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(Securities Code No.: 4183)
June 2, 2016

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

CONVOCATION NOTICE FOR THE 19th ORDINARY GENERAL MEETING OF SHAREHOLDERS

Dear Shareholders:

Notice is hereby given that the 19th Ordinary General Meeting of Shareholders of Mitsui Chemicals, Inc. (the "Company") will be held as detailed below, and your attendance is cordially requested.

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.

1. Date and Time: Friday, June 24, 2016 at 10:00 a.m. (Reception desk opens at 9:00 a.m.)
2. Place: Nihonbashi Mitsui Hall, 4th floor of Coredo Muromachi 1,
2-1, Nihonbashi-Muromachi 2-chome, Chuo-ku, Tokyo, Japan

3. 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 19th fiscal year (April 1, 2015 to March 31, 2016)
2. Non-consolidated financial statements for the 19th fiscal year (April 1, 2015 to March 31, 2016)

B. Proposals

No. 1: Appropriation of surplus
No. 2: Partial amendment of the Articles of Incorporation
No. 3: Election of eight (8) Directors
No. 4: Election of one (1) Corporate Auditor
No. 5: Payment of bonuses for Directors

*Included in the documents that should be provided by the Company when providing this Convocation Notice are, the notes to consolidated financial statements, and the notes to non-consolidated financial statements. As provided for by laws and regulations and the Company's Articles of Incorporation, these documents are posted on the Company's website (http://jp.mitsuichem.com/ir/index.htm) and are not included as accompanying material to this document. Furthermore, the summary of the consolidated statement of cash flows and the summary of the consolidated statement of comprehensive income, which were provided as reference information up to this point, will be posted, from this point forward, on the Company's website mentioned above. As a result, the accompanying material to this document includes one part of the materials that are the target of the audit by the Corporate Auditors and the accounting auditors.

*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 (http://jp.mitsuichem.com/ir/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: Friday, **June 24, 2016** 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 Thursday, **June 23, 2016**.

Exercise of voting rights electronically (via the Internet, etc.)

Access the website designated by the Company for exercising voting rights (http://www.web54.net), and indicates your approval or disapproval for each of the proposals.
Read the "Guidance for the Exercise of Voting Rights via the Internet, etc." on pages 24 and 25.

Votes to be transmitted by: **5:40 p.m.** on Thursday, **June 23, 2016**.

For institutional investors
Shareholders participating in the Electronic Voting Rights Exercise Platform for Institutional Investors, operated by Investor Communications Japan Inc., may exercise their voting rights through that platform.

[Handling multiple exercises of voting rights]

When voting rights are exercised in duplicate, both in writing and via the Internet, etc., 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.

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.

We strive to return profits to our shareholders based on consolidated performance results and maintain stable dividends from a medium to long term perspective while taking into account consolidated payout ratio and consolidated dividends on equity (DOE). Specifically, we aim to achieve a consolidated payout ratio of 25% or more, and DOE of 2% or more.

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 to make the following dividend payment for the year-end dividend for the fiscal year under review.

(1) Type of dividend property
Cash

(2) Allocation of dividend property and total amount thereof
We propose a year-end dividend of ¥4.00 per share. The total amount of dividends will be ¥4,002,145,264.
Consequently, the annual dividend for the fiscal year under review will be ¥8.00 per share, including the already paid interim dividend of ¥4.00 per share.

(3) Effective date of dividends from surplus
June 27, 2016

No. 2: Partial amendment of the Articles of Incorporation

1. Reasons for amendments

We propose the following changes which will be made in view of the current emphasis being put on corporate governance. Accordingly, these changes focus on the management supervision role of the Company's Board of Directors, and accord with our review of systems for executing businesses centered on Executive Officers.

(1) We propose the amendment of Article 23 of the current Articles of Incorporation, making it possible to select a President from not only the Directors but also from the Executive Officers, with the aim of enabling the Company to flexibly build an optimal management framework. Moreover, we also propose that requisite changes be made in that regard, with respect to provisions on appointing a Chairman for General Meetings of Shareholders as set forth in Article 16 of the current Articles of Incorporation.

(2) We intend to change the number of Directors to twelve (12) or fewer, from the current fifteen (15) or fewer. To that end, we propose the amendment of Article 19 of the current Articles of Incorporation.

2. Details of amendments

We propose to change parts of the current Articles of Incorporation as indicated by the proposed amendments below.

(The underlined portion indicates the proposed place of amendment.)

Current Articles of Incorporation	Proposed Amendments	Remarks
(Chairman)	(Chairman)	
Article 16.	Article 16.	Amended
16.1 The President shall act as Chairman of the General Meeting of Shareholders.	16.1 The Director previously appointed by the Board of Directors from among the Representative Directors shall act as Chairman of the General Meeting of Shareholders.	
16.2 In case the President is prevented from so acting, one of the other directors present shall act in his place according to the order predetermined by resolution of the Board of Directors.	16.2 In case the Director referred to in the preceding paragraph is prevented from so acting, one of the other directors present shall act in his place according to the order predetermined by resolution of the Board of Directors.	Amended
(Number of Directors)	(Number of Directors)	
Article 19.	Article 19.	Amended
The Company shall establish not more than fifteen (15) Directors.	The Company shall establish not more than twelve (12) Directors.	
(Representative Director, Etc.)	(Representative Director, Etc.)	
Article 23.	Article 23.	
23.1 The Board of Directors shall, by resolution, select a few Representative Directors.	23.1 (Same as present)	

Current Articles of Incorporation	Proposed Amendments	Remarks
23.2 The Board of Directors shall, by resolution, select one President from the Board Directors and may select one Chairman and one Vice Chairman.	23.2 The Board of Directors shall, by resolution select one President from the Board Directors or Executive Officers.	Amended
(Newly established)	23.3 The Board of Directors may, by resolution, select one Chairman and one Vice Chairman from the Board Directors.	Newly established

No. 3: Election of eight (8) Directors

As the terms of office of all nine (9) 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, we propose an increase in the number of Outside Directors to three (3) Outside Directors, from two (2) Outside Directors currently, while accordingly decreasing the total number of Directors by one (1) Director. Director candidates are as follows.

Candidate Number	Name (Date of Birth)	Career Summary, Positions and Areas of Responsibility at the Company, and Significant Concurrent Positions Outside the Company	Number of Shares of the Company Owned
1	Tsutomu Tannowa (Oct. 26, 1951) <Reelected>	Apr. 1976 Joined Mitsui Toatsu Chemicals, Inc. Apr. 2007 Executive Officer of the Company Apr. 2010 Managing Executive Officer of the Company Jun. 2012 Member of the Board, Managing Executive Officer of the Company Apr. 2013 Member of the Board, Senior Managing Executive Officer of the Company Apr. 2014 President & CEO of the Company (to present) (Supervision of General Business Execution (CEO)) Reasons for nomination 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.	88,472

Candidate Number	Name (Date of Birth)	Career Summary, Positions and Areas of Responsibility at the Company, and Significant Concurrent Positions Outside the Company	Number of Shares of the Company Owned
2	Masaharu Kubo (Feb. 9, 1957) <Reelected>	Apr. 1980 Joined the Company Apr. 2010 Executive Officer of the Company General Manager, Corporate Administration Div. 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 (to present) (Assistant to the President (CFO); in charge of Corporate Administration & Legal Div., Finance & Accounting Div., Responsible Care 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.	111,000

Candidate Number	Name (Date of Birth)	Career Summary, Positions and Areas of Responsibility at the Company, and Significant Concurrent Positions Outside the Company	Number of Shares of the Company Owned
3	Shigeru Isayama (Jun. 27, 1954) <Reelected>	Apr. 1980 Joined the Company 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 (to present) (Assistant to the President; supervising R&D Center; in charge of New Mobility Business Development Div., Next Generation Business Development Div., Robot Materials Business Development Div., and Intellectual Property Div.) 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 furthermore is 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.	51,000

Candidate Number	Name (Date of Birth)	Career Summary, Positions and Areas of Responsibility at the Company, and Significant Concurrent Positions Outside the Company	Number of Shares of the Company Owned
4	Kenji Ueki (Mar. 11, 1956) <Reelected>	Apr. 1978 Joined the Company Apr. 2009 Contract Assistant to Executive Officer of the Company Mitsui Chemicals (Shanghai) Co., Ltd. Jun. 2009 Contract Assistant to Executive Officer of the Company Chairman and General Manager of Mitsui Chemicals (Shanghai) Co., Ltd. Apr. 2011 Executive Officer of the Company General Manager, Affiliates Coordination Div. Apr. 2013 Executive Officer of the Company General Manager, Purchasing Div., and General Manager, SCM Div. Apr. 2014 Managing Executive Officer of the Company Jun. 2014 Member of the Board, Managing Executive Officer of the Company (to present) (In charge of Mitsui Chemicals Asia Pacific, Ltd., Mitsui Chemicals (China) Co., Ltd., Mitsui Chemicals America, Inc., Mitsui Chemicals Europe GmbH, Purchasing Div., Logistics Div., Affiliates Coordination Div., Information System Div., Business Efficiency Promotion Div., and CSR Committee) Reasons for nomination Kenji Ueki is well-versed with respect to the Company's businesses and operations, given his experience in wide-ranging duties encompassing areas such as general and legal affairs, business, and corporate planning. In recent years, he has gained experience as the head of an overseas subsidiary, and in areas that include personnel, purchasing, logistics and affiliates coordination. So He is also extensively knowledgeable with respect to global management of the Mitsui Chemicals Group. 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.	64,000

Candidate Number	Name (Date of Birth)	Career Summary, Positions and Areas of Responsibility at the Company, and Significant Concurrent Positions Outside the Company	Number of Shares of the Company Owned
5	Hideki Matsuo (Jun. 27, 1956) <New>	Apr. 1982 Joined Mitsui Toatsu Chemicals, Inc. Apr. 2009 Senior Director of the Company Deputy General Manager, Planning & Development and License Div., Basic Chemicals Business Sector Jun. 2009 Senior Director of the Company General Manager, Planning & Development and License Div., Basic Chemicals Business Sector Apr. 2010 Senior Director of the Company General Manager, Planning & Coordination Div., Petrochemicals Business Sector Jun. 2011 Senior Director of the Company Business Sector Vice President, Production & Technology Center Apr. 2012 Senior Director of the Company Business Sector Vice President, Production & Technology Center, and General Manager, Planning & Coordination Div., Production & Technology Center Apr. 2013 Executive Officer of the Company Business Sector President, Production & Technology Center Apr. 2014 Managing Executive Officer of the Company Business Sector President, Production & Technology Center (to present) (Business Sector President, Production & Technology Center; in charge of Fabricated Products Business Coordination Div., Works and RC & Quality Assurance 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 contributions that increase the Company's corporate value, and accordingly believe that he is the right person for the post of Director.	17,000

Candidate Number	Name (Date of Birth)	Career Summary, Positions and Areas of Responsibility at the Company, and Significant Concurrent Positions Outside the Company	Number of Shares of the Company Owned
6	Yukiko Kuroda (Sep. 24, 1963) <Reelected> <Candidate for Outside Director> <Independent Officer>	Apr. 1986 Joined Sony Corporation Jan. 1991 Representative Director of People Focus Consulting Jun. 2010 Outside Audit & Supervisory Board Member of Astellas Pharma Inc. Mar. 2011 Outside Director of CAC Corporation (currently CAC Holdings Corporation) (to present) Apr. 2012 Managing Director and Founder of People Focus Consulting (to present) Jun. 2013 Outside Director of Marubeni Corporation (to present) Jun. 2015 Member of the Board of the Company (to present) <Significant concurrent positions> Managing Director and Founder of People Focus Consulting Outside Director of CAC Holdings Corporation Outside Director of Marubeni 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.	0

Candidate Number	Name (Date of Birth)	Career Summary, Positions and Areas of Responsibility at the Company, and Significant Concurrent Positions Outside the Company	Number of Shares of the Company Owned
7	Hajime Bada (Oct. 7, 1948) <New> <Candidate for Outside Director> <Independent Officer>	Apr. 1973 Joined Kawasaki Steel Corporation (currently JFE Steel Corporation) Jun. 2000 Director of Kawasaki Steel Corporation Apr. 2003 Senior Vice President of JFE Steel Corporation Apr. 2005 Representative Director, President and CEO of JFE Steel Corporation May 2006 Chairman of The Japan Iron and Steel Federation Apr. 2010 Representative Director, President and CEO of JFE Holdings, Inc. Apr. 2015 Director of JFE Holdings, Inc. Jun. 2015 Advisor of JFE Holdings, Inc. (to present) <Significant concurrent positions> Advisor of JFE Holdings, Inc. Reasons for nomination 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, will objectively evaluate the Company's management as a whole, and accordingly maintain a sound grasp of the inherent issues and risks facing the Company. We expect that he will provide useful advice on the Company's corporate management overall, and accordingly believe that he is the right person for the post of Outside Director.	0
8	Hiromi Tokuda (Nov. 25, 1948) <New> <Candidate for Outside Director> <Independent Officer>	Apr. 1971 Joined Nippondenso Co., Ltd. (currently DENSO CORPORATION) 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. (to present) Jun. 2014 Adviser, Senior Technical Executive of DENSO CORPORATION (to present) <Significant concurrent positions> Adviser, Senior Technical Executive of DENSO CORPORATION President and CEO, Representative Director of Nippon Soken Inc. 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, will objectively evaluate the Company's management as a whole, and accordingly maintain a sound grasp of the inherent issues and risks facing the Company. We expect that he will provide useful advice on the Company's corporate management overall, and accordingly believe that he is the right person for the post of Outside Director.	5,000

Notes:
1. There are no conflicts of interests between the Company and the above candidates for Directors.
2. Yukiko Kuroda, Hajime Bada, and Hiromi Tokuda are candidates for Outside Directors. The Company has designated Yukiko Kuroda as an independent officer who is 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 is reelected and Hajime Bada and Hiromi Tokuda are elected as Outside Directors, the Company will 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.
3. Yukiko Kuroda is currently Outside Director of the Company. At the close of this Ordinary General Meeting of Shareholders, she will have served as Outside Director for one (1) year.
4. Yukiko Kuroda concurrently serves as executive director of People Focus Consulting.
   In fiscal 2013, fiscal 2014 and 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 each of the respective fiscal years.
5. The Company has concluded a liability limitation contract with Yukiko Kuroda 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 is reelected as Outside Director, the Company will continue the said contract with her. If Hajime Bada and Hiromi Tokuda are elected as Outside Directors, the Company intends to conclude liability limitation contracts with them 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.
6. Yukiko Kuroda's name on the government family register is Yukiko Matsumoto.
7. On January 30, 2012 (U.S. time) during Hiromi Tokuda's tenure serving as Executive Vice President of DENSO CORPORATION, DENSO CORPORATION entered into a plea agreement with the United States Department of Justice based on charges that it had violated U.S. antitrust laws in connection with sales of certain automotive components to one of its customers.

(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. 4: Election of one (1) Corporate Auditor

As the term of office of Corporate Auditor Shigeru Iwabuchi 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, Positions at the Company, and Significant Concurrent Positions Outside the Company	Number of Shares of the Company Owned
Akio Ayukawa (Jan. 21, 1953) <New>	Apr. 1975 Joined the Company Jun. 2011 Executive Officer of the Company Business Sector President, Petrochemicals Business Sector Jun. 2012 Managing Executive Officer of the Company Business Sector President, Petrochemicals Business Sector Apr. 2014 Managing Executive Officer of the Company Jun. 2014 Member of the Board, Managing Executive Officer of the Company Apr. 2015 Member of the Board, Senior Managing Executive Officer of the Company Apr. 2016 Member of the Board of the Company (to present) Reasons for nomination Akio Ayukawa is well-versed across a wide range of Company operations, given his experience that includes purchasing and supply chain management, in addition to a wide range of businesses encompassing petrochemicals, basic chemicals and functional polymeric materials. Moreover, 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.	58,000

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

No. 5: Payment of bonuses for Directors

After having considered consolidated profit attributable to owners of parent, non-consolidated retained earnings brought forward, and dividends, based on the progress and achievements of earnings targets across the entire Group, we propose to pay bonuses for directors totaling ¥102,000,000 to seven (7) Directors (excluding Outside Directors). We request that the decision concerning the specific amounts of the bonuses for each Director be entrusted to the Board of Directors.

Consolidated Balance Sheet

(As of March 31, 2016)

(Millions of yen)

Item	Amount	Item	Amount
ASSETS	**1,258,948**	**LIABILITIES**	**815,711**
Current Assets:	**628,210**	**Current Liabilities:**	**364,259**
Cash and deposits	79,578	Notes and accounts payable-trade	118,331
Notes and accounts receivable-trade	245,345	Short-term loans payable	86,490
Inventories	240,686	Current portion of long-term loans payable	25,892
Deferred tax assets	11,007	Current portion of bonds	20,142
Accounts receivable-other	44,913	Lease obligations	62
Other current assets	7,480	Accounts payable-other	71,744
Allowance for doubtful accounts	(799)	Income taxes payable	5,886
		Provision for directors' bonuses	164
		Provision for repairs	8,129
		Provision for business structure improvement	234
		Other	27,185
Non-current Assets:	**630,738**	**Non-current Liabilities:**	**451,452**
Property, plant and equipment	**413,402**	Bonds payable	59,716
Buildings and structures, net	100,844	Long-term loans payable	279,583
Machinery, equipment and vehicles, net	112,876	Lease obligations	1,101
Land	157,697	Deferred tax liabilities	19,791
Construction in progress	31,307	Provision for directors' retirement benefits	277
Other	10,678	Provision for repairs	4,251
		Provision for environmental measures	786
		Provision for business structure improvement	2,648
Intangible assets	**40,173**	Net defined benefit liability	59,659
Goodwill	9,408	Asset retirement obligations	3,991
Software	4,458	Other	19,649
Other	26,307		
Investments and other assets	**177,163**	**NET ASSETS**	**443,237**
Investment securities	124,942	**Shareholders' Equity:**	**382,421**
Net defined benefit asset	17,571	Capital stock	125,053
Deferred tax assets	6,362	Capital surplus	90,847
Other	29,070	Retained earnings	181,128
Allowance for doubtful accounts	(782)	Treasury stock	(14,607)
		Accumulated Other Comprehensive Income:	**(450)**
		Valuation difference on available-for-sale securities	14,650
		Deferred gains or losses on hedges	(48)
		Foreign currency translation adjustments	8,930
		Remeasurements of defined benefit plans	(23,982)
		Non-controlling Interests:	61,266
Total	**1,258,948**	**Total**	**1,258,948**

Consolidated Statement of Income

(April 1, 2015 to March 31, 2016)

(Millions of yen)

Item	Amount	
Net sales:		**1,343,898**
Cost of sales:		**1,069,451**
Gross profit		**274,447**
Selling, general and administrative expenses:		**203,521**
Operating income		**70,926**
Non-operating income:		
Interest and dividends income	4,071	
Other	4,202	8,273
Non-operating expenses:		
Interest expenses	6,623	
Loss on suspension of operations	1,222	
Share of loss of entities accounted for using equity method	2,150	
Foreign exchange losses	1,929	
Other	4,092	16,016
Ordinary income		**63,183**
Extraordinary income:		
Gain on sales of non-current assets	1,236	
Gain on sales of investment securities	3,820	
Gain on transfer of business	3,738	8,794
Extraordinary losses:		
Loss on disposal of non-current assets	5,277	
Loss on sales of non-current assets	293	
Impairment loss	24,060	
Loss on restructuring of subsidiaries and affiliates	1,045	30,675
Profit before income taxes		**41,302**
Income taxes - current	15,840	
Income taxes - deferred	(4,005)	11,835
Profit		**29,467**
Profit attributable to non-controlling interests		6,504
Profit attributable to owners of parent		**22,963**

Consolidated Statements of Changes in Net Assets

(April 1, 2015 to March 31, 2016)

(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	91,065	165,408	(14,454)	367,072
Cumulative effects of changes in accounting policies			(212)		(212)
Restated balance	125,053	91,065	165,196	(14,454)	366,860
Changes during the term					
Cash dividends paid			(7,006)		(7,006)
Profit attributable to owners of parent			22,963		22,963
Acquisition of treasury stock				(161)	(161)
Disposal of treasury stock			(1)	8	7
Change in ownership interest of parent related to transactions with non-controlling interests		(218)			(218)
Change of scope of equity method			(24)		(24)
Net changes of items other than shareholders' equity					
Total changes during the term	–	(218)	15,932	(153)	15,561
Balance at the end of current period	125,053	90,847	181,128	(14,607)	382,421

	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	Remeasure-ments of defined benefit plans	Total accumulated other comprehen-sive income		
Balance at the beginning of current period	21,018	(331)	28,926	(10,450)	39,163	65,064	471,299
Cumulative effects of changes in accounting policies							(212)
Restated balance	21,018	(331)	28,926	(10,450)	39,163	65,064	471,087
Changes during the term							
Cash dividends paid							(7,006)
Profit attributable to owners of parent							22,963
Acquisition of treasury stock							(161)
Disposal of treasury stock							7
Change in ownership interest of parent related to transactions with non-controlling interests							(218)
Change of scope of equity method							(24)
Net changes of items other than shareholders' equity	(6,368)	283	(19,996)	(13,532)	(39,613)	(3,798)	(43,411)
Total changes during the term	(6,368)	283	(19,996)	(13,532)	(39,613)	(3,798)	(27,850)
Balance at the end of current period	14,650	(48)	8,930	(23,982)	(450)	61,266	443,237

Non-consolidated Balance Sheet

(As of March 31, 2016)

(Millions of yen)

Item	Amount	Item	Amount
ASSETS	**1,000,161**	**LIABILITIES**	**703,839**
Current Assets:	**349,902**	**Current Liabilities:**	**331,129**
Cash and deposits	45,204	Accounts payable-trade	68,401
Notes receivable-trade	277	Short-term loans payable	79,044
Accounts receivable-trade	143,024	Current portion of long-term loans payable	22,340
Merchandise and products	65,577	Current portion of bonds	20,000
Work in process	1,771	Lease obligations	11
Raw materials and supplies	30,493	Accounts payable-other	52,810
Advance payments	74	Accrued expenses	8,707
Prepaid expenses	1,122	Income taxes payable	792
Short-term loans receivable	4,787	Advances received	969
Deferred tax assets	4,526	Deposits received	71,087
Accounts receivable-other	51,808	Provision for directors' bonuses	105
Other	1,239	Provision for repairs	6,776
		Other	87
Non-current Assets:	**650,259**	**Non-current Liabilities:**	**372,710**
Property, plant and equipment	**257,671**	Bonds payable	59,000
Buildings	37,533	Long-term loans payable	244,984
Structures	20,308	Lease obligations	38
Machinery and equipments	50,868	Deferred tax liabilities	6,792
Vehicles	131	Provision for retirement benefits	40,417
Tools, furniture and fixtures	3,821	Provision for repairs	1,857
Land	142,099	Provision for environmental measures	786
Lease assets	49	Provision for business structure improvement	2,311
Construction in progress	2,862	Provision for loss on guarantees	1,184
Intangible assets	**4,118**	Asset retirement obligations	702
Goodwill	434	Other	14,639
Industrial property	1,088		
Other rights	106	**NET ASSETS**	**296,322**
Software	2,490	**Shareholders' Equity:**	**283,927**
Investments and other assets	**388,470**	**Capital stock**	**125,053**
Investment securities	42,268	**Capital surplus**	**93,783**
Shares of subsidiaries and affiliates	233,587	Legal capital surplus	93,783
Investment in capital	12,710	**Retained earnings**	**79,698**
Investment in capital of subsidiaries and affiliates	58,670	Legal retained earnings	12,506
Long-term loans receivable	1,269	Other retained earnings	67,192
Claims provable in bankruptcy, claims provable in rehabilitation and other	299	Reserve for dividends	10,000
Long-term loans receivable from subsidiaries and affiliates	2,572	General reserve	28,070
Long-term prepaid expenses	2,909	Retained earnings brought forward	29,122
Prepaid pension cost	33,650	**Treasury stock**	**(14,607)**
Other	3,280	**Valuation and Translation Adjustments:**	**12,395**
Allowance for doubtful accounts	(2,744)	Valuation difference on available-for-sale securities	12,395
Total	**1,000,161**	**Total**	**1,000,161**

Non-consolidated Statement of Income

(April 1, 2015 to March 31, 2016)

(Millions of yen)

Item	Amount	
Net sales:		**682,429**
Cost of sales:		**600,809**
Gross profit		**81,620**
Selling, general and administrative expenses:		**78,258**
Operating income		**3,362**
Non-operating income:		
Interest and dividends income	25,688	
Rent income	1,547	
Other	1,553	28,788
Non-operating expenses:		
Interest expenses	5,082	
Loss on suspension of operations	1,026	
Foreign exchange losses	833	
Other	3,161	10,102
Ordinary income		**22,048**
Extraordinary income:		
Gain on sales of non-current assets	1,167	
Gain on sales of investment securities	2,020	
Gain on sales of shares of subsidiaries and associates	335	
Gain on transfer of business	18,014	21,536
Extraordinary losses:		
Loss on disposal of non-current assets	4,376	
Loss on sales of non-current assets	288	
Impairment loss	2,709	
Loss on valuation of investment securities	8,554	
Loss on restructuring of subsidiaries and affiliates	1,015	16,942
Profit before income taxes		**26,642**
Income taxes - current	(2,847)	
Income taxes - deferred	30	(2,817)
Profit		**29,459**

Non-consolidated Statements of Changes in Net Assets

(April 1, 2015 to March 31, 2016)

(Millions of yen)

	Shareholders' equity							
	Capital stock	Capital surplus		Retained earnings			Treasury stock	Total shareholders' equity
		Legal 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	44,740	57,246	(14,454)	261,628
Changes during the term								
Cash dividends paid					(7,006)	(7,006)		(7,006)
Profit					29,459	29,459		29,459
Acquisition of treasury stock							(161)	(161)
Disposal of treasury stock					(1)	(1)	8	7
Net changes of items other than shareholders' equity								
Total changes during the term	–	–	–	–	22,452	22,452	(153)	22,299
Balance at the end of current period	125,053	93,783	93,783	12,506	67,192	79,698	(14,607)	283,927

	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	17,835	17,835	279,463
Changes during the term			
Cash dividends paid			(7,006)
Profit			29,459
Acquisition of treasury stock			(161)
Disposal of treasury stock			7
Net changes of items other than shareholders' equity	(5,440)	(5,440)	(5,440)
Total changes during the term	(5,440)	(5,440)	16,859
Balance at the end of current period	12,395	12,395	296,322

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	6,670	44,740
Changes during the term				
Cash dividends paid			(7,006)	(7,006)
Profit			29,459	29,459
Disposal of treasury stock			(1)	(1)
Total changes during the term	–	–	22,452	22,452
Balance at the end of current period	10,000	28,070	29,122	67,192

Guidance for the Exercise of Voting Rights via the Internet, etc.

Voting rights can be exercised via the Internet only on the website designated for exercising voting rights (http://www.web54.net), which can be accessed on a personal computer. When using this website, please read and confirm the following.

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

◆ Handling the exercise of voting rights

a. Voting rights shall be exercised via the Internet by no later than 5:40 p.m. on the day before the General Meeting of Shareholders.
b. 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 shall be deemed effective.
c. When voting rights are exercised via the Internet more than once, the last vote shall be deemed effective.

◆ Handling passwords

a. The password is used as a means to confirm that the person exercising his or her voting rights is the shareholder in question. You are advised to carefully store your password, the same as you would for a registered seal or personal ID code. We cannot accept inquiries about passwords over the telephone or by other means.
b. If you enter the wrong password more than a specified number of times, you will be locked out and unable to use your password. To have a new password issued to you after you are locked out, please follow the instructions on the display.

◆ System environment

To exercise voting rights via the Internet, the following system environment is required.
a. The display resolution must be 800 × 600 pixels (SVGA) or more.
b. The following applications must be installed:
(a) Microsoft® Internet Explorer Ver. 5.01 SP2 or later
(b) Adobe® Acrobat® Reader® Ver. 4.0 or later, or Adobe® Reader® Ver. 6.0 or later (when referring to reference materials or similar items on the display)
* Microsoft® and Internet Explorer are either registered trademarks or trademarks of Microsoft Corporation in the U.S. and other countries.
* Adobe® Acrobat® Reader® and Adobe® Reader® are either registered trademarks or trademarks of Adobe Systems Incorporated in the U.S. and other countries.
* These pieces of software are available free of charge on the website of the relevant company.
c. The aforementioned website uses a pop-up function. Hence, if your computer has a function to automatically block pop-ups, please switch that function off (or temporarily disable it) before accessing the website.
d. In case of accessing the Internet from companies, etc., communications via the Internet may be restricted if you have a firewall or similar in place. In this case, please contact the system administrator for assistance.

Inquiries about the operation of personal computers, etc.

- For inquiries regarding the operation of personal computers to exercise voting rights through the website above, contact the following:

  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)

- For other inquiries regarding your registered address, number of shares owned and the like, contact the following:

  Transfer Agent Business Center, Sumitomo Mitsui Trust Bank, Limited:
  Tel: 0120-782-031 (Toll free, within Japan only)
  (9:00 a.m. to 5:00 p.m. Japan time, except Saturdays, Sundays and Japanese national holidays)

Use of the electronic voting rights exercise platform (for institutional investors)

Institutional investors may use the electronic voting rights exercise platform operated by Investor Communications Japan Inc., as a means to exercise voting rights electronically, if they have made an application to use it in advance.