) to k) (Text omitted) (Newly established)</p> <p>l) Film, high-performance film and sheet for packaging and industrial uses, etc.</p> <p>m) Civil engineering, building, housing and agricultural materials</p> <p>n) Logistic materials such as pallets for loading, pallets for transport and packaging bags</p> <p>2.(2) to 2.(18) (Text omitted)</p>	<p>(Purpose)</p> <p>Article 2.</p> <p>The purpose of the Company shall be to engage in the following business:</p> <p>2.(1) Manufacture, processing, sale and purchase of the following products:</p> <p>a) to k) (Same as present)</p> <p><u>l) Composite materials such as metals and polymer compounds, and materials for robotics</u></p> <p>m) Film, high-performance film and sheet for packaging and industrial uses, etc.</p> <p>n) Civil engineering, building, housing and agricultural materials</p> <p>o) Logistic materials such as pallets for loading, pallets for transport and packaging bags</p> <p><u>p) Metal molds</u></p> <p>2.(2) to 2.(18) (Same as present)</p>	<p>Newly established</p> <p>Newly established</p>
<p>(Total Number of Authorized Shares)</p> <p>Article 6.</p> <p>The total number of shares authorized to be issued by the Company shall be <u>three billion (3,000,000,000)</u> shares.</p>	<p>(Total Number of Authorized Shares)</p> <p>Article 6.</p> <p>The total number of shares authorized to be issued by the Company shall be <u>six hundred million (600,000,000)</u> shares.</p>	<p>Amended</p>

Current Articles of Incorporation	Proposed Amendments	Remarks
<p>(Number of Shares per Unit)</p> <p>Article 8.</p> <p>The number of shares of the Company per unit shall be <u>one thousand (1,000)</u> shares.</p>	<p>(Number of Shares per Unit)</p> <p>Article 8.</p> <p>The number of shares of the Company per unit shall be <u>one hundred (100)</u> shares.</p>	<p>Amended</p>
<p>(Voting Right by Proxy)</p> <p>Article 18.</p> <p>Shareholders may exercise their votes by proxy who shall be a shareholder of the Company and be able to exercise the voting right.</p>	<p>(Voting Right by Proxy)</p> <p>Article 18.</p> <p><u>18.(1) Shareholders may exercise their votes by proxy who shall be a shareholder of the Company and be able to exercise the voting right.</u></p>	
<p>(Newly established)</p>	<p><u>18.(2) A shareholder or proxy must submit written proof to the Company attesting to the proxy rights at each General Meeting of Shareholders.</u></p>	<p>Newly established</p>
<p>(Newly established)</p>	<p><u>(Omission of Resolutions of the Board of Directors)</u></p> <p><u>Article 24.</u></p> <p><u>The Company shall deem that a resolution of the Board of Directors has been adopted if the requirements stipulated by Article 370 of the Companies Act have been fulfilled.</u></p> <p>(In the current Articles of Incorporation, the articles from Article 24 onward will each be brought down one article.)</p>	<p>Newly established</p>

Current Articles of Incorporation	Proposed Amendments	Remarks
<p>(Liability Exemption of Directors) Article <u>24</u>.</p> <p><u>24.(1)</u> Under the provisions of Article 426 (1) of the Companies Act, the Company may, by resolution of the Board of Directors, exempt Directors (including persons who were Directors) from liability related to negligence of their duties, within the limits permitted by law.</p> <p><u>24.(2)</u> Under the provisions of Article 427 (1) of the Companies Act, the Company may enter into a contract with <u>Outside Directors</u> limiting their liability for damages arising from negligence of their duties. However, the amount of the limit on liability for damages according to such a contract shall be limited to the total of the amount stipulated in the law.</p>	<p>(Liability Exemption of Directors) Article <u>25</u>.</p> <p><u>25.(1)</u> Under the provisions of Article 426 (1) of the Companies Act, the Company may, by resolution of the Board of Directors, exempt Directors (including persons who were Directors) from liability related to negligence of their duties, within the limits permitted by law.</p> <p><u>25.(2)</u> Under the provisions of Article 427 (1) of the Companies Act, the Company may enter into a contract with <u>Directors (excluding Executive Directors, etc.)</u> limiting their liability for damages arising from negligence of their duties. However, the amount of the limit on liability for damages according to such a contract shall be limited to the total of the amount stipulated in the law.</p>	<p>Amended</p>
<p>(Liability Exemption of Auditors) Article <u>31</u>.</p> <p><u>31.(1)</u> Under the provisions of Article 426 (1) of the Companies Act, the Company may, by resolution of the Board of Directors, exempt Corporate Auditors (including persons who were Corporate Auditors) from liability related to negligence of their duties, within the limits permitted by law.</p>	<p>(Liability Exemption of Auditors) Article <u>32</u>.</p> <p><u>32.(1)</u> Under the provisions of Article 426 (1) of the Companies Act, the Company may, by resolution of the Board of Directors, exempt Corporate Auditors (including persons who were Corporate Auditors) from liability related to negligence of their duties, within the limits permitted by law.</p>	

Current Articles of Incorporation	Proposed Amendments	Remarks
<p data-bbox="188 248 692 808"> <u>31.(2)</u> Under the provisions of Article 427 (1) of the Companies Act, the Company may enter into a contract with <u>Outside Corporate Auditors</u> limiting their liability for damages arising from negligence of their duties. However, the amount of the limit on liability for damages according to such a contract shall be limited to the total of the amount stipulated in the law. </p> <p data-bbox="316 869 564 902">(Newly established)</p>	<p data-bbox="724 248 1225 763"> <u>32.(2)</u> Under the provisions of Article 427 (1) of the Companies Act, the Company may enter into a contract with <u>Corporate Auditors</u> limiting their liability for damages arising from negligence of their duties. However, the amount of the limit on liability for damages according to such a contract shall be limited to the total of the amount stipulated in the law. </p> <p data-bbox="724 869 1214 1144"> <u>Supplementary provisions</u> <u>Amendments to Article 6 and Article 8 of these Articles of Incorporation take effect on October 1, 2017. Accordingly, these Supplementary Provisions shall be deleted as of October 1, 2017.</u> </p>	<p data-bbox="1273 248 1390 282">Amended</p> <p data-bbox="1262 869 1401 947">Newly established</p>