

THIS DOCUMENT IS AN ABRIDGED TRANSLATION OF THE ORIGINAL NOTICE IN JAPANESE. THIS DOCUMENT IS MADE ONLY FOR THE PURPOSE OF REFERENCE BY SHAREHOLDERS OUTSIDE JAPAN. IN THE EVENT OF ANY DISCREPANCY BETWEEN THIS TRANSLATED DOCUMENT AND THE JAPANESE ORIGINAL, THE ORIGINAL SHALL PREVAIL. THE COMPANY ASSUMES NO RESPONSIBILITY FOR THIS TRANSLATION OR FOR DIRECT, INDIRECT OR ANY OTHER FORMS OF DAMAGES ARISING FROM THE TRANSLATION.

(Securities Code No.: 4183)

June 4, 2018

Mitsui Chemicals, Inc.
5-2, Higashi-Shimbashi 1-chome,
Minato-ku, Tokyo, Japan
Tsutomu Tannowa, President & CEO

CONVOCAION NOTICE FOR
THE 21st ORDINARY GENERAL MEETING OF SHAREHOLDERS

Dear Shareholders:

Notice is hereby given that the 21st Ordinary General Meeting of Shareholders of Mitsui Chemicals, Inc. (the "Company") will be held as detailed below; we request your attention in reviewing this Convocation Notice.

Date and Time: Tuesday, June 26, 2018 at 10:00 a.m. (Reception desk opens at 9:00 a.m.)

Place: Nihonbashi Mitsui Hall, 4th floor of Coredo Muromachi 1,
2-1, Nihonbashi-Muromachi 2-chome, Chuo-ku, Tokyo, Japan

Agenda

- A. Reports**
1. Business report, consolidated financial statements and the results of auditing consolidated financial statements by accounting auditors and Board of Corporate Auditors for the 21st fiscal year (April 1, 2017 to March 31, 2018)
 2. Non-consolidated financial statements for the 21st fiscal year (April 1, 2017 to March 31, 2018)

B. Proposals

- No. 1:** Appropriation of surplus
No. 2: Election of eight (8) Directors
No. 3: Election of one (1) Corporate Auditor

- * Attendees are kindly requested to submit the enclosed Voting Rights Exercise Form at the reception desk at the entrance to the meeting hall.
- * In the event that you are unable to attend the meeting, you may exercise your voting rights in writing or electronically (via the Internet, etc.). We kindly ask you to exercise your voting rights as indicated by the information provided concerning exercise of voting rights on page 2, after reviewing the attached reference materials.
- * Any revisions made to the reference materials; business report, non-consolidated financial statements and consolidated financial statements will be posted on the Company's website (<https://www.mitsuichem.com/jp/index.htm>).

Exercise of voting rights

Shareholders may exercise their voting rights by the following three methods.

Exercise of voting rights by attending the meeting

Attendees are kindly requested to submit the enclosed Voting Rights Exercise Form at the reception desk at the entrance to the meeting hall. In addition, attendees are kindly requested to bring this Convocation Notice booklet to the meeting for use as a meeting agenda.

Date and Time: Tuesday, **June 26, 2018** at **10:00 a.m.** (Reception desk opens at **9:00 a.m.**)

Place: Nihonbashi Mitsui Hall, 4th floor of Coredo Muromachi 1,
2-1, Nihonbashi-Muromachi 2-chome, Chuo-ku, Tokyo, Japan

Exercise of voting rights in writing (by mail)

Indicate your approval or disapproval for each of the proposals on the enclosed Voting Rights Exercise Form and send the completed form to the Company.

Votes to be received by: **5:40 p.m.** on Monday, **June 25, 2018.**

Exercise of voting rights via the Internet, etc.

Access the website designated by the Company for exercising voting rights (<https://www.web54.net>), and indicate your approval or disapproval for each of the proposals.

In exercising voting rights via the Internet, enter the voting right exercise code and the password shown on the Voting Rights Exercise Form, and follow the instructions on the display.

Votes to be transmitted by: **5:40 p.m.** on Monday, **June 25, 2018.**

- * When voting rights are exercised in duplicate, both in writing and via the Internet, the vote that is received last shall be deemed effective. However, if votes arrive on the same day, the vote cast via the Internet, etc. shall be deemed effective.

When voting rights are exercised via the Internet, etc. more than once, the last vote shall be deemed effective.

Please use the contact number below if you have any difficulties when voting by the Internet using a personal computer or smartphone.

Dedicated line for Transfer Agent Web Support, Sumitomo Mitsui Trust Bank, Limited:

Tel: 0120-652-031 (Toll free, within Japan only)

(9:00 a.m. to 9:00 p.m. Japan time)

Institutional investors may use the electronic voting rights exercise platform operated by Investor Communications Japan Inc.

REFERENCE MATERIALS

Proposals and Reference Matters

No. 1: Appropriation of surplus

We propose the following appropriation of surplus:

Year-end dividends

The Company gives top priority to the issue of increasing corporate value through business growth and expansion and regards the return of profits to shareholders as a key management issue.

In appropriating profits, we give consideration to all aspects including returns on shareholder investment and the securing of internal reserves for our future growth and expansion.

With regard to shareholder returns, the Company targets a total return ratio gradually, which is the ratio of combined dividends and share buybacks to profit attributable to owners of parent, of at least 30%.

Aiming to improve earnings, we allot internal reserves for not only loans and investments to further accelerate the growth and expansion of our businesses and more quickly realize the business portfolios that we should pursue but also research and development to create new innovative technologies.

After giving comprehensive consideration to various matters including performance results for the fiscal year under review and the outlook for the future business environment, the Company proposes that the year-end dividend be as follows.

(1) Type of dividend property

Cash

(2) Allocation of dividend property and total amount thereof

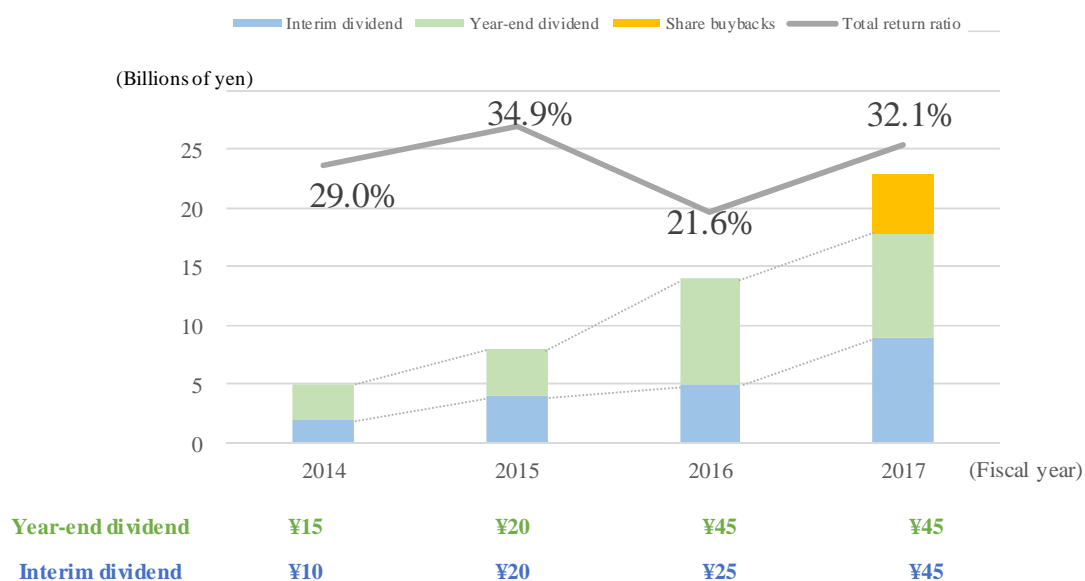
We propose a year-end dividend of ¥45 per share. The total amount of dividends will be ¥8,940,957,345.

On October 1, 2017, the Company conducted a share consolidation to consolidate five (5) shares of common stock into one (1) share. Prior to the share consolidation, an interim dividend of ¥9 per share was paid with a record date of September 30, 2017. Consequently, when calculated on the pre-consolidation basis, the annual dividend for the fiscal year under review is equivalent to ¥18 per share, comprising an interim dividend of ¥9 per share and a year-end dividend of ¥9 per share. On a post-consolidation basis, the figure is equivalent to ¥90 per share, comprising an interim dividend of ¥45 per share and a year-end dividend of ¥45 per share.

(3) Effective date of dividends from surplus

June 27, 2018

<Reference: Transition in total return ratio>



- Total return ratio: (Total shareholder dividends + Total share buybacks) / Profit attributable to owners of parent
- On October 1, 2017, the Company conducted a share consolidation to consolidate five (5) shares of common stock into one (1) share, and dividends prior to the share consolidation are shown retroactively as post-consolidation amounts.

No. 2: Election of eight (8) Directors

As the terms of office of all eight (8) Directors will expire at the close of this Ordinary General Meeting of Shareholders, we propose the election of eight (8) Directors. To enhance corporate governance and increase the transparency of management, three (3) of the eight (8) are candidates for Outside Directors. Director candidates are as follows.

Candidate Number	Name		Current Positions and Areas of Responsibility at the Company	Term of Office	Board of Directors Meeting Attendance
1	Tsutomu Tannowa	Reelection	Representative Director, Member of the Board, President & CEO Supervision of General Business Execution (CEO)	6 years	10/10
2	Masaharu Kubo	Reelection	Representative Director, Member of the Board, Executive Vice President Assistant to the President (CFO) In charge of Corporate Administration & Legal Div., Finance & Accounting Div., Corporate Communications Div., CSR Committee, and Risk Compliance Committee	5 years	10/10
3	Hideki Matsuo	Reelection	Representative Director, Member of the Board, Senior Managing Executive Officer Assistant to the President (CTO) Supervising R&D Center In charge of Production & Technology Center, Fabricated Products Business Coordination Div., and Intellectual Property Div.	2 years	10/10
4	Takayoshi Shimogori	Reelection	Member of the Board, Senior Managing Executive Officer Business Sector President, Food & Packaging Business Sector In charge of Mobility Business Sector, New Mobility Business Development Div., and Robot Materials Business Development Div.	1 year	8/8
5	Osamu Hashimoto	New	Managing Executive Officer Business Sector President, Health Care Business Sector In charge of New Health Care Business Development Div. and H-Project Div.	–	–
6	Yukiko Kuroda	Reelection Outside Independent	Member of the Board	3 years	9/10
7	Hajime Bada	Reelection Outside Independent	Member of the Board	2 years	9/10
8	Hiroimi Tokuda	Reelection Outside Independent	Member of the Board	2 years	10/10

Outside: Candidate for Outside Director

Independent: Candidate for Independent Officer

Candidate Number	Name (Date of Birth)	Career Summary	Number of Shares of the Company Owned
1	<p>Tsutomu Tannowa (66 years old)</p> <p>Date of Birth: Oct. 26, 1951</p> <p>Term of Office: 6 years</p> <p>Board of Directors Meeting Attendance: 10/10 (100%)</p> <p><Reelection></p>	<p>Apr. 1976 Joined Mitsui Toatsu Chemicals, Inc.</p> <p>Apr. 2007 Executive Officer of the Company</p> <p>Apr. 2010 Managing Executive Officer of the Company</p> <p>Jun. 2012 Member of the Board, Managing Executive Officer of the Company</p> <p>Apr. 2013 Member of the Board, Senior Managing Executive Officer of the Company</p> <p>Apr. 2014 Representative Director, Member of the Board, President & CEO of the Company (to present)</p>	33,994
		Positions and areas of responsibility at the Company	
		Representative Director, Member of the Board, President & CEO Supervision of General Business Execution (CEO)	
		Reasons for nomination	
		<p>Tsutomu Tannowa is substantially well-versed regarding affairs of the Company, on the basis of his wide experience with respect to personnel, business centered around basic chemicals, factories and so on. Moreover, serving as the President of the Company since 2014, he has played a firm leadership role in moving the Company forward, and has accordingly achieved success in spearheading initiatives geared to turning around the Company's business performance. We deem him capable of making further contributions that increase the Company's corporate value, and accordingly believe that he is the right person for the post of Director.</p>	

Candidate Number	Name (Date of Birth)	Career Summary	Number of Shares of the Company Owned
2	Masaharu Kubo (61 years old) Date of Birth: Feb. 9, 1957 Term of Office: 5 years Board of Directors Meeting Attendance: 10/10 (100%) <Reelection>	Apr. 1980 Joined the Company	32,700
		Apr. 2010 Executive Officer of the Company	
		Apr. 2013 Managing Executive Officer of the Company	
		Jun. 2013 Member of the Board, Managing Executive Officer of the Company	
		Apr. 2014 Member of the Board, Senior Managing Executive Officer of the Company	
Apr. 2016 Representative Director, Member of the Board, Senior Managing Executive Officer of the Company	Apr. 2017 Representative Director, Member of the Board, Executive Vice President of the Company (to present)		
		Positions and areas of responsibility at the Company	
		Representative Director, Member of the Board, Executive Vice President Assistant to the President (CFO) In charge of Corporate Administration & Legal Div., Finance & Accounting Div., Corporate Communications Div., CSR Committee, and Risk Compliance Committee	
		Reasons for nomination	
		Masaharu Kubo has substantial knowledge of general and legal affairs based on his extensive experience developed over many years. Having served as CFO in recent years, he is well-versed with respect to general corporate management of the Mitsui Chemicals Group, particularly in the finance and accounting realm. Moreover, he also has experience with respect to information systems and quality assurance. We deem him capable of making further contributions that increase the Company's corporate value, and accordingly believe that he is the right person for the post of Director.	

Candidate Number	Name (Date of Birth)	Career Summary	Number of Shares of the Company Owned
3	Hideki Matsuo (61 years old) Date of Birth: Jun. 27, 1956 Term of Office: 2 years Board of Directors Meeting Attendance: 10/10 (100%) <Reelection>	Apr. 1982 Joined Mitsui Toatsu Chemicals, Inc. Apr. 2013 Executive Officer of the Company Center Executive, Production & Technology Center Apr. 2014 Managing Executive Officer of the Company Center Executive, Production & Technology Center Jun. 2016 Member of the Board, Managing Executive Officer of the Company Center Executive, Production & Technology Center Apr. 2017 Member of the Board, Senior Managing Executive Officer of the Company Center Executive, Production & Technology Center Apr. 2018 Representative Director, Member of the Board, Senior Managing Executive Officer of the Company (to present)	9,200
		Positions and areas of responsibility at the Company	
		Representative Director, Member of the Board, Senior Managing Executive Officer Assistant to the President (CTO) Supervising R&D Center In charge of Production & Technology Center, Fabricated Products Business Coordination Div., and Intellectual Property Div.	
		Reasons for nomination	
		Hideki Matsuo is well-versed in the Company's operations involving production technology and safety promotion, on the basis of his many years of experience in factories both in Japan and abroad. He is also extensively knowledgeable about global management given his experience serving as the head of an overseas subsidiary. We deem him capable of making further contributions that increase the Company's corporate value, and accordingly believe that he is the right person for the post of Director.	

Candidate Number	Name (Date of Birth)	Career Summary	Number of Shares of the Company Owned
4	<p>Takayoshi Shimogori (56 years old)</p> <p>Date of Birth: Oct. 1, 1961</p> <p>Term of Office: 1 year</p> <p>Board of Directors Meeting Attendance: 8/8 (100%)</p> <p><Reelection></p>	<p>Apr. 1985 Joined the Company</p> <p>Apr. 2014 Executive Officer of the Company General Manager, Performance Compound Business Div., Functional Polymeric Materials Business Sector</p> <p>Apr. 2015 Executive Officer of the Company Business Sector President, Functional Polymeric Materials Business Sector</p> <p>Apr. 2016 Managing Executive Officer of the Company Business Sector President, Mobility Business Sector</p> <p>Apr. 2017 Managing Executive Officer of the Company Business Sector President, Food & Packaging Business Sector, and Business Sector President, Mobility Business Sector</p> <p>Jun. 2017 Member of the Board, Managing Executive Officer of the Company Business Sector President, Food & Packaging Business Sector, and Business Sector President, Mobility Business Sector</p> <p>Mar. 2018 Director, Chairman of ARRK CORPORATION (to present)</p> <p>Apr. 2018 Member of the Board, Senior Managing Executive Officer of the Company Business Sector President, Food & Packaging Business Sector (to present)</p>	6,058
		Positions and areas of responsibility at the Company	
		<p>Member of the Board, Senior Managing Executive Officer Business Sector President, Food & Packaging Business Sector</p> <p>In charge of Mobility Business Sector, New Mobility Business Development Div., and Robot Materials Business Development Div.</p>	
		Significant Concurrent Positions	
		Director, Chairman of ARRK CORPORATION	
		Reasons for nomination	
		<p>Takayoshi Shimogori is well-versed primarily in the areas of functional polymeric materials and petrochemicals, based on his extensive experience developed over many years. He is also extensively knowledgeable about global management given his experience serving as the deputy head of an overseas subsidiary. We deem him capable of making further contributions that increase the Company's corporate value, and accordingly believe that he is the right person for the post of Director.</p>	

Candidate Number	Name (Date of Birth)	Career Summary	Number of Shares of the Company Owned
5	Osamu Hashimoto (54 years old) Date of Birth: Oct. 19, 1963 <New>	Apr. 1987 Joined the Company	4,492
		Apr. 2012 General Manager, Planning & Coordination Div., Functional Chemicals Business Sector of the Company	
		Apr. 2014 Senior Director of the Company General Manager, Planning & Coordination Div., Functional Chemicals Business Sector	
		Oct. 2014 Senior Director of the Company General Manager, Corporate Planning Div.	
		Apr. 2015 Executive Officer of the Company General Manager, Corporate Planning Div.	
	Apr. 2017 Managing Executive Officer of the Company Business Sector President, Health Care Business Sector and General Manager, New Health Care Business Development Div.		
	Sep. 2017 Managing Executive Officer of the Company Business Sector President, Health Care Business Sector (to present)		
	Positions and areas of responsibility at the Company		
	Managing Executive Officer Business Sector President, Health Care Business Sector In charge of New Health Care Business Development Div. and H-Project Div.		
	Reasons for nomination		
	Osamu Hashimoto is substantially well-versed regarding affairs of the Company, on the basis of his wide experience with respect to business and business plans centered around personnel and health care. Additionally, in recent years, he has been responsible for formulating long-term management plans with an eye to fiscal 2025 as General Manager of Corporate Planning Div., and has experience in operations that overlook the Company's corporate management overall. We deem him capable of making contributions that increase the Company's corporate value, and accordingly believe that he is the right person for the post of Director.		

Candidate Number	Name (Date of Birth)	Career Summary	Number of Shares of the Company Owned
6	<p>Yukiko Kuroda (54 years old)</p> <p>Date of Birth: Sep. 24, 1963</p> <p>Term of Office: 3 years</p> <p>Board of Directors Meeting Attendance: 9/10 (90%)</p> <p><Reelection> <Candidate for Outside Director> <Independent Officer></p>	<p>Apr. 1986 Joined Sony Corporation</p> <p>Jan. 1991 Representative Director of People Focus Consulting</p> <p>Jun. 2010 Outside Audit & Supervisory Board Member of Astellas Pharma Inc.</p> <p>Mar. 2011 Outside Director of CAC Corporation (currently CAC Holdings Corporation) (to present)</p> <p>Apr. 2012 Managing Director and Founder of People Focus Consulting (to present)</p> <p>Jun. 2013 Outside Director of Marubeni Corporation</p> <p>Jun. 2015 Member of the Board of the Company (to present)</p>	0
		Positions and areas of responsibility at the Company	
		Member of the Board	
		Significant concurrent positions	
		Managing Director and Founder of People Focus Consulting Outside Director of CAC Holdings Corporation	
		Reasons for nomination	
		Yukiko Kuroda has actively provided opinions, primarily from the perspective of stakeholders from outside the Company at meetings of the Company's Board of Directors, that are based on her extensive experience as a corporate manager and in-depth knowledge based on experience as a consultant. We expect that she will continue providing useful advice on the Company's corporate management, and accordingly believe that she is the right person for the post of Outside Director.	

Candidate Number	Name (Date of Birth)	Career Summary	Number of Shares of the Company Owned
7	<p>Hajime Bada (69 years old)</p> <p>Date of Birth: Oct. 7, 1948</p> <p>Term of Office: 2 years</p> <p>Board of Directors Meeting Attendance: 9/10 (90%)</p> <p><Reelection> <Candidate for Outside Director> <Independent Officer></p>	<p>Apr. 1973 Joined Kawasaki Steel Corporation (currently JFE Steel Corporation)</p> <p>Jun. 2000 Director of Kawasaki Steel Corporation</p> <p>Apr. 2003 Senior Vice President of JFE Steel Corporation</p> <p>Apr. 2005 Representative Director, President and CEO of JFE Steel Corporation</p> <p>May 2006 Chairman of The Japan Iron and Steel Federation</p> <p>Apr. 2010 Representative Director, President and CEO of JFE Holdings, Inc.</p> <p>Apr. 2015 Director of JFE Holdings, Inc.</p> <p>Jun. 2015 Advisor of JFE Holdings, Inc. (to present)</p> <p>Jun. 2016 Member of the Board of the Company (to present)</p> <p>Jun. 2016 Outside Corporate Auditor of ASAGAMI CORPORATION (to present)</p>	0
		Positions and areas of responsibility at the Company	
		Member of the Board	
		Significant concurrent positions	
		<p>Advisor of JFE Holdings, Inc.</p> <p>Outside Corporate Auditor of ASAGAMI CORPORATION</p>	
		Reasons for nomination	
		<p>Hajime Bada, based on his extensive experience as a corporate manager, and in-depth knowledge based on active experience serving as the head of a trade organization, proactively provides comments from a fundamental perspective that overlooks the entire Group to the Company's Board of Directors. We expect that he will continue to provide useful advice to the Company's corporate management, and accordingly believe that he is the right person for the post of Outside Director.</p>	

Candidate Number	Name (Date of Birth)	Career Summary	Number of Shares of the Company Owned	
8	Hiromi Tokuda (69 years old) Date of Birth: Nov. 25, 1948 Term of Office: 2 years Board of Directors Meeting Attendance: 10/10 (100%) <Reelection> <Candidate for Outside Director> <Independent Officer>	Apr. 1971	Joined Nippondenso Co., Ltd. (currently DENSO CORPORATION)	1,000
		Jun. 2000	Director of DENSO CORPORATION	
		Jun. 2004	Managing Officer of DENSO CORPORATION	
		Jun. 2006	Senior Managing Director of DENSO CORPORATION	
		Jun. 2008	Executive Vice President of DENSO CORPORATION	
		Jun. 2011	President and CEO, Representative Director of Nippon Soken, Inc. (currently SOKEN, Inc)	
		Jun. 2014	Adviser, Senior Technical Executive of DENSO CORPORATION	
		Jun. 2016	Member of the Board of the Company (to present)	
		Jul. 2016	Advisor of DENSO CORPORATION	
		Positions and areas of responsibility at the Company		
Member of the Board				
Reasons for nomination				
Hiromi Tokuda, based on his extensive experience as a corporate manager, and in-depth knowledge regarding the mobility domain which is being targeted by the Company, proactively provides comments from the perspective of the appropriateness of the business strategy, etc., to the Company's Board of Directors. We expect that he will continue to provide useful advice to the Company's corporate management, and accordingly believe that he is the right person for the post of Outside Director.				

- Notes:
- There are no conflicts of interests between the Company and the above candidates for Directors.
 - Yukiko Kuroda, Hajime Bada, and Hiromi Tokuda are candidates for Outside Directors. The Company has designated Yukiko Kuroda, Hajime Bada, and Hiromi Tokuda as independent officers who are unlikely to cause a conflict of interests with ordinary shareholders and has reported this to the Tokyo Stock Exchange, in accordance with the rules stipulated by that exchange. If Yukiko Kuroda, Hajime Bada, and Hiromi Tokuda are reelected as Outside Directors, the Company will once again appoint them as independent officers.
*The independence standards for independent outside directors and independent outside corporate auditors designated by the Company are as described on page 14.
 - Yukiko Kuroda, Hajime Bada, and Hiromi Tokuda are currently Outside Directors of the Company. At the close of this Ordinary General Meeting of Shareholders, Yukiko Kuroda will have served as Outside Director for three (3) years and Hajime Bada and Hiromi Tokuda will have served as Outside Directors for two (2) years.
 - Yukiko Kuroda concurrently serves as executive director of People Focus Consulting. In fiscal 2015, the Company commissioned facilitation training services of People Focus Consulting. However, the Company's payments to People Focus Consulting for the services rendered are deemed insignificant given that the payments amount to less than 1% of People Focus Consulting's net sales for said fiscal year.
 - The Company has concluded a liability limitation contract with Yukiko Kuroda, Hajime Bada, and Hiromi Tokuda in accordance with Article 427, Paragraph 1 of the Companies Act to limit the liability for damages as provided in Article 423, Paragraph 1 of the Companies Act. Under this contract, the maximum liability for damages shall be the amount provided by laws and regulations. If Yukiko Kuroda, Hajime Bada, and Hiromi Tokuda are reelected as Outside Directors, the Company will continue the said contract with them.
 - Yukiko Kuroda's name on the government family register is Yukiko Matsumoto.

(Reference)

Independence Standards for Independent Outside Directors and Independent Outside Corporate Auditors

In order to be designated by Mitsui Chemicals, Inc. (the Company) as an independent outside director and an independent outside corporate auditor such director or corporate auditor must not fall under any of the following items.

- (1) A person who currently is or has been in the past an executive (such as an executive director, executive officer, senior director, general manager, or other such officer who executes operations) of the Company or a subsidiary of the Company.
- (2) A person for whom the Company is a major business partner* or, if that person is a juridical person, an executive of that person.
*If a business partner has received payments of 2% or more of its annual sales from the Company in any of the past three fiscal years, then the Company is a major business partner thereto.
- (3) A major business partner* of the Company or, if that partner is a juridical person, an executive of that partner.
*If the Company has received payments of 2% or more of its annual sales from a business partner in any of the past three fiscal years, or if a business partner has loaned a monetary amount of 2% or more of the Company's total assets to the Company in any of the past three fiscal years, then that business partner is a major business partner to the Company.
- (4) A large shareholder (a person directly or indirectly holding 10% or more of total voting rights) of the Company or, if that shareholder is a juridical person, an executive of that shareholder.
- (5) An executive of a juridical person for whom the Company is a large shareholder (directly or indirectly holding 10% or more of total voting rights).
- (6) An accounting auditor of either the Company or a consolidated subsidiary of the Company, or a person who is in charge of auditing either the Company or a consolidated subsidiary of the Company as an employee of such accounting auditor.
- (7) An attorney-at-law, judicial scrivener, patent attorney, certified public accountant, certified public tax accountant, consultant, or other such professional who has received money or other assets, other than officer remuneration, from the Company exceeding an annual amount of ¥10 million in any of the past three fiscal years (if a group such as a corporation or association receives such assets, this includes any person belonging to such group for which the assets received from the Company exceed 2% of the group's annual revenue).
- (8) A person who has received donations from the Company exceeding an annual amount of ¥10 million in any of the past three fiscal years (if a group such as a corporation or association receives such donations, this includes any executive of such group for which the donations received from the Company exceed 2% of the group's annual revenue).
- (9) A person whose close relative (meaning a spouse or a relative within the second degree of kinship) falls under any item of (1) to (8) above.
- (10) A person who has fallen under any item of (2) to (9) above in the past three years.
- (11) Notwithstanding the provisions of each preceding item, a person regarding whom there are found to be special circumstances that may cause a conflict of interest with the Company.

No. 3: Election of one (1) Corporate Auditor

As the term of office of Corporate Auditor Yasushi Nawa will expire at the close of this Ordinary General Meeting of Shareholders, we propose the election of one (1) Corporate Auditor. The consent of the Board of Corporate Auditors has been obtained for this proposal. Corporate Auditor candidate is as follows.

Name (Date of Birth)	Career Summary	Number of Shares of the Company Owned
Shigeru Isayama (63 years old) Date of Birth: Jun. 27, 1954 <New>	Apr. 1980 Joined the Company	15,900
	Apr. 2007 Executive Officer of the Company General Manager, Information & Electronics Materials Div., Performance Materials Business Sector	
	Apr. 2009 Executive Officer of the Company General Manager, Business Planning & Development Div., Performance Materials Business Sector	
	Jun. 2009 Member of the Board of the Company Business Sector Vice President, Performance Materials Business Sector, and General Manager, Business Planning & Development Div., Performance Materials Business Sector	
	Jun. 2011 Assistant to the President of the Company Representative in the Americas, and General Manager, Mitsui Chemicals America, Inc.	
	Apr. 2013 Managing Executive Officer of the Company	
	Jun. 2013 Member of the Board, Managing Executive Officer of the Company	
	Apr. 2016 Representative Director, Member of the Board, Senior Managing Executive Officer of the Company Apr. 2018 Member of the Board of the Company (to present)	
Reasons for nomination		
Shigeru Isayama is well-versed in the area of research and development, which is a company strength, based on his extensive experience developed over many years. He is also involved in corporate planning and business planning, and is extensively knowledgeable about global management given his experience serving as the head of an overseas subsidiary. Given that he has sufficient insight as a Corporate Auditor who ensures appropriate execution of businesses, we accordingly believe that he is the right person for the post of Corporate Auditor.		

Note: There are no conflicts of interest between the Company and the above candidate for Corporate Auditor.

If this proposal is approved as originally proposed, the Board of Corporate Auditors is scheduled to be comprised of the following persons.

Name	Positions at the Company	Term of Office	Board of Directors Meeting Attendance	Board of Corporate Auditors Meeting Attendance
Akio Ayukawa	Incumbent Full-time Corporate Auditor	2 years	10/10	14/14
Shigeru Isayama	New Full-time Corporate Auditor	–	–	–
Hiroki Nishio	Incumbent Outside Independent Corporate Auditor	3 years	9/10	14/14
Katsuyoshi Shinbo	Incumbent Outside Independent Corporate Auditor	1 year	7/8	10/11
Shozo Tokuda	Incumbent Outside Independent Corporate Auditor	1 year	8/8	11/11

Outside: Outside Corporate Auditor

Independent: Independent Officer

Consolidated Balance Sheet

(As of March 31, 2018)

(Millions of yen)

Item	Amount	Item	Amount
ASSETS	1,444,104	LIABILITIES	857,500
Current Assets:	749,552	Current Liabilities:	443,198
Cash and deposits	80,209	Notes and accounts payable-trade	162,179
Notes and accounts receivable-trade	306,899	Short-term loans payable	94,348
Inventories	274,342	Current portion of long-term loans payable	24,834
Deferred tax assets	18,226	Commercial papers	20,000
Accounts receivable-other	60,356	Current portion of bonds	15,426
Other current assets	10,193	Lease obligations	213
Allowance for doubtful accounts	(673)	Accounts payable-other	69,299
		Income taxes payable	7,956
		Provision for directors' bonuses	158
		Provision for repairs	13,585
		Other	35,200
Non-current Assets:	694,552	Non-current Liabilities:	414,302
Property, plant and equipment	432,908	Bonds payable	31,864
Buildings and structures, net	106,830	Long-term loans payable	274,099
Machinery, equipment and vehicles, net	131,679	Lease obligations	2,874
Land	159,018	Deferred tax liabilities	26,560
Construction in progress	20,462	Provision for directors' retirement benefits	250
Other	14,919	Provision for repairs	2,880
Intangible assets	31,476	Provision for environmental measures	675
Goodwill	5,684	Net defined benefit liability	55,220
Software	6,549	Asset retirement obligations	4,330
Other	19,243	Other	15,550
Investments and other assets	230,168	NET ASSETS	586,604
Investment securities	159,428	Shareholders' Equity:	485,148
Net defined benefit asset	41,549	Capital stock	125,125
Deferred tax assets	5,242	Capital surplus	89,327
Other	26,369	Retained earnings	290,538
Allowance for doubtful accounts	(2,420)	Treasury stock	(19,842)
		Accumulated Other Comprehensive Income:	25,976
		Valuation difference on available-for-sale securities	26,558
		Deferred gains or losses on hedges	(16)
		Foreign currency translation adjustments	5,037
		Remeasurements of defined benefit plans	(5,603)
		Non-controlling Interests:	75,480
Total	1,444,104	Total	1,444,104

Consolidated Statement of Income

(April 1, 2017 to March 31, 2018)

(Millions of yen)

Item	Amount	
Net sales:		1,328,526
Cost of sales:		1,019,160
Gross profit		309,366
Selling, general and administrative expenses:		205,875
Operating income		103,491
Non-operating income:		
Interest and dividends income	4,788	
Equity in earnings of affiliates	7,063	
Rent income	744	
Insurance income	2,318	
Other	2,408	17,321
Non-operating expenses:		
Interest expenses	5,478	
Loss on suspension of operations	588	
Foreign exchange losses	1,201	
Other	3,340	10,607
Ordinary income		110,205
Extraordinary income:		
Gain on sales of non-current assets	2,778	
Gain on sales of investment securities	767	
Gain on transfer of business	591	
Gain on forgiveness of debts	2,010	
Gain on revision of retirement benefit plan	326	6,472
Extraordinary losses:		
Loss on disposal of non-current assets	2,389	
Loss on sales of non-current assets	9	
Impairment loss	15,012	
Loss on valuation of investment securities	5,059	22,469
Profit before income taxes		94,208
Income taxes - current	18,819	
Income taxes - deferred	(3,629)	15,190
Profit		79,018
Profit attributable to non-controlling interests		7,433
Profit attributable to owners of parent		71,585

Consolidated Statements of Changes in Net Assets

(April 1, 2017 to March 31, 2018)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of current period	125,053	90,491	236,961	(14,708)	437,797
Changes during the term					
Issuance of new shares	72	72			144
Cash dividends paid			(18,007)		(18,007)
Profit attributable to owners of parent			71,585		71,585
Acquisition of treasury stock				(5,141)	(5,141)
Disposal of treasury stock		(0)		7	7
Change in ownership interest of parent related to transactions with non-controlling interests		(1,236)			(1,236)
Net changes of items other than shareholders' equity					
Total changes during the term	72	(1,164)	53,578	(5,134)	47,352
Balance at the end of current period	125,125	89,327	290,538	(19,842)	485,148

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at the beginning of current period	20,337	(25)	4,211	(12,628)	11,895	64,943	514,635
Changes during the term							
Issuance of new shares							144
Cash dividends paid							(18,007)
Profit attributable to owners of parent							71,585
Acquisition of treasury stock							(5,141)
Disposal of treasury stock							7
Change in ownership interest of parent related to transactions with non-controlling interests							(1,236)
Net changes of items other than shareholders' equity	6,221	9	826	7,025	14,081	10,537	24,618
Total changes during the term	6,221	9	826	7,025	14,081	10,537	71,970
Balance at the end of current period	26,558	(16)	5,037	(5,603)	25,976	75,480	586,604

Non-consolidated Balance Sheet

(As of March 31, 2018)

(Millions of yen)

Item	Amount	Item	Amount
ASSETS	1,101,357	LIABILITIES	737,710
Current Assets:	404,887	Current Liabilities:	394,060
Cash and deposits	24,912	Accounts payable-trade	86,853
Notes receivable-trade	355	Short-term loans payable	88,704
Accounts receivable-trade	180,666	Current portion of long-term loans payable	20,340
Merchandise and products	72,809	Current portion of bonds	15,000
Work in process	1,810	Commercial papers	20,000
Raw materials and supplies	38,953	Lease obligations	14
Advance payments	2,030	Accounts payable-other	54,573
Prepaid expenses	1,191	Accrued expenses	8,917
Short-term loans receivable	8,807	Income taxes payable	1,044
Deferred tax assets	10,084	Advances received	3,108
Accounts receivable-other	62,566	Deposits received	87,005
Other	704	Provision for directors' bonuses	90
		Provision for repairs	8,325
		Other	87
Non-current Assets:	696,470	Non-current Liabilities:	343,650
Property, plant and equipment	275,145	Bonds payable	30,000
Buildings	36,415	Long-term loans payable	250,934
Structures	20,679	Lease obligations	29
Machinery and equipments	56,321	Deferred tax liabilities	12,354
Vehicles	129	Provision for retirement benefits	37,238
Tools, furniture and fixtures	4,826	Provision for repairs	1,651
Land	141,177	Provision for environmental measures	675
Lease assets	45	Provision for loss on guarantees	2,654
Construction in progress	15,553	Asset retirement obligations	719
		Other	7,396
Intangible assets	5,077		
Goodwill	159		
Industrial property	509		
Other rights	74		
Software	4,335		
Investments and other assets	416,248	NET ASSETS	363,647
Investment securities	64,548	Shareholders' Equity:	339,988
Shares of subsidiaries and affiliates	231,618	Capital stock	125,125
Investment in capital	11,985	Capital surplus	93,855
Investment in capital of subsidiaries and affiliates	29,922	Legal capital surplus	53,855
Long-term loans receivable	1,575	Other capital surplus	40,000
Claims provable in bankruptcy, claims provable in rehabilitation and other	352	Retained earnings	140,850
Long-term loans receivable from subsidiaries and affiliates	35,581	Legal retained earnings	12,506
Long-term prepaid expenses	1,408	Other retained earnings	128,344
Prepaid pension cost	42,032	Reserve for dividends	10,000
Other	4,579	General reserve	28,070
Allowance for doubtful accounts	(7,352)	Retained earnings brought forward	90,274
		Treasury stock	(19,842)
		Valuation and Translation	
		Adjustments:	23,659
		Valuation difference on available-for-sale securities	23,659
Total	1,101,357	Total	1,101,357

Non-consolidated Statement of Income

(April 1, 2017 to March 31, 2018)

(Millions of yen)

Item	Amount	
Net sales:		676,037
Cost of sales:		558,186
Gross profit		117,851
Selling, general and administrative expenses:		83,362
Operating income		34,489
Non-operating income:		
Interest and dividends income	33,596	
Rent income	1,565	
Other	4,404	39,565
Non-operating expenses:		
Interest expenses	3,737	
Loss on suspension of operations	435	
Foreign exchange losses	962	
Provision for loss on guarantees	4,441	
Other	2,201	11,776
Ordinary income		62,278
Extraordinary income:		
Gain on sales of non-current assets	2,506	
Gain on sales of investment securities	755	
Gain on transfer of business	591	3,852
Extraordinary losses:		
Loss on disposal of non-current assets	1,907	
Impairment loss	110	
Loss on valuation of investment securities	83	
Loss on valuation of shares of subsidiaries and affiliates	331	
Loss on valuation of investment in capital of subsidiaries and affiliates	25,776	28,207
Profit before income taxes		37,923
Income taxes - current	(660)	
Income taxes - deferred	(2,314)	(2,974)
Profit		40,897

Non-consolidated Statements of Changes in Net Assets

(April 1, 2017 to March 31, 2018)

(Millions of yen)

	Shareholders' equity								
	Capital stock	Capital surplus			Retained earnings			Treasury stock	Total shareholders' equity
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings (Note)	Total retained earnings		
Balance at the beginning of current period	125,053	93,783	–	93,783	12,506	105,454	117,960	(14,708)	322,088
Changes during the term									
Issuance of new shares	72	72		72					144
Cash dividends paid						(18,007)	(18,007)		(18,007)
Profit						40,897	40,897		40,897
Acquisition of treasury stock								(5,141)	(5,141)
Disposal of treasury stock			(0)	(0)				7	7
Transfer to other capital surplus from legal capital surplus		(40,000)	40,000	–					–
Net changes of items other than shareholders' equity									
Total changes during the term	72	(39,928)	40,000	72	–	22,890	22,890	(5,134)	17,900
Balance at the end of current period	125,125	53,855	40,000	93,855	12,506	128,344	140,850	(19,842)	339,988

	Valuation and translation adjustments		Total net assets
	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at the beginning of current period	17,546	17,546	339,634
Changes during the term			
Issuance of new shares			144
Cash dividends paid			(18,007)
Profit			40,897
Acquisition of treasury stock			(5,141)
Disposal of treasury stock			7
Transfer to other capital surplus from legal capital surplus			–
Net changes of items other than shareholders' equity	6,113	6,113	6,113
Total changes during the term	6,113	6,113	24,013
Balance at the end of current period	23,659	23,659	363,647

Note: Breakdown of other retained earnings

(Millions of yen)

	Reserve for dividends	General reserve	Retained earnings brought forward	Total
Balance at the beginning of current period	10,000	28,070	67,384	105,454
Changes during the term				
Cash dividends paid			(18,007)	(18,007)
Profit			40,897	40,897
Total changes during the term	–	–	22,890	22,890
Balance at the end of current period	10,000	28,070	90,274	128,344