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(Stock Exchange Code 4115)

June 9, 2017

**To Shareholders with Voting Rights:**

Toshiyuki Ikusaka  
President and CEO  
Honshu Chemical Industry Co., Ltd.  
1-1, Kyobashi 1-chome, Chuo-ku, Tokyo

**NOTICE OF  
THE 88TH ANNUAL GENERAL MEETING OF SHAREHOLDERS**

We would like to express our appreciation for your continued support and patronage.

You are cordially invited to attend the 88th Annual General Meeting of Shareholders of Honshu Chemical Industry Co., Ltd. (the "Company") as described below.

As those who are unable to attend the meeting can exercise their voting rights in writing, if unable to attend, you are requested to review the attached Reference Documents for the General Meeting of Shareholders, indicate your vote for or against the proposals on the enclosed Voting Rights Exercise Form and return it so that it is received by 5:00 p.m. Monday, June 26, 2017, Japan time.

- 1. Date and Time:** Tuesday, June 27, 2017 at 10:00 a.m. Japan time  
(Reception starting from 9:20 a.m.)
- 2. Place:** Hall D7, 7th Floor, D Block, Tokyo International Forum  
3-5-1, Marunouchi, Chiyoda-ku, Tokyo
- 3. Meeting Agenda:**
  - Matters to be reported:**
    1. The Business Report, Consolidated Financial Statements and Results of Audit by the Accounting Auditor and the Audit & Supervisory Board on the Consolidated Financial Statements for the 88th Fiscal Year (April 1, 2016 - March 31, 2017)
    2. Non-consolidated Financial Statements for the 88th Fiscal Year (April 1, 2016 - March 31, 2017)
  - Proposals to be resolved:**
    - Proposal 1:** Appropriation of Surplus
    - Proposal 2:** Election of 9 Directors
    - Proposal 3:** Election of 4 Audit & Supervisory Board Members
    - Proposal 4:** Election of 2 Substitute Audit & Supervisory Board Members
    - Proposal 5:** Grant of Retirement Benefits to Retiring Directors and Audit & Supervisory Board Member

- Notes to Consolidated Financial Statements and Notes to Non-consolidated Financial Statements, which should be provided together with this notice, are not included in the documents to be provided with this notice, but are posted on our Internet website (<http://www.honshuchemical.co.jp/>) pursuant to the provisions of laws and regulations and Article 15 of the Articles of Incorporation of the Company.
- Any amendment to the Reference Documents for the Annual General Meeting of Shareholders, Business Report, Non-consolidated Financial Statements or Consolidated Financial Statements will be announced on our Internet website (<http://www.honshuchemical.co.jp/>).

#### ■Exercise of Voting Rights

Shareholders are requested to exercise their voting rights after reviewing the “Reference Documents for the Annual General Meeting of Shareholders.”

There are following two methods to exercise voting rights:

- Exercising voting rights at the General Meeting of Shareholders

**Date and time of the General Meeting of Shareholders:**

**Tuesday, June 27, 2017 at 10:00 a.m. Japan time**

**Place:**

**Hall D7, 7th Floor, D Block, Tokyo International Forum**

**3-5-1, Marunouchi, Chiyoda-ku, Tokyo**

When you attend the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk. You are also requested to bring this notice with you to the meeting.

- Exercising voting rights in writing (by mail)

**Voting deadline:**

**Monday, June 26, 2017 at 5:00 p.m. Japan time**

Please indicate your vote for or against the proposals on the enclosed Voting Rights Exercise Form and return it so that it is received by the deadline.

## Reference Documents for the Annual General Meeting of Shareholders

### Proposals and References

#### Proposal 1: Appropriation of Surplus

The Company regards the return of profit to shareholders as an important management policy and has made it a basic principle to pay stable and continuous dividends to shareholders with due consideration for overall business performance and financial position while reinforcing financial soundness and maintaining sufficient retained earnings for future business development.

Based on this basic principle, the year-end dividends for the 88th fiscal year are proposed as follows.

1. Matters concerning the year-end dividends
  - (1) Type of dividend assets
    - Cash
  - (2) Matters concerning allocation of dividend assets and the total amount thereof
    - ¥16 per share of the Company's common stock
    - Total amount: ¥183,630,928

Total dividends for the fiscal year under review will be ¥26 per share including the interim dividends of ¥10 per share already paid for.

- (3) Effective date of dividend of surplus
  - June 28, 2017

**Proposal 2: Election of 9 Directors**

Upon the conclusion of this General Meeting of Shareholders, all of the nine (9) Directors will complete their terms of office. Accordingly, shareholders are requested to elect nine (9) Directors (including two (2) Outside Directors).

The candidates for Directors are as follows.

Candidate Number	Name (Date of birth)	Career summary, position and responsibilities at the Company [Significant concurrent positions]	Number of the Company's shares held
1	<p><u>New Candidate</u></p> <p>Yuji Fukuyama (Aug. 27, 1958)</p>	<p>Apr. 1981 Joined Mitsui Petrochemical Industries, Inc.</p> <p>Apr. 2009 President, Shanghai Sinopec Mitsui Chemicals, Co., Ltd.</p> <p>Apr. 2012 General Manager, Phenols Division, Basic Chemicals Business Sector, Mitsui Chemicals, Inc.</p> <p>Apr. 2015 Chief Senior Director, Representative in China, Mitsui Chemicals, Inc. and President, Mitsui Chemicals (China) Co., Ltd.</p> <p>Apr. 2017 Chief Senior Director, Representative in China, Mitsui Chemicals, Inc. (to present)</p>	None
<p><b>Reasons for selection as a candidate for Director</b></p> <p>Mr. Fukuyama has extensive business experience in global markets through his positions as the General Manager of the Phenols Division of the Basic Chemicals Business Sector of Mitsui Chemicals, Inc. and the Representative in China of the same company, and is also well-versed in the chemicals industry especially in the area of fine chemicals. It is determined that he is expected to demonstrate his leadership in promoting our business strategies based on his experience and proven track record, and thus he is selected as a candidate for Director.</p>			
2	<p><u>Candidate for Reelection</u></p> <p>Daisaburo Akita (Nov. 19, 1953)</p> <p>[Term of Office as Director: 4 years]</p> <p>[Attendance at Board of Directors meetings: 12/12]</p>	<p>Apr. 1976 Joined Mitsui &amp; Co., Ltd.</p> <p>Apr. 2010 Chairman &amp; President of Mitsui &amp; Co. (Australia) Ltd. and Chairman of Mitsui &amp; Co NZ Limited</p> <p>Apr. 2013 Basic Chemicals Business Unit, Mitsui &amp; Co., Ltd.</p> <p>Jun. 2013 Director, General Manager, Chemicals Business Division and General Manager, Purchasing Department, the Company</p> <p>Jun. 2016 Managing Director, General Manager, Chemicals Business Division and General Manager, Purchasing Department, the Company (to present) (In charge of Chemicals Business, Biphenol Business and Purchasing)</p>	2,000
<p><b>Reasons for selection as a candidate for Director</b></p> <p>Mr. Akita has extensive business experience in global markets through his positions as Chairman &amp; President of Mitsui &amp; Co. (Australia) Ltd. and Chairman of Mitsui &amp; Co NZ Limited, and is also well-versed in the chemicals industry especially in the area of fine chemicals. Furthermore, he has performed his duties as a Director appropriately in decision-making on management matters and the supervision of business execution for almost 4 years. It is determined that he is qualified to continue to serve as a Director based on his experience and proven track record, and thus he is selected as a candidate.</p>			

Candidate Number	Name (Date of birth)	Career summary, position and responsibilities at the Company [Significant concurrent positions]	Number of the Company's shares held
3	<p><b>Candidate for Reelection</b></p> <p>Nobuyoshi Ikeda (Jul. 11, 1959)</p> <p>[Term of Office as Director: 1 year]</p> <p>[Attendance at Board of Directors meetings: 10/10]</p>	<p>Apr. 1984 Joined Mitsui Toatsu Chemicals, Inc.</p> <p>Apr. 2006 Human Resources &amp; Employee Relations Division, Mitsui Chemicals, Inc.</p> <p>Apr. 2011 Director, Human Resources &amp; Employee Relations Department, Human Resources Division, Mitsui Chemicals, Inc.</p> <p>Apr. 2015 General Manager, Administration Department of Wakayama Works, the Company</p> <p>Jun. 2016 Director, General Manager, Personnel, Legal &amp; Administration Department, the Company (to present)</p> <p>(In charge of Human Resources, Corporate Administration/Public Relations and Accounting)</p>	2,000
<p><b>Reasons for selection as a candidate for Director</b></p> <p>Mr. Ikeda has extensive experience especially in the human resources sector with a broad range of technical knowledge and deep insights in the area and has performed his role as a Director appropriately in decision-making on management matters and the supervision of business execution for almost 1 year. It is determined that he is qualified to continue to serve as a Director based on his experience and proven track record, and thus he is selected as a candidate.</p>			
4	<p><b>Candidate for Reelection</b></p> <p>Hidebumi Kasuga (Aug. 6, 1959)</p> <p>[Term of Office as Director: 1 year]</p> <p>[Attendance at Board of Directors meetings: 10/10]</p>	<p>Apr. 1983 Joined Mitsui &amp; Co., Ltd.</p> <p>Apr. 2010 Vice President and General Manager, Basic Chemicals China Business Promotion Department, Mitsui &amp; Co. (Shanghai) Ltd.</p> <p>Apr. 2012 General Manager, Methanol Division, Basic Chemicals Business Unit, Mitsui &amp; Co., Ltd.</p> <p>Apr. 2013 General Manager, Specialty Chemicals Division II, Basic Chemicals Business Unit, Mitsui &amp; Co., Ltd.</p> <p>Apr. 2016 Executive Coordinator, Basic Materials Business Unit, Mitsui &amp; Co., Ltd.</p> <p>Jun. 2016 Director, General Manager, High Performance Materials Division and General Manager, Industrial Materials Department, High Performance Materials Division, the Company (to present)</p> <p>(In charge of Functional Materials Business and Development)</p>	2,000
<p><b>Reasons for selection as a candidate for Director</b></p> <p>Mr. Kasuga has extensive business experience in global markets through his positions as Vice President of Mitsui &amp; Co. (Shanghai) Ltd. and the General Manager of Specialty Chemicals Division II of Basic Chemicals Business Unit of Mitsui &amp; Co., Ltd., and is also well-versed in the chemicals industry especially in the area of fine chemicals. Furthermore, he has performed his role as a Director appropriately in decision-making on management matters and the supervision of business execution for almost 1 year. It is determined that he is qualified to continue to serve as a Director based on his experience and proven track record, and thus he is selected as a candidate.</p>			

Candidate Number	Name (Date of birth)	Career summary, position and responsibilities at the Company [Significant concurrent positions]	Number of the Company's shares held
5	<p><u>Candidate for Reelection</u></p> <p>Tadashi Hiramine (Jul. 6, 1962)</p> <p>[Term of Office as Director: 1 year]</p> <p>[Attendance at Board of Directors meetings: 10/10]</p>	<p>Apr. 1985 Joined the Company</p> <p>Apr. 2009 Manager, Innovation Research Gr., Research Center, the Company</p> <p>Jun. 2013 General Manager, Manufacturing Department of Wakayama Works, the Company</p> <p>Jun. 2016 Director, General Manager, Research Center, the Company (to present) (In charge of Research and Intellectual Property)</p>	2,000
	<p><b>Reasons for selection as a candidate for Director</b></p> <p>Mr. Hiramine has extensive experience especially in the research &amp; development and manufacturing sector with a broad range of technical knowledge and deep insights in those areas and has performed his role as a Director appropriately in decision-making on management matters and the supervision of business execution for almost 1 year. It is determined that he is qualified to continue to serve as a Director based on his experience and proven track record, and thus he is selected as a candidate for Director.</p>		
6	<p><u>New Candidate</u></p> <p>Katsuya Okano (Nov. 21, 1957)</p>	<p>Apr. 1981 Joined Mitsui &amp; Co., Ltd.</p> <p>Apr. 2009 General Manager, Industrial Chemicals Division, Basic Chemicals Business Unit, Mitsui &amp; Co., Ltd.</p> <p>Apr. 2011 Deputy Chief Operating Officer, EMEA (Europe, the Middle East and Africa) Business Unit, Mitsui &amp; Co., Ltd. and President, Mitsui &amp; Co. Deutschland GmbH</p> <p>May 2014 Operating Officer, Basic Chemicals Business Unit, Mitsui &amp; Co., Ltd.</p> <p>Jul. 2014 Internal Auditor, Internal Auditing Division, Mitsui &amp; Co., Ltd.</p> <p>Jun. 2017 Joined the Company (to present)</p>	None
	<p><b>Reasons for selection as a candidate for Director</b></p> <p>Mr. Okano has extensive business experience in global markets through his positions as the General Manager of the Industrial Chemicals Division of Basic Chemicals Business Unit of Mitsui &amp; Co., Ltd., the Deputy Chief Operating Officer of EMEA (Europe, the Middle East and Africa) Business Unit of the same company and the President of Mitsui &amp; Co. Deutschland GmbH, and is also well-versed in the chemicals industry especially in the area of fine chemicals. It is determined that he is expected to demonstrate his leadership in promoting our business strategies based on his experience and proven track record, and thus he is selected as a candidate for Director.</p>		

Candidate Number	Name (Date of birth)	Career summary, position and responsibilities at the Company [Significant concurrent positions]	Number of the Company's shares held
7	<p><b>New Candidate</b></p> <p>Yoshiji Ohori (Apr. 12, 1958)</p>	<p>Apr. 1983 Joined Mitsui Petrochemical Industries, Inc.</p> <p>Aug. 2010 Director, General Manager of Works, Mitsui Elastomers Singapore Pte. Ltd.</p> <p>Apr. 2012 Director, Planning &amp; Cost Management Department, Ichihara Works, Mitsui Chemicals, Inc.</p> <p>Aug. 2015 President, Shanghai Sinopec Mitsui Elastomers, Co., Ltd.</p> <p>Jun.2017 Basic Materials Business Sector, Mitsui Chemicals, Inc. (to present)</p>	None
	<p><b>Reasons for selection as a candidate for Director</b></p> <p>Mr. Ohori has extensive experience in the production and engineering sectors, including his positions at Mitsui Chemicals, Inc. and has a broad range of technical knowledge and deep insights in the these areas. He also has extensive business experience in global markets through his position as the President of Shanghai Sinopec Mitsui Elastomers, Co., Ltd. It is determined that he is expected to demonstrate his leadership in promoting our business strategies based on his experience and proven track record, and thus he is selected as a candidate for Director.</p>		
8	<p><b>Candidate for Reelection</b></p> <p><b>Outside Director</b></p> <p><b>Independent Director</b></p> <p>Koji Matsuura (Aug. 21, 1950)</p> <p>[Term of Office as Director: 3 years]</p> <p>[Attendance at Board of Directors meetings: 12/12]</p>	<p>Apr. 1979 Registered as an attorney, Daini Tokyo Bar Association</p> <p>Joined Kashiwagi Sogo Law Offices</p> <p>Jan. 2009 Managing Partner, Kashiwagi Sogo Law Offices (to present)</p> <p>Jun. 2013 Outside Audit &amp; Supervisory Board Member, the Company</p> <p>Jun. 2014 Outside Director, the Company (to present)</p> <p>[Significant concurrent positions]</p> <p>Managing Partner, Kashiwagi Sogo Law Offices</p> <p>Outside Corporate Auditor, Japan Logistic Systems Corp.</p>	None
	<p><b>Reasons for selection as a candidate for Director</b></p> <p>Mr. Matsuura has extensive professional expertise and experience and deep insights fostered based on his long-term experience as an attorney-at-law, and has supervised and advised on the management of the Company from an objective standpoint as an Outside Director for almost 3 years. It is determined that he is qualified to continue to serve as an Outside Director based on his experience and proven track record, and thus he is selected as a candidate.</p>		

Candidate Number	Name (Date of birth)	Career summary, position and responsibilities at the Company [Significant concurrent positions]	Number of the Company's shares held
9	<p>Candidate for Reelection</p> <p>Outside Director</p> <p>Independent Director</p> <p>Masayoshi Mochizuki (Jun. 30, 1945)</p> <p>[Term of Office as Director: 2 years]</p> <p>[Attendance at Board of Directors meetings: 12/12]</p>	<p>Jan. 1970 Joined Asahi &amp; Co. (currently KPMG AZSA LLC)</p> <p>Apr. 1993 Senior Partner, ASAHI SHINWA &amp; Co. (currently KPMG AZSA LLC)</p> <p>Jun. 2009 Retired from KPMG AZSA &amp; Co. (currently KPMG AZSA LLC)</p> <p>Jul. 2009 Manager, Certified Public Accountant &amp; Certified Public Tax Accountant, Mochizuki Masayoshi Office (to present)</p> <p>Sep. 2009 Auditor, Toho University (to present)</p> <p>Jun. 2015 Outside Director, the Company (to present)</p> <p>[Significant concurrent positions]</p> <p>Director, Certified Public Accountant &amp; Certified Public Tax Accountant of Mochizuki Masayoshi Office</p> <p>Auditor, Toho University</p>	None
<p><b>Reasons for selection as a candidate for Director</b></p> <p>Mr. Mochizuki has extensive professional expertise and experience and deep insights fostered based on his long-term experience as a certified public accountant and certified public tax accountant, and has supervised and advised on the management of the Company from an objective standpoint as an Outside Director for almost 2 years. It is determined that he is qualified to continue to serve as an Outside Director based on his experience and proven track record, and thus he is selected as a candidate.</p>			

(Note)

1. There is no special interest between each candidate and the Company.
2. Mr. Koji Matsuura and Mr. Masayoshi Mochizuki are candidates for Outside Directors.
3. It is determined that Mr. Koji Matsuura is qualified as an Outside Director since he has extensive professional expertise and experience and deep insights fostered based on his long-term experience as an attorney-at-law, and has supervised and advised on the management of the Company from an objective standpoint. It should be noted that his term of office as an Outside Director is 3 years at the conclusion of this General Meeting of Shareholders.
4. It is determined that Mr. Masayoshi Mochizuki is qualified as an Outside Director since he has extensive professional expertise and experience and deep insights fostered based on his long-term experience as a certified public accountant and certified public tax accountant, and has supervised and advised on the management of the Company from an objective standpoint. It should be noted that his term of office as an Outside Director is 2 years at the conclusion of this General Meeting of Shareholders.
5. The Company has concluded liability limitation contracts with Mr. Koji Matsuura and Mr. Masayoshi Mochizuki in accordance with Article 427, Paragraph 1 of the Companies Act to limit the liability for damages pursuant to Article 423, Paragraph 1 of said Act. Under this contract, the maximum liability for damages shall be the amount stipulated by laws and regulations. The Company will continue said contract with both candidates if both candidates are reelected as proposed.
6. The Company has registered Mr. Koji Matsuura and Mr. Masayoshi Mochizuki as independent directors in accordance with the rules of the Tokyo Stock Exchange. The Company will continue registration of both candidates as independent directors if they are reelected as proposed.



## **(Reference) Independence Standards for Independent Outside Directors and Independent Outside Audit & Supervisory Board Members**

In order to be designated by the Company as an Independent Outside Director and an Independent Outside Audit & Supervisory Board Member, the person 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, associate officer, 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 (\*1) or an executive thereof  
\*1 If the payments received from the Company in any of the past three fiscal years is equivalent to 2% or more of its annual sales, then the Company is a major business partner thereto
- (3) A major business partner (\*2) of the Company or an executive thereof  
\*2 If the Company has received payments of 2% or more of its annual sales from a party in any of the past three fiscal years, or if a party 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 party is the Company's major business partner.
- (4) A large shareholder (a person directly or indirectly holding 10% or more of total voting rights) of the Company or an executive thereof
- (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 of items (1) to (8) above
- (10) A person who was previously categorized under any of items (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

**Proposal 3: Election of 4 Audit & Supervisory Board Members**

Upon the conclusion of this General Meeting of Shareholders, all of the three (3) Audit & Supervisory Board Members will complete their terms of office. Accordingly, shareholders are requested to elect four (4) Audit & Supervisory Board Members (including two (2) Outside Audit & Supervisory Board Members), which will result in an increase in the number of Audit & Supervisory Board Members by one (1), in order to further strengthen the audit structure.

It should be noted that this Proposal has been consented to by the Audit & Supervisory Board.

The candidates for Audit & Supervisory Board Members are as follows.

Candidate Number	Name (Date of birth)	Career summary and position at the Company [Significant concurrent positions]	Number of the Company's shares held
1	<p><u>New Candidate</u></p> <p>Yoshinori Ashida (May 9, 1955)</p> <p>[Attendance at Board of Directors meetings: 12/12]</p>	<p>Apr. 1980 Joined Mitsui Toatsu Chemicals, Inc.</p> <p>Jun. 2012 Associate Director, General Manager, Industrial Materials Department and General Manager, Corporate Planning Department, the Company</p> <p>Jun. 2013 Director, General Manager, Corporate Planning Division and General Manager, Corporate Planning Department, the Company</p> <p>May 2015 Director, General Manager, Corporate Planning Division, the Company (to present)</p>	2,000
	<p><b>Reasons for selection as a candidate for Audit &amp; Supervisory Board Member</b></p> <p>Mr. Ashida has extensive experience especially in the business sector and corporate planning sector with a broad range of technical knowledge and deep insights in these areas and has performed his role as a Director and General Manager of the Corporate Planning Division appropriately in decision-making on management matters and the supervision of business execution for almost 4 years. It is determined that he is expected to contribute to the enhancement of the audit function of the Company based on his experience and proven track record, and thus he is selected as a candidate for Audit &amp; Supervisory Board Member.</p>		
2	<p><u>Candidate for Reelection</u></p> <p>Taiichi Shiomi (Nov. 23, 1952)</p> <p>[Term of Office as Audit &amp; Supervisory Board Member: 1 year]</p> <p>[Attendance at Board of Directors meetings: 12/12]</p> <p>[Attendance at Audit &amp; Supervisory Board meetings: 10/10]</p>	<p>Apr. 1975 Joined the Company</p> <p>Feb. 2008 General Manager, Research Center, the Company</p> <p>Jun. 2010 Associate Director, General Manager, Research Center, the Company</p> <p>Jun. 2011 Director, General Manager, Research Center, the Company</p> <p>Jun. 2016 Audit &amp; Supervisory Board Member, the Company (to present)</p>	3,800
	<p><b>Reasons for selection as a candidate for Audit &amp; Supervisory Board Member</b></p> <p>Mr. Shiomi has extensive experience especially in the research &amp; development sector with a broad range of technical knowledge and deep insights in the area and has performed his role as an Audit &amp; Supervisory Board Member appropriately, fairly, and efficiently in auditing the business execution of the Board of Directors of the Company for almost 1 year. It is determined that he is qualified to continue to serve as an Audit &amp; Supervisory Board Member based on his experience and proven track record, and thus he is selected as a candidate.</p>		

Candidate Number	Name (Date of birth)	Career summary and position at the Company [Significant concurrent positions]	Number of the Company's shares held
3	<p><u>Candidate for Reelection</u> <u>Outside Audit &amp; Supervisory Board Member</u> <u>Independent Audit &amp; Supervisory Board Member</u></p> <p>Norihisa Nakano (Dec. 30, 1964)</p> <p>[Term of Office as Audit &amp; Supervisory Board Member: 3 years]</p> <p>[Attendance at Board of Directors meetings: 12/12]</p> <p>[Attendance at Audit &amp; Supervisory Board meetings: 13/13]</p>	<p>Apr. 1998 Registered as a Certified Public Accountant</p> <p>Apr. 2005 Registered as a Certified Public Tax Accountant President, Nakano CPA Office (currently Nakano CPA and Tax Accountant Office) (to present)</p> <p>Dec. 2008 President, TY Consulting Co., Ltd. (to present)</p> <p>Nov. 2009 Audit &amp; Supervisory Board Member, J Architecture Inspection Center Co., Ltd. (to present)</p> <p>Jun. 2010 Audit &amp; Supervisory Board Member, Sankyo Rikagaku Co., Ltd. (to present)</p> <p>Apr. 2011 Auditor, New National Theatre Foundation (to present)</p> <p>Jun. 2014 Outside Audit &amp; Supervisory Board Member, the Company (to present)</p> <p>[Significant concurrent positions] President, Nakano CPA and Tax Accountant Office President, TY Consulting Co., Ltd.</p>	None
	<p><b>Reasons for selection as a candidate for Audit &amp; Supervisory Board Member</b></p> <p>Mr. Nakano has extensive professional expertise, experience and deep insights fostered based on his long-term experience as a certified public accountant and certified public tax accountant, and has performed his role as an Outside Audit &amp; Supervisory Board Member appropriately, fairly, and efficiently in auditing the business execution of the Board of Directors of the Company for almost 3 years. It is determined that he is qualified to continue to serve as an Outside Audit &amp; Supervisory Board Member based on his experience and proven track record, and thus he is selected as a candidate.</p>		
4	<p><u>New Candidate</u> <u>Outside Audit &amp; Supervisory Board Member</u></p> <p>Masafumi Takenaka (Feb. 14, 1970)</p>	<p>Apr. 1993 Joined Mitsui Toatsu Chemicals, Inc.</p> <p>Jul. 2010 Planning &amp; Cost Management Department, Osaka Works, Mitsui Chemicals, Inc.</p> <p>Dec. 2015 Director, Performance Management Group, Planning &amp; Coordination Division, Petrochemicals Business Sector, Mitsui Chemicals, Inc.</p> <p>Apr. 2016 Director, Performance Management Group, Planning &amp; Coordination Division, Basic Materials Business Sector, Mitsui Chemicals, Inc. (to present)</p> <p>[Significant concurrent positions] Director, Performance Management Group, Planning &amp; Coordination Division, Basic Materials Business Sector, Mitsui Chemicals, Inc.</p>	None
	<p><b>Reasons for selection as a candidate for Audit &amp; Supervisory Board Member</b></p> <p>Mr. Takenaka has extensive experience in the accounting sector, among others, at Mitsui Chemicals, Inc. and has a broad range of technical knowledge and deep insights in the area. It is determined that he is expected to contribute to the enhancement of the audit function of the Company based on his experience and proven track record, and thus he is selected as a candidate for Outside Audit &amp; Supervisory Board Member.</p>		

(Note)

1. There is no special interest between each candidate and the Company.
2. Mr. Norihisa Nakano and Mr. Masafumi Takenaka are candidates for Outside Audit & Supervisory Board Members.
3. Mr. Norihisa Nakano has extensive professional expertise and experience and deep insights fostered based on his experience as a certified public accountant and certified public tax accountant and has performed his role as an Outside

Audit & Supervisory Board Member appropriately, fairly, and efficiently in auditing the business execution of the Board of Directors of the Company. It is determined that he is qualified to continue to serve as an Outside Audit & Supervisory Board Member based on his experience and proven track record, and thus shareholders are requested to reelect him as an Outside Audit & Supervisory Board Member. It should be noted that his term of office as an Outside Audit & Supervisory Board Member of the Company is 3 years at the conclusion of this General Meeting of Shareholders.

4. Mr. Masafumi Takenaka has extensive experience in the accounting sector and has a broad range of technical knowledge and deep insights in the area. It is determined that he is expected to contribute to the enhancement of the audit function of the Company based on his experience and proven track record, and thus shareholders are requested to elect him as an Outside Audit & Supervisory Board Member.
5. Mr. Masafumi Takenaka is currently an executive of Mitsui Chemicals, Inc., which falls under a specified business operator (major business partner, as defined in Article 2, Paragraph 3, Item 19 (b) of the Ordinance for the Enforcement of the Companies Act) of the Company.
6. The Company has registered Mr. Norihisa Nakano as an independent Audit & Supervisory Board Member in accordance with the rules of the Tokyo Stock Exchange. The Company will continue registration of him as an independent Audit & Supervisory Board Member if he is reelected as proposed.
7. The Company has concluded liability limitation contracts with Mr. Taiichi Shiomi and Mr. Norihisa Nakano in accordance with Article 427, Paragraph 1 of the Companies Act to limit the liability for damages pursuant to Article 423, Paragraph 1 of said Act. Under this contract, the maximum liability for damages shall be the amount stipulated by laws and regulations. The Company will continue said contract with both candidates if both candidates are reelected as proposed. The Company will conclude a similar liability limitation contract with Mr. Yoshinori Ashida and Mr. Masafumi Takenaka, if they are elected as proposed.

**Proposal 4: Election of 2 Substitute Audit & Supervisory Board Members**

In preparation for the event of failing to meet the minimum number of Audit & Supervisory Board Members required by laws and regulations, shareholders are requested to elect two (2) substitute Audit & Supervisory Board Members.

While the effective term of the election based on this Proposal shall expire at the beginning of the Annual General Meeting of Shareholders for the latest business year ending within four (4) years after the resolution of the Proposal in accordance with the provisions of the Company's Articles of Incorporation, the election may be revoked by a resolution of the Board of Directors, subject to the consent of the Audit & Supervisory Board, only before an Audit & Supervisory Board Member takes office.

It should be noted that this Proposal has been consented to by the Audit & Supervisory Board.

The candidates for substitute Audit & Supervisory Board Members follow.

Candidate Number	Name (Date of birth)	Career summary and significant concurrent positions	Number of the Company's shares held
1	Toshihiro Komoto (Nov. 1, 1961)	Apr. 1985 Joined Mitsui Petrochemical Industries, Inc. Apr. 2013 Director, Administration Department, Nagoya Works, Mitsui Chemicals, Inc. Apr. 2014 General Manager, Business Efficiency Promotion Division, Mitsui Chemicals, Inc. Apr. 2017 General Manager, Affiliates Coordination Division, Mitsui Chemicals, Inc. (to present) [Significant concurrent positions] General Manager, Affiliates Coordination Division, Mitsui Chemicals, Inc.	None
2	Atsunobu Ishida (Nov. 25, 1972)	Oct. 1994 Joined Aoyama Audit Corp. (currently PricewaterhouseCoopers Aarata LLC) Apr. 1998 Registered as a Certified Public Accountant Oct. 2004 Executive Officer, General Manager, Corporate Planning Department, S-Pool, Inc. Jun. 2007 Representative Director, Tokiwa Financial Advisory, Inc. (to present) Partner, Tokiwa United Partners LLP (to present) May 2010 Registered as a Certified Public Tax Accountant Jun. 2011 Audit & Supervisory Board Member, Arkcore, Inc. (to present) [Significant concurrent positions] Representative Director, Tokiwa Financial Advisory, Inc. Partner, Tokiwa United Partners LLP	None

(Note)

- There is no special interest between either Mr. Toshihiro Komoto or Mr. Atsunobu Ishida and the Company.
- Mr. Toshihiro Komoto is to be elected as a substitute Outside Audit & Supervisory Board Member for Mr. Masafumi Takenaka, candidate for Outside Audit & Supervisory Board Member, to be elected subject to the approval of the Proposal 3 "Election of 4 Audit & Supervisory Board Members." Shareholders are requested to elect Mr. Toshihiro Komoto as a substitute Outside Audit & Supervisory Board Member since it is determined that he is expected to contribute to the enhancement of the audit function of the Company once he is elected as Outside Audit & Supervisory Board Member as he has extensive experience, a proven track record and a broad range of knowledge and insights in corporate business. Mr. Toshihiro Komoto is currently an executive of Mitsui Chemicals, Inc., which falls under a specified business operator (major business partner, as defined in Article 2, Paragraph 3, Item 19 (b) of the Ordinance for the Enforcement of the Companies Act) of the Company.
- Mr. Atsunobu Ishida is to be elected as a substitute Outside Audit & Supervisory Board Member for Mr. Norihisa Nakano, candidate for Outside Audit & Supervisory Board Member, to be elected subject to the approval of the Proposal 3 "Election of 4 Audit & Supervisory Board Members." Shareholders are requested to elect Mr. Atsunobu Ishida as a substitute Outside Audit & Supervisory Board Member since it is determined that he is expected to audit the

management of the Company from an objective standpoint taking advantage of his extensive professional expertise once he is elected as Outside Audit & Supervisory Board Member of the Company as he has extensive professional expertise as a certified public accountant and certified public tax accountant as well as extensive experience and insight as a corporate manager.

4. The Company will conclude liability limitation contracts with Messrs. Toshihiro Komoto and Atsunobu Ishida, respectively, when they take office as Outside Audit & Supervisory Board Members, in accordance with Article 427, Paragraph 1 of the Companies Act to limit the liability for damages as provided for in Article 423, Paragraph 1 of said Act. Under this contract, the maximum liability for damages shall be the amount stipulated by laws and regulations.

**Proposal 5: Grant of Retirement Benefits to Retiring Directors and Audit & Supervisory Board Member**

Upon the conclusion of this General Meeting of Shareholders, three (3) Directors, Mr. Toshiyuki Ikusaka, Mr. Toshiyuki Fukushima and Mr. Yoshinori Ashida and one (1) Audit & Supervisory Board Member, Mr. Yasuo Kawakami, will complete their terms of office. In recognition of their services provided during their tenure, we propose that appropriate retirement benefits, calculated in accordance with the criteria of the Company, be granted to them.

We also propose that the specific amount, timing and method of such payments, etc., for retiring Directors be left to the Board of Directors, and for the retiring Audit & Supervisory Board Member, to the consultation of Audit & Supervisory Board Members.

Career summaries of retiring Directors and the retiring Audit & Supervisory Board Member are as follows.

Name	Career summary	
Toshiyuki Ikusaka	Jun. 2015	President & CEO, the Company (to present)
Toshiyuki Fukushima	Jun. 2010	Director, the Company
	Jun. 2011	Managing Director, the Company (to present)
Yoshinori Ashida	Jun. 2013	Director, the Company (to present)
Yasuo Kawakami	Sep. 2010	Audit & Supervisory Board Member, the Company
	Jun. 2013	Full-time Audit & Supervisory Board Member, the Company (to present)